

U.S. NUCLEAR REGULATORY COMMISSION

DIRECTIVE TRANSMITTAL

TN: DT-07-03

To: NRC Management Directives Custodians

Subject: Transmittal of Directive 11.8, "NRC Procedures for Placement and Monitoring of Work With Federal Agencies Other Than the U.S. Department of Energy (DOE)"

Purpose: Directive and Handbook 11.8 are being revised in accordance with commitments made to the Commission through SECY-05-0159, "Improving Contract Management Activities." SECY-05-0159 required that MD 11.8 be modified by the end of 2006 to require consideration of past performance information before placing work with another Federal agency and to require the use of performance-based contracting techniques when developing statements of work for placement of work with other Federal agencies, as appropriate. MD 11.8 is also being modified to provide additional guidance to offices on project management, including monthly progress reviews and minimum documentation for the project file.

Office of Origin: Office of Administration

Contact: Joyce A. Fields, 301-415-6564

Date Approved: October 2, 2000 (**Revised: March 2, 2007**)

Volume: 11 Procurement

Directive: 11.8 NRC Procedures for Placement and Monitoring of Work With Federal Agencies Other Than the U.S. Department of Energy (DOE)

Availability: Rulemaking, Directives and Editing Branch
Office of Administration
Michael T. Lesar, 301-415-7163
Christy Moore, 301-415-7086

NRC Procedures for
Placement and
Monitoring of Work With
Federal Agencies Other
Than the U.S. Department
of Energy (DOE)

Directive
11.8

Contents

Policy	1
Objectives	1
Organizational Responsibilities and	
Delegations of Authority	2
Chairman	2
Executive Director for Operations (EDO)	2
Deputy Executive Director for Information Services and Administration and	
Chief Information Officer (DEDIA)	4
Office of Information Services (OIS)	4
Office of the Chief Financial Officer (OCFO)	5
Office of the Inspector General (OIG)	5
Office of the General Counsel (OGC)	6
Director, Office of Administration (ADM)	6
Office Directors and Regional Administrators or Designee (Offices	
Executing Interagency Agreements in Accordance With Delegations	
of Authority)	6
Director, Division of Planning, Budget, and Analysis (DPBA), OCFO	11
Director, Division of Financial Management (DFM), OCFO	11
Director, Division of Financial Services (DFS), OCFO	12
Director, Information and Records Services Division (IRSD), OIS	13
Director, Division of Contracts (DC), ADM, or Designee	13
Director, Division of Facilities and Security (DFS), ADM	15
Director, Division of Security Operations (DSO), Office of Nuclear	
Security and Incident Response (NSIR)	16
Applicability	16
Handbook	17
References	17



U. S. Nuclear Regulatory Commission

Volume: 11 Procurement

ADM

NRC Procedures for Placement and Monitoring of Work With Federal Agencies Other Than the U.S. Department of Energy (DOE) Directive 11.8

Policy (11.8-01)

It is the policy of the U.S. Nuclear Regulatory Commission to effectively manage work placed with other Federal agencies or their contractors pursuant to the provisions of the Economy Act of 1932, the Energy Reorganization Act of 1974, as amended, the Information Technology Management Reform Act of 1996 (also known as the Clinger/Cohen Act) and other relevant statutes authorizing an agency to perform work for other agencies. This authorization includes both the award and monitoring of work placed with other agencies, as well as the award and monitoring of interagency agreements.

Objectives (11.8-02)

- To ensure that procedures for negotiating and managing agreements with other Federal agencies are consistent with sound business practices and contracting principles. (021)
- To ensure uniform application of an agencywide standard of contract management for projects placed with other Federal agencies. (022)
- To ensure that a framework exists for program management control, administration, monitoring, and closeout of projects placed with other Federal agencies. (023)

Organizational Responsibilities and
Delegations of Authority
(11.8-03)

Chairman
(031)

- Reviews or approves prior to issuance any project placed with a Federal agency or modifications thereof in accordance with the limitations outlined in issued delegations of authority. (a)
- Reviews instances in which the process of executing an agreement produces cost estimates that are significantly different from the cost estimates that served as the basis for obtaining the Chairman's approval of the project. (b)
- Reviews any significant changes to agreements with Federal agencies that may have policy implications for the Commission (matters of a nature that may be sensitive, highly visible, have agencywide implications, or be otherwise of high interest to the Commission) regardless of the level of resources required to implement the change. (c)
- Reviews 5 working days in advance any impending terminations of any agreement previously approved by the Chairman. (d)

Executive Director for Operations (EDO)
(032)

- Submits to the Chairman, with a copy to the Commission, agreements requiring review or approval in accordance with limitations outlined in delegated authority. (a)
- Informs the Chairman, with a copy to the Commission, of instances in which the process of executing an agreement

Organizational Responsibilities and
Delegations of Authority
(11.8-03) (continued)

Executive Director for Operations (EDO)
(032) (continued)

produces cost estimates that are significantly different (20 percent or greater increase in total value) from the cost estimates that served as a basis for obtaining Chairman approval of the project. (b)

- Informs the Chairman, with a copy to the Commission, of any significant changes to agreements with Federal agencies that may have policy implications for the Commission (matters of a nature that may be sensitive, highly visible, have agencywide implications, or be otherwise of high interest to the Commission) regardless of the level of resources required to implement the change. (c)
- Informs the Chairman, with a copy to the Commission, 5 working days in advance, of any impending termination of any project or agreement previously approved by the Chairman. (d)
- Reviews requests for a waiver of Commission requirements on avoidance of organizational conflict of interest (OCOI) and approves or disapproves the request as appropriate. (e)
- Formally notifies the Commission within 5 working days once a determination has been made that a potential OCOI will require a waiver. (f)

Organizational Responsibilities and
Delegations of Authority
(11.8-03) (continued)

Deputy Executive Director for Information
Services and Administration and Chief
Information Officer (DEDIA)
(033)

- Serves as the agency's Chief Acquisition Officer. (a)
- Serves as the agency's Chief Information Officer. (b)
- Reviews projects requiring Chairman review or approval. (c)
- Reviews and makes recommendations regarding OCOI concerns with work placed or to be placed with other Federal agencies. (d)

Office of Information Services (OIS)
(034)

- Provides program guidance, advice, and assistance to NRC offices in obtaining information technology (IT) resources with other Federal agencies. (a)
- Reviews and approves documentation and interagency agreement for projects where IT resources (excluding IT supplies) are to be delivered to NRC or the NRC designee, in accordance with the requirements of NRC Management Directive (MD) 2.8, "Project Management Methodology (PMM)." (b)
- Reviews and approves interagency agreement projects that involve IT resources that exceed the threshold referred to in MD 2.8. (c)

Organizational Responsibilities and
Delegations of Authority
(11.8-03) (continued)

Office of Information Services (OIS)
(034) (continued)

- Reviews and concurs on Chairman review and approval papers for projects involving IT (software/hardware) acquisitions. (d)
- Provides support to NRC offices, as requested, in preparing the statement of work (SOW) and other documentation of agreements involving IT resource acquisitions. (e)
- Provides assistance to NRC offices, as requested, in the review and evaluation of proposals for agreements involving IT resources. (f)

Office of the Chief Financial Officer (OCFO)
(035)

Reviews and concurs on Chairman review and approval papers.

Office of the Inspector General (OIG)
(036)

- Investigates allegations of fraud, waste, or abuse within the acquisition process. (a)
- Audits interagency processes. (b)
- Provides annual fraud awareness briefings to all NRC Project Managers (PMs). (c)
- Investigates reported violations of NRC's OCOI rules under active agreements with other Federal agencies. (d)

Organizational Responsibilities and Delegations of Authority
(11.8-03) (continued)

Office of the General Counsel (OGC)
(037)

- When requested, reviews and makes recommendations regarding any legal questions arising over work placed with other Federal agencies. (a)
- Reviews and makes recommendations regarding OCOI concerns with work placed with other Federal agencies. (b)
- Reviews projects requiring Chairman review or approval for legal objection. (c)

Director, Office of Administration (ADM)
(038)

- Develops and directs policies and programs for obtaining goods and services under agreements with other Federal agencies. (a)
- Serves as the agency's Senior Procurement Executive as required by Executive Order 12352, "Federal Procurement Reforms." (b)

Office Directors and Regional Administrators or Designee (Offices Executing Interagency Agreements in Accordance With Delegations of Authority)
(039)

- Execute, modify, and settle claims and terminations under orders and agreements with other agencies; approve

Organizational Responsibilities and
Delegations of Authority
(11.8-03) (continued)

Office Directors and Regional
Administrators or Designee (Offices
Executing Interagency Agreements in
Accordance With Delegations of
Authority)
(039)

determination and finding required for interagency agreement actions under the Economy Act of 1932, Energy Reorganization Act of 1974 (as amended), or other authority, in accordance with delegated authority. (a)*

- Submit to the Chairman, through OEDO, with a copy to the Commission, agreements and/or projects requiring review or approval in accordance with limitations outlined in delegated authority. (b)
- Inform the Chairman, through OEDO, with a copy to the Commission, of instances in which the process of executing an agreement produces cost estimates that are significantly different (20 percent or greater increase in total value) from the

*The following offices have authority to award, extend, modify, and terminate interagency agreements. Authority source is cited:

EDO Delegation of Authority from Chairman dated 1-24-05
CFO Delegation of Authority from Chairman dated 1-28-05
OIS Delegation of Authority from EDO dated 1-27-05
NRR Delegation of Authority from EDO dated 1-27-05
NSIR Delegation of Authority from EDO dated 1-27-05
RES Delegation of Authority from EDO dated 1-27-05
NMSS Delegation of Authority from EDO dated 1-27-05
ADM Delegation of Authority from EDO dated 1-27-05
HR Delegation of Authority from EDO dated 1-27-05

Other specific delegations may be issued at the discretion of the Chairman and the EDO.

Approved: October 2, 2000

(Revised: March 2, 2007)

Organizational Responsibilities and Delegations of Authority
(11.8-03) (continued)

Office Directors and Regional Administrators or Designee (Offices Executing Interagency Agreements in Accordance With Delegations of Authority)
(039) (continued)

cost estimates that served as a basis for obtaining the Chairman's approval of the agreement. (c)

- Inform the Chairman, through OEDO, with a copy to the Commission, of any significant changes to agreements with Federal agencies that may have policy implications for the Commission (matters of a nature that may be sensitive, highly visible, have agencywide implications, or be otherwise of high interest to the Commission) regardless of the level of resources required to implement the change. (d)
- Inform the Chairman, through OEDO, with a copy to the Commission, 5 working days in advance, of any impending termination of any agreement previously approved by the Chairman. (e)
- Ensure timely development of an office advance procurement plan (APP) and updates thereto. (f)
- Appoint an Office Associate Competition Advocate. (g)
- Appoint PMs for interagency agreements and ensure they attend training consistent with agency guidelines. (h)

Organizational Responsibilities and
Delegations of Authority
(11.8-03) (continued)

Office Directors and Regional
Administrators or Designee (Offices
Executing Interagency Agreements in
Accordance With Delegations of
Authority)
(039) (continued)

- Ensure that PMs establish performance measures for interagency agreement pre-award planning and post-award management consistent with the size and complexity of a proposed agreement. (i)
- Ensure that the project does not unnecessarily duplicate or overlap with other NRC work proposed, in progress, or completed. (j)
- Issue a request for proposal to other Federal agencies for interagency agreements to be issued. (k)
- Authorize and issue NRC Form 662, "Award of Interagency Agreement" (available on the online forms icon), and accompanying attachments. (l)
- Ensure that the proposed work complies with OCOI requirements. (m)
- Review and sign requests for a waiver of Commission requirements for avoidance of an OCOI. (n)
- Inform the Chairman, through OEDO, with a copy to the Commission, of OCOI waiver requests, and the circumstances underlying waiver decisions, that raise sensitive, highly visible, or agencywide implications for agreements previously approved or reviewed by the Chairman. (o)

Organizational Responsibilities and Delegations of Authority
(11.8-03) (continued)

Office Directors and Regional Administrators or Designee (Offices Executing Interagency Agreements in Accordance With Delegations of Authority)
(039) (continued)

- Ensure early involvement of the Division of Contracts (DC) and, where appropriate, OCFO representatives in the planning and preparation of supporting documents for new interagency agreements with an average estimated annual cost of \$1 million or more that require review and approval of the Director of DC. (p)
- Ensure appropriate review and approval of agreements involving IT resources. (q)
- Ensure proper certification of funds availability, as described in MD 4.2, "Administrative Control of Funds," before placement of work with another Federal agency. (r)
- Ensure the effective and timely review of vouchers for reasonableness, accuracy, and timely approval. (s)
- Ensure that agreements are properly awarded, monitored, and closed out and that project results are properly analyzed, evaluated, and disseminated. (t)
- Provide the original of the executed interagency agreement to the Division of Financial Services (DFS), OCFO, within 2 business days of receipt. (u)
- Provide a copy of all active memoranda of understanding (MOUs) to DC, ADM, for inventory purposes. (v)

Organizational Responsibilities and
Delegations of Authority
(11.8-03) (continued)

Office Directors and Regional
Administrators or Designee (Offices
Executing Interagency Agreements in
Accordance With Delegations of
Authority)
(039) (continued)

- Provide a copy of the executed interagency agreement to DC, ADM, for inventory purposes. (w)

Director, Division of Planning, Budget,
and Analysis (DPBA), OCFO
(0310)

- Issues approved Advice of Allowances and Financial Plan to allowance holders. (a)
- Reviews and concurs for the CFO on Chairman review and approval papers involving work placed with other Federal agencies through interagency agreements. (b)

Director, Division of Financial
Management (DFM), OCFO
(0311)

- Determines valid accrued costs and records the accrued costs in the accounting system. (a)
- Maintains records of outstanding unexpended obligations and unliquidated advance payments, and provides reports to the NRC offices. (b)

Organizational Responsibilities and
Delegations of Authority
(11.8-03) (continued)

Director, Division of Financial
Management (DFM), OCFO
(0311) (continued)

- Establishes job codes in the agency accounting system upon request by NRC offices. (c)
- Provides a monthly report to offices of projects with no billing activity for 6 months or more. (d)

Director, Division of Financial
Services (DFS), OCFO
(0312)

- Records obligations against agreements that have been accepted by the servicing agency and forwarded to DFS and ensures use of valid accounting citation, including job code, budget object classification code, and budget and reporting (B&R) number. Maintains copies of NRC agreements as official obligating documents. (a)
- When appropriate, receives notice through the U.S. Treasury on the Interagency Payment and Collection (IPAC) system that an electronic funds transfer from NRC to reimburse the servicing agency has occurred, sends the approval form(s) with any supporting documentation to the office certifying official for review and approval, follows up on timely return of forms, and maintains the signed approval forms on file. (b)
- Assists offices to identify erroneous billings. (c)
- Approves in writing any proposed interagency agreement that provides for making advance payments. (d)

Organizational Responsibilities and
Delegations of Authority
(11.8-03) (continued)

Director, Information and Records
Services Division (IRSD), OIS
(0313)

- Develops and issues instructions in conjunction with NRC offices and the servicing agency for the preparation of reports published in the NUREG series. (a)
- Prints and distributes reports as specified by the interagency agreement, including all reports required by the SOW that are to be made publicly available. (b)
- Issues NUREG-series numbers and maintains pertinent records. (c)
- Ensures that interim and final reports are electronically submitted to the Agencywide Documents Access and Management System (ADAMS). (d)
- Advises offices on the preparation and handling of documents containing sensitive unclassified non-safeguards information (SUNSI). (e)

Director, Division of Contracts (DC),
ADM, or Designee
(0314)

- Serves as the alternate Chief Acquisition Officer. (a)
- Serves as Agency Competition Advocate. (b)
- As requested by offices, awards and monitors interagency agreements. (c)

Organizational Responsibilities and
Delegations of Authority
(11.8-03) (continued)

Director, Division of Contracts (DC),
ADM, or Designee
(0314) (continued)

- Oversees program office placement and monitoring of agreements. (d)
- Reviews new projects, or modifications adding new work, with an average estimated annual cost of \$1 million or more to ensure that placing the work with another Federal agency is appropriate and in the NRC's best interest. (e)
- Reviews and concurs on Chairman review and approval papers by reviewing papers and providing independent assessment to ensure that placing the agreement/work with a Federal agency is appropriate and in NRC's best interest and that the office has prepared a detailed SOW. (f)
- Interacts with offices through meetings of agencywide user group members to establish and maintain an agencywide standard. (g)
- Oversees office placement and monitoring of interagency agreements through periodic reviews of selected project files to ensure compliance with applicable regulations and sound business practices. Provides constructive feedback to the supporting office, including specific findings and recommendations for improvement. (h)
- Prepares MDs and guidance memoranda for agreements placed with other Federal agencies. (i)

Organizational Responsibilities and
Delegations of Authority
(11.8-03) (continued)

Director, Division of Contracts (DC),
ADM, or Designee
(0314) (continued)

- Maintains a central inventory of all active agency, interagency agreements and MOUs. (j)
- Establishes policy in conjunction with OGC and the offices to ensure resolution of all OCOI concerns involving agreements. (k)
- Designs, develops, and implements the agencywide contract and acquisition training curriculum and course materials, with the assistance of the Office of Human Resources (HR) and other NRC offices. (l)
- Ensures appropriate training is available to agency staff responsible for management of interagency agreements. (m)
- Develops and directs policies and programs for contracting and procurement services for agreements with Federal agencies. (n)
- For agreements awarded by DC, executes and modifies agreement actions and settles claims and terminations. (o)

Director, Division of Facilities and
Security (DFS), ADM
(0315)

- Obtains facility clearance for classified projects from the appropriate security organization and notifies the NRC office of this clearance. (a)

Organizational Responsibilities and Delegations of Authority
(11.8-03) (continued)

Director, Division of Facilities and Security (DFS), ADM
(0315) (continued)

- Processes security clearance and/or access authorization requests for individuals, as needed, in the performance of their classified or sensitive unclassified duties under an interagency agreement. (b)
- Advises NRC offices on the preparation and handling of documents containing classified information or proprietary and other sensitive unclassified information. (c)
- Reviews and approves NRC Form 187, "Contract Security and/or Classification Requirements" (available on the online forms icon). (d)

Director, Division of Security Operations (DSO), Office of Nuclear Security and Incident Response (NSIR)
(0316)

Advises offices on the preparation and handling of documents containing Safeguards Information.

Applicability
(11.8-04)

- The policy and guidance in this directive and handbook apply to all NRC employees who are involved with placing and monitoring agreements with other Federal agencies. These duties include the use of Governmentwide agency contracts and multi-agency contracts. (a)

Applicability
(11.8-04) (continued)

- This directive does not cover contracts with the private sector and does not apply to the schedule contracts of the General Services Administration (see MD 11.1, "NRC Acquisition of Supplies and Services") or work orders placed with the U.S. Department of Energy (DOE) and its laboratories (see MD 11.7, "NRC Procedures for Placement and Monitoring of Work With the U.S. Department of Energy [DOE].") Further, grants and cooperative agreements are covered under MD 11.6, "Financial Assistance Programs." (b)
- This directive does not cover interagency agreements for reimbursable work performed by NRC for others or interagency employee details to or from other agencies. Refer to MD 4.2, "Administrative Control of Funds," for additional guidance on these type agreements and services. (c)

Handbook
(11.8-05)

Handbook 11.8 provides guidance, procedures, and management controls for placement and monitoring of work with other Federal agencies. It focuses on the award and administration of various agreements and instruments to accomplish the NRC's mission.

References
(11.8-06)

Code of Federal Regulations

"Criteria and Procedures for Determining Eligibility for Access to Restricted Data or National Security Information or an Employment Clearance," 10 CFR Part 10.

"Federal Acquisition Regulation," 48 CFR Part 1.

References

(11.8-06) (continued)

Executive Orders

10865, "Safeguarding Classified Information Within Industry," February 24, 1960.

12352, "Federal Procurement Reforms," March 17, 1982.

12829, "National Industrial Security Program," January 6, 1993.

12958, "Classified National Security Information," April 17, 1995.

12968, "Access to Classified Information," August 8, 1996.

Other Documents

Government Accountability Office's (GAO's) Policy and Procedures Manual, "Title 7, Fiscal Guidance."

Office of Personnel Management (OPM) "Qualification Standards Operating Manual" (Occupational Series 1102).

National Industrial Security Program Operating Manual (NISPOM) and Supplement.

NRC Documents

Memorandum from Chairman Diaz, "Delegation of Contractual Authority," January 24, 2005.

Memorandum from Chairman Diaz, "Delegation of Contractual Authority," January 28, 2005.

References

(11.8-06) (continued)

Memorandum from the Executive Director for Operations,
"Delegation of Contractual Authority," January 27, 2005.

NRC Bulletin 0904-4, "NRC Computer Software Policy,"
April 28, 1989.

NRC Management Directives

2.8, "Project Management Methodology (PMM)."

3.7, "NUREG-Series Publications."

3.9, "NRC Staff and Contractor Speeches, Papers, and
Journal Articles on Regulatory and Technical Subjects."

3.11, "Conferences and Conference Proceedings."

3.53, "NRC Records and Document Management Program."

4.1, "Accounting Policy and Practices."

4.2, "Administrative Control of Funds."

7.4, "Reporting Suspected Wrongdoing and Processing
OIG Referrals."

10.6, "Use of Consultants and Experts."

11.1, "NRC Acquisition of Supplies and Services."

11.6, "Financial Assistance Program."

11.7, "NRC Procedures for Placement and Monitoring of
Work With the U.S. Department of Energy (DOE)."

References

(11.8-06) (continued)

12.2, "NRC Classified Information Security Program."

12.3, "NRC Personnel Security Program."

12.5, "NRC Automated Information Security Program."

12.6, "NRC Sensitive Unclassified Information Security Program."

NRC NUREGs

0650, "Publishing Documents in the NUREG Series."

0794, "Protection of Unclassified Safeguards Information: Criteria and Guidance."

0910, "NRC Comprehensive Records Disposition Schedule."

BR-0167, "Software Quality Assurance Program and Guidelines."

United States Code

Atomic Energy Act of 1954, as amended (42 U.S.C. 2011 et seq.).

Economy Act of 1932, as amended (31 U.S.C. 1535).

Energy Reorganization Act of 1974, as amended (42 U.S.C. 5801 et seq.).

"Gathering, Transmitting or Losing Defense Information" (18 U.S.C. 793).

References

(11.8-06) (continued)

Information Technology Management Reform Act of 1996,
Pub. L. 104-106, August 8, 1996 (also known as the
Clinger/Cohen Act of 1996).

Inspector General Act (5 U.S.C. App. 3).

Resource Conservation and Recovery Act, October 21, 1976
(42 U.S.C. 6901).

NRC Procedures for
Placement and
Monitoring of Work With
Federal Agencies Other
Than the U.S. Department
of Energy (DOE)

Handbook

11.8

Contents

Part I

Introduction	1
Acquiring Services From Other Agencies or Other Agency Contractors (A) ..	1
Project Management for Interagency Agreements (B)	2
Assessment of Level of Documentation Required for Interagency Agreements (C)	6
Office Associate Competition Advocate (D)	6

Part II

Presolicitation Activities	8
Planning and Initiation (A)	8
Developing the Statement of Work (SOW) (B)	8
Performance-Based SOW (C)	9
Instructions for Each Element of the SOW (D)	11
Background (1)	12
Objectives (2)	12
Scope of Work (3)	12
Technical and Other Special Qualifications (4)	13
Level of Effort (5)	13
Period of Performance (6)	14
Meetings and Travel (7)	14
NRC-Furnished Material (8)	14
Considerations for Developing Systems (9)	14
Federal Information Security Management Act (FISMA) Compliance (10) .	15
Acquired Material, Equipment, or Software (11)	15
Schedule and/or Milestones for Deliverables (12)	15
Justification for Acquiring the Services of Another Federal Agency or Its Contractor (E)	16
Independent Government Cost Estimate (IGCE) (F)	17
Conflict of Interest (COI) (G)	17
Procedures for Requesting an Executive Director for Operations (EDO) Waiver of Commission Requirements on Avoidance of Organizational Conflict of Interest (OCOI) (H)	19
Method of Acquiring Information Technology (IT) Resources (I)	22

Contents (continued)

Review of SOW and Justification (J)	24
Special Considerations (K)	26
Using the Servicing Agency's Contractor (1)	26
Required Federal Sources and Use of Another Federal Agency's Forms (2)	27
Advance Payments for Interagency Agreements (3)	28
Security (4)	29
Task Order Agreements (5)	37
Governmentwide Acquisition Contract and Multiple Award Contract (6) ..	40
Unsolicited Proposals (7)	41
 Part III	
Proposal Preparation and Submittal	43
Request for Proposal (RFP) (A)	43
Proposal Format (B)	43
Proposal Narrative Content	43
Proposal Evaluation and Negotiation of Terms and Cost (C)	46
Proposal Evaluation (1)	46
Proposal Evaluation/Past Performance (2)	47
Discussions and Negotiations (3)	47
Summary of Negotiations (4)	47
 Part IV	
Work Authorization	48
Content of Interagency Agreement (A)	48
Required Data and Information (1)	48
Standard Terms and Conditions (2)	51
 Part V	
Administration of Interagency Agreements	59
Project Monitoring (A)	59
NRC-Furnished Documents and Materials (B)	60
Review and Analysis of Status Reports (C)	60

Contents (continued)

Modifications to Projects (D)	63
Monitoring the Servicing Agency's Performance/Past Performance (E)	64
Property Management Procedures (F)	64
General (1)	64
Purchase of Additional NRC-Funded Software or Property (2)	67
Funds Control Responsibilities (G)	67
Responsibilities of Each NRC Office (1)	67
Recording Commitments and Obligations (2)	68
Acceptance of Deliverables (3)	69
Final Past Performance Evaluation (4)	69
Official Project File (H)	70
Project File Content (1)	70
Office Project File Disposition (2)	72
File Reviews (I)	72
Part VI	
Closing Out Interagency Agreements	73
Closing Out the Project (A)	73
Work Completion (B)	73
Abbreviations	75
Exhibits	
1 Determinations and Findings (D&F) for Entering Into an Agreement With Another Federal Agency	76
2(a) Letter Requesting Another Agency's Proposal	77
2(b) Letter Requesting a Revised Agency Proposal (Optional)	79
3 Transmittal Letter for New Agreement (Optional)	80
4 Transmittal Letter for Ongoing Agreement (Optional)	81
5 Status Report Requirements	82
6 Interagency Payment and Collection (IPAC) Form (Bills Charged to NRC) .	89
7 Voucher and Schedule of Withdrawals and Credits (SF Form 1081)	90
8 Waiver of Commission Requirements on Avoidance of Organizational Conflict of Interest for a Project (Template)	91
9 File Review Checklist for Interagency Agreements	92

Part I Introduction

This handbook prescribes agencywide standards for placing and monitoring work with other Federal agencies or the contractors of other agencies. (Note: Interagency agreements for which NRC is performing work for other Federal agencies are generally referred to as "reimbursable agreements" and are addressed in Part VIII of the handbook to Management Directive (MD) 4.2, "Administrative Control of Funds.")

Acquiring Services From Other Agencies or Other Agency Contractors (A)

Services may be acquired by the following agreements and instruments: (1)

- Interagency agreement. An agreement between Federal agencies under which goods or services are provided in exchange for payment. (a)
- Governmentwide acquisition contracts and multiple award contracts. Vehicles for placing orders for information technology (IT) equipment and services under another agency's contract. Under the Information Technology Management Reform Act (also known as the Clinger/Cohen Act), the Office of Management and Budget (OMB) designates an agency to serve as an executive agency with the authority to enter into a contract for IT equipment and services. (b)
- Memorandum of understanding (MOU). An MOU is a written agreement broadly stating basic understandings and describing a mechanism for coordinating activities to be engaged in by NRC and an outside agency. If goods or services are requested by NRC, the MOU would normally be followed by an agreement document that provides for ordering

Acquiring Services From Other Agencies or Other Agency Contractors (A) (continued)

and funding specific goods or services in accordance with the format, policy, and procedures in this handbook. The MOU is generally not a binding agreement. The signature authority MOUs should be at no level lower than the delegation of authority for interagency agreements (see "Organizational Responsibilities and Delegations of Authority" (11.8-03), Section (039) footnote for Delegations of Authority). (c)

Project Management for Interagency Agreements (B)

NRC follows an agencywide standard for project management that applies to interagency agreements with other Federal agencies and commercial contracts. Application of the standard affords an orderly, fully documented process and ensures that NRC offices carry out their project management responsibilities in a consistent manner. (1)

- Project management consists of management of all aspects of a project, including the technical, cost, and administrative functions. (a)
- To accomplish these varied functions, Project Managers (PMs) shall complete the project management acquisition training and become an NRC certified PM in order to serve as PMs of interagency agreements. OMB, Office of Federal Procurement Policy, outlines the training requirements for the acquisition workforce, which includes PMs. To acquire these skills, NRC requires all PMs receive mandatory training in order to become an NRC certified PM. The PM acquisition training curriculum focuses on the NRC environment and consists of training modules and an online Web-based refresher training course. Basic certification as an NRC PM requires completion of mandatory training module workshops or modules. Collectively,

Project Management for Interagency Agreements (B) (continued)

these training modules provide PMs with the knowledge and background necessary to properly manage an agency project initiated with another Federal agency. It is the responsibility of the PM and the PM's manager to ensure that all mandatory training requirements are met prior to assignment of any acquisition assignments, including an interagency agreement project. NRC offices are required to contact the Division of Contracts (DC), ADM, for information and guidance on the request and approval of waivers to training requirements. Information on the mandatory training modules is located at <http://www.internal.nrc.gov/ADM/AcquisitionTraining.html>. (b)

The principles of sound project management are inherent in the following practices: (2)

- Preparation and approval of required justifications for placement of work with another Federal agency (a)
- Preparation of required documents in compliance with Chairman review or approval requirements as specified in the office delegations and pertinent guidance (b)
- Development of a statement of work (SOW) with specific tasks to be performed by another Federal agency or its contractor that include the period of performance, specific identification of deliverable products, content requirements for reports (status and others), and delivery schedules for each task (c)
- Preparation of an independent Government cost estimate to be used in evaluating another Federal agency's proposal (d)
- Evaluation of the adequacy of the servicing agency's technical and cost proposals to meet project objectives (e)
- Identify any technical or cost concerns for discussion (f)

Project Management for Interagency Agreements (B) (continued)

- Negotiation of a fair and reasonable project cost (g)
- Preparation of a summary of negotiations detailing the basis for project agreements between the parties and the determination of cost reasonableness (h)
- Preparation of a clear, enforceable agreement articulating the obligations of each party (i)
- Certification of funds availability before execution of the agreement and obligation of funds authorizing performance of work (j)
- Performance of systematic technical and cost monitoring of projects, using spending plans as baselines for measuring progress versus cost (k)
- Resolution of technical/contractual concerns to allow for timely delivery and effective implementation of the contracted goods and services (l)
- Documentation of results or outcome against expectations and requirements at the time the project is completed, including technical performance and specific deliverables received (m)
- Evaluate potential for organizational conflict of interest (OCOI) (n)
- Timely referral of information that suggests a reasonable basis for suspicion of fraud, corruption, or unlawful activity affecting NRC's agreements to the NRC's Office of the Inspector General (Fraud awareness training is provided to all assigned PMs.) (o)

Project Management for Interagency
Agreements (B) (continued)

- Review and analyze spending plan updates for variances of greater than 20 percent of project costs to determine if required work is projected to be within schedule and estimated costs (p)
- Initiate action to prevent or mitigate schedule delays and cost overruns (q)
- Provide technical direction and guidance to the servicing agency (r)
- Issue modification(s) to the SOW and agreement, as necessary (s)
- Issue stop-work order(s) or notice of termination of projects, as appropriate, for cases in which performance is unsatisfactory, project results are no longer needed by NRC, or an OCOI exists and the existing work is to be placed with another source (t)
- Review, evaluate, and approve all deliverables for technical sufficiency and provide comments, as appropriate, in a timely manner (u)
- Ensure that required documents are filed in the office project file in accordance with this handbook (v)
- Approve final acceptance of deliverables (w)
- Prepare a written evaluation of the servicing agency's performance on the project (x)
- Timely deobligation of excess funds and completion of closeout activities (Deobligation will generally occur within 90 days of identification of availability of such funds.) (y)

Assessment of Level of Documentation Required for Interagency Agreements (C)

Pre-award documentation and processes for the establishment of interagency agreements typically involve preparation of the SOW, calculation of an independent Government cost estimate, submission of a request for proposal, proposal evaluation, negotiation of project terms and conditions, and cost. (1)

However, certain circumstances may result in a streamlined process where some or most of the above processes and documentation requirements are not necessary. For example, an interagency agreement with the U.S. Department of the Treasury for debt management services would not require preparation of the SOW or a detailed Government cost estimate because debt collection services and rates are predetermined. (2)

In instances in which rates and/or services are predetermined, or when a required Federal source is used, the degree of documentation required varies, and in all cases is less than the full complement of documentation necessary for interagency agreements that have no predetermined features. The determination of the degree of documentation necessary, therefore, requires judgment and good business sense. The cognizant division director or designee would typically make the decision on the number of processes and degree of documentation needed for a given interagency agreement. (See Part II, Section (K)(2)(a), of this handbook for a more detailed discussion of required Federal sources.) (3)

Office Associate Competition Advocate (D)

Each office has one or more assigned Associate Competition Advocate (ACA). The NRC ACA is designated in writing by the NRC office director or designee. (1)

Office Associate Competition
Advocate (D) (continued)

The NRC Office ACA is responsible for reviewing the PM's written justification for placing work with another Federal agency and the project SOW to determine whether the facts and rationale presented by the NRC PM support the criteria for placement of work with another Federal agency in accordance with this handbook. The PM is responsible for the basis of the justification and the supporting background information and knowledge of the technical field. The ACA also ensures that the justification and SOW are adequate before recommending that the office director or designee approve or disapprove the placement of work with another Federal agency. (2)

For a project or projects with a cost of \$1 million or more, the Office ACA acts to ensure that work does not unnecessarily duplicate or overlap with other NRC projects already proposed, in progress, or completed. When appropriate, the NRC Office ACA also recommends alternate sources to accomplish the work. (3)

ACAs are required to attend the "Overview" acquisition training module every 3 years. (4)

Part II

Presolicitation Activities

Planning and Initiation (A)

Planning for the acquisition of goods or services begins with the identification of a need. (1)

Planned interagency agreements, modifications to existing agreements, and task orders must be included in the NRC office Advance Procurement Plan (APP) and updates to the APP. The APP is an annual plan that identifies projects and/or work to be completed through a procurement process. (2)

A Project Manager (PM) should first determine whether an APP covering the agreement and/or work has previously been prepared, and if it has, the PM should review and update the APP. If no previous APP exists for the agreement, modification, or task order, a new APP should be developed. (3)

The PM obtains appropriate approvals, including funding levels for the project, prior to submitting the APP. The APP is submitted by each office using an electronic format provided by the Division of Contracts (DC), ADM. (4)

Developing the Statement of Work (SOW) (B)

The PM is responsible for preparing and processing for approval the justification for placement of work with another Federal agency. (1)

The NRC office is responsible for preparation of required documents in compliance with Chairman review or approval requirements, as specified in the office delegation and pertinent guidance. (2)

Developing the Statement of Work (SOW) (B) (continued)

The PM is responsible for developing the SOW, which serves as the foundation for every agreement. All other elements of an agreement evolve around it. (3)

The SOW describes the overall technical requirement and provides the other Federal agency with the essential information needed to prepare a proposal. It contains introductory and background material, the tasks to be performed, the items or equipment to be developed, the technical and management data to be delivered under the agreement together with the delivery schedule. The SOW also may contain discussions of technical problems, technical guidelines, and suggested approaches and methodologies to resolve problems. It should include research references, related information, and other data that, in the judgment of the requiring NRC office, will assist the servicing agency in preparing a technical proposal. (4)

After an agreement has been reached, the requirements set forth in the SOW constitute the definitive standard for measuring the servicing agency's performance. Problems during performance are often traceable to the approach, terminology, and content of the SOW. Regardless of other communication between NRC and the servicing agency as the work progresses, the parties must look to the language of the SOW as the final determinant of scope, responsibilities, and obligations. (5)

Performance-Based SOW (C)

A performance-based SOW is preferred. A performance-based SOW emphasizes the purpose of the work to be performed, with the contract requirements set forth in clear, specific, and objective terms with measurable outcomes, as opposed to either broad and imprecise statements of work on how the work is to be performed. (1)

Performance-Based SOW (C) (continued)

A performance-based SOW is an approach based on performance specification. A performance-based SOW ensures that all aspects of the project are structured around the purpose of the work to be performed rather than either the manner by which it is to be done or broad and imprecise SOWs. The requirements are set forth in clear, specific, and objective terms with measurable outcomes. A performance-based SOW does not describe how the work is to be done. Performance-based methods are intended to ensure that required performance is achieved and that total payment is related to the degree to which services performed meet SOW standards. (2)

Performance-based SOWs should contain the following: (3)

- Requirements described in terms of results required rather than the methods of performance of the work; (a)
- Measurable performance standards (i.e., terms of quality, timeliness, quantity, etc.) used to assess work performance; and (b)
- Quality assurance surveillance plans, also known as performance assessment plans. (c)

Performance-based SOWs should— (4)

- Define requirements in clear, concise language identifying specific work to be accomplished in terms of “what” is to be the required output rather than “how” the work is to be accomplished. (a)
- Rely on the use of measurable performance standards and acceptance criteria. (b)

NRC quality assurance surveillance shall be performed when necessary to determine that the servicing agency’s services

Performance-Based SOW (C) (continued)

conform to agreement requirements. The PM can achieve quality assurance surveillance by regularly meeting with or speaking to the technical staff working on the project and by carefully reviewing the monthly letter status reports submitted by the servicing agency. (5)

Samples of performance work statements (PWSs) are located on NRC's internal Web site (<http://www.internal.nrc.gov/ADM/AcquisitionTraining.html>). (6)

NRC Management Directive (MD) and Handbook 11.1, "NRC Acquisition of Supplies and Services," requires the use of Performance-Based Acquisitions (PBAs) and provides detailed information on PBAs in Part 5, Section 5.4, and Part 6, Section 6.1 (<http://www.internal.nrc.gov/ADM/AcquisitionTraining.html>), and also externally (<http://www.nrc.gov/reading-rm/doc-collections/management-directives/volumes/vol-11.html>). (7)

The Web site for the "Seven Steps to Performance-Based Services Acquisition" (http://www.acquisition.gov/comp/seven_steps/home.html) also offers useful guidance in this area. (8)

Instructions for Each Element of the SOW (D)

For all agreements, the SOW must contain the following information:

Project Title

Job Code Number

B&R (Budget and Reporting) Number

BOC (Budget Object Classification) Code

TAC (Technical Assignment Control) Number (If work is fee-recoverable)

Docket Number (If work is fee-recoverable)

Fee-Recoverable or Non-Fee-Recoverable

Instructions for Each Element
of the SOW (D) (continued)

NRC Issuing Office
NRC PM's Name
NRC PM's Telephone Number
Servicing Agency
NRC Technical Monitor(s)' (TM(s)') Name(s)
NRC TM(s)' Telephone Number(s)

Background (1)

Include a brief statement of the purpose of the work and discussions of pertinent work previously accomplished (if applicable), any technical problems, suggested approaches, possible methodologies for problem solution, and expected results. Provide explanations or constraints necessary to understand the requirement; how the requirement arose and its relationship to previous, concurrent, and future programs; and details that reveal the purpose and significance of the requirement. (a)

Provide a well-written brief discussion of the various aspects of the technical problem requiring solution to set the stage for preparation of a technical proposal. Include statements on the importance of the new work, along with techniques that have been tried and found effective. (b)

Objectives (2)

Describe the expected results to be obtained and how the end product(s) will be used.

Scope of Work (3)

The scope of work section should provide an objective and concise description of the work required. The scope of work should provide the specifics of what NRC needs, what deliverables

Instructions for Each Element
of the SOW (D) (continued)

Scope of Work (3) (continued)

will be expected, and the due dates. Specific tasks to be performed should be delineated and should include required actions of the servicing agency and a description of all required deliverables. The NRC PM shall identify in the SOW when the requested work is fee-billable. (a)

State exactly what work needs to be done so that the servicing agency has a clear understanding of NRC's expectations. If an SOW is unclear, the costs could be underestimated, resulting in a potential cost overrun. If this happens, the PM will be forced to find additional funds or cut the project short in order to stay within budget. In the latter case, the funds obligated on the project could have been wasted because the product might be unusable. (b)

Technical and Other Special Qualifications (4)

To the extent the desired type and level of technical expertise is known, specify the labor categories and the special expertise that is required to perform the proposed effort. If applicable, specify whether site access or unescorted site access will be required and provide instructions on acquisition of the site access authorization.

Level of Effort (5)

In estimated staff hours, specify the estimated level of effort for the project. To assist the other Federal agency in preparation of its proposal and to facilitate NRC's later evaluation of the proposal, break down, by staff hours, the level of effort for each task. If a particular expertise is required for performance of the work, this should also be specified.

Instructions for Each Element
of the SOW (D) (continued)

Period of Performance (6)

Write the period of performance in days, months, and years. Do not write actual dates unless the beginning or end date is identified as a specific date. The period of performance is the performance period for the overall agreement, including optional efforts. Normally, the period of performance should not exceed 5 years. The Federal Acquisition Regulation (FAR), Part 17.204, however, states that the 5-year limitation does not apply to the acquisition of information technology (IT).

Meetings and Travel (7)

Identify the travel necessary for the performance of the work. Specify the purpose of each meeting or trip, the number of people necessary, and the estimated length of time and whether the travel cost is actual, in accordance with the Federal Travel Regulations, or reasonable cost as approved by the PM. Provide specific dates for meetings or trips and location of trip, if known.

NRC-Furnished Material (8)

Identify specific reports, journals, documents, equipment, or other items that NRC will provide to the servicing agency. Identify the date this material will be provided, if known.

Considerations for Developing Systems (9)

After consultation with the Office of Information Services (OIS), include specific language addressing computer security and quality assurance if software or hardware systems development is contemplated under a servicing agency's work project (see NRC MD 12.5, "NRC Automated Information Security Program"). In addition, include language stipulating that the servicing agency must notify the NRC sponsoring office in writing when capital

Instructions for Each Element
of the SOW (D) (continued)

Considerations for Developing Systems (9) (continued)

equipment or IT equipment is to be purchased. Required reviews and approvals for the acquisition of IT resources may be found in MD 2.8, "Project Management Methodology (PMM)."

Federal Information Security Management Act (FISMA) Compliance (10)

All automated information processing systems developed or used as part of a project effort must be compliant with the December 2002 FISMA. Compliance must be demonstrated by copy of the letter from the servicing agency's Designated Approving Authority stating that the system(s) is(are) accredited.

Acquired Material, Equipment, or Software (11)

Include a provision requiring the servicing agency to inform NRC when use of NRC funds (at a cost of \$50,000 or more) is anticipated for acquisition of any capital or IT equipment or software.

Schedule and/or Milestones for Deliverables (12)

Itemize deliverables and specify the due dates for the schedule or milestone of each. Also specify the due dates for schedules or milestones of NRC-required actions. (a)

At a minimum, include due dates of status reports and a final report in the list of project deliverables. (b)

Justification for Acquiring the Services of Another Federal Agency or Its Contractor (E)

The requiring NRC office must document the basis for entering into an agreement with another Federal agency or its contractor regardless of the statutory authority cited (e.g., Economy Act, Energy Reorganization Act of 1974, as amended, or the Information Technology Management Reform Act of 1996 [also known as the Clinger/Cohen Act]). (1)

The justification shall state— (2)

Use of the interagency acquisition is in the Government's best interest and the supplies or services required cannot be obtained as conveniently or economically by contracting directly with a private commercial source.

If the servicing agency intends to use a contractor to perform part of the effort, address at least one of the following circumstances: (3)

- The acquisition will appropriately be made under an existing contract of the servicing agency. The contract was entered into to meet the requirements of the servicing agency before the order was placed for the same or similar supplies or services. (a)
- The servicing agency has capabilities or expertise to enter into a contract for the supplies or services that are not available within the acquiring agency. (b)
- The servicing agency is specifically authorized by law or regulation to purchase the supplies or services on behalf of other agencies. (c)

Independent Government Cost Estimate (IGCE) (F)

An Independent Government Cost Estimate (IGCE) is the NRC PM's estimate of what the goods and services required by the NRC's SOW should cost. IGCEs are never released or discussed with entities outside of NRC. (1)

The requiring office develops an IGCE when work to be placed with another servicing agency is expected to have an estimated cost in excess of \$100,000. At the value of \$100,000 or more, an IGCE is required for each new agreement or task order, as well as for each modification to an agreement or task order that involves a change or a potential change in the scope of the work that affects cost either upward or downward. At the NRC office's discretion, an IGCE may be prepared for an agreement or task order with an estimated cost that is less than \$100,000. All IGCEs and any backup notes are required to be filed in the official agency project file. An IGCE is *not* required for a basic task ordering agreement. (See NRC Form 554B, "IGCE for Interagency Agreements," available on the online forms icon.) (2)

As with the SOW, the PM may use his or her own knowledge or draw on the expertise of other NRC staff who are experienced in different aspects of the work and can therefore provide insights that might help the PM define the cost. The PM's job is to collect the information and ensure that the IGCE reflects all elements of the SOW. The IGCE will assist the PM in analyzing the servicing agency's cost proposal and in making a determination regarding whether the cost proposal reflects an accurate understanding of the proposed work. (3)

Conflict of Interest (COI) (G)

A COI may exist if a servicing agency has the potential to give biased results to NRC or if its contractor can obtain an economic advantage from the information acquired. For example, a COI would exist if the same contractor developing the requirements or

Conflict of Interest (COI) (G)
(continued)

acceptance test was to then service the system development effort. (1)

The NRC office shall include in all solicitations/Requests for Proposal (RFPs) and/or SOW requirements for an agency's disclosure of organizational conflict of interest (OCOI) information. Exhibit 2(a) contains suggested OCOI text for the RFP and the SOW. Updated information may be found on the DC/ADM Web site. (2)

In its proposal to NRC, the servicing agency provides information regarding all ongoing or proposed work in the same technical area as the project SOW so that NRC can determine whether an actual COI or a potential for a COI exists. Such information describing the work, the dollar amount, and the purpose of the work extends to any contractor. (3)

NRC's ultimate determination that a COI exists will be made with common sense and good business judgment on the basis of relevant facts. It is difficult to identify and prescribe in advance a specific method for avoiding all of the various situations or relationships that involve the potential for a COI. NRC staff must pay particular attention to projects that call for the rendering of advice, consultation, evaluation, or similar activities that lay the groundwork for NRC decisions on regulatory activities. (4)

The PM and other involved NRC staff must attempt to elicit all available information that may identify a potential COI situation before and after placing work with a servicing agency. In addition to information contained in the proposal, the PM can be alerted to a potential COI by a variety of sources, which include the principal investigator and the NRC staff working in the same technical area or on the same design. Also, information conveyed at symposiums and professional society meetings or in the review of trade journals may alert the PM to a potential COI. (5)

Conflict of Interest (COI) (G)
(continued)

When a situation exists that poses the potential for a COI, the PM will notify his or her management and the Director of DC, ADM. The Director of DC will arrange a meeting or a series of meetings with all necessary parties to decide if the issue represents a real COI and, if so, what steps need to be taken to eliminate or mitigate the COI. Representatives from DC, the involved program office, and the Office of the General Counsel (OGC) will participate in the decisionmaking process. (6)

Actions that can be taken to mitigate or eliminate a COI include— (7)

- Requesting the servicing agency to transfer the work that is creating a COI to another servicing agency (a)
- Requesting the servicing agency to forgo the work that is creating the conflict (b)
- Transferring the NRC project, in whole or in part, to another capable source (c)
- Stopping work until the situation is resolved, if the severity of the issue warrants (d)

Procedures for Requesting an Executive
Director for Operations (EDO) Waiver of
Commission Requirements on Avoidance of
Organizational Conflict of Interest (OCOI) (H)

The agency recognizes that there may be instances in which directing the only available source to perform vital work for the agency may create an OCOI. When an NRC office becomes aware that an OCOI could result from a servicing agency or its contractor performing the project work and the NRC office wishes

Procedures for Requesting an Executive Director for Operations (EDO) Waiver of Commission Requirements on Avoidance of Organizational Conflict of Interest (OCOI) (H)
(continued)

to start or continue the project at that servicing agency or its contractor, the cognizant NRC office shall first consult with DC/ADM and OGC to address the following issues: (1)

- The reason(s) why an OCOI would exist if the servicing agency or its contractor performs the work. (a)
- Whether or not project results have the potential to be biased because the servicing agency or its contractor is performing work in the same technical area or on the same or similar matter for the nuclear industry, or because the servicing agency or its contractor would be reviewing its own work, such as a system it designed for a licensee. (b)
- The contractual and/or technical review and surveillance methods that can be used to mitigate and neutralize the impact of having the servicing agency or its contractor with an OCOI perform the project; for example, having an independent third party with no OCOI perform a peer review of project results. (c)
- An explanation of why the work is vital to the agency. (d)
- Alternative sources considered to perform the proposed work and why they are deficient or not feasible. If there is any doubt as to the availability of alternative sources, DC, in coordination with appropriate program office staff, will publish a “sources-sought” market research notice to determine if alternative sources exist to perform the project free of OCOI. (e)

After the results of the sources sought are considered and a conclusion is reached that only the servicing agency or its

Procedures for Requesting an Executive
Director for Operations (EDO) Waiver of
Commission Requirements on Avoidance of
Organizational Conflict of Interest (OCOI) (H)
(continued)

contractor with an OCOI can perform the vital work for the agency, the cognizant NRC office shall prepare for the signature of the office director a Request for Waiver of Commission Requirements on an Avoidance of OCOI document for the EDO's consideration. (2)

The written request-for-waiver document shall include the following: (3)

- A "Background" section describing the work to be performed (a)
- A "Waiver Justification" section that includes— (b)
 - An explanation of why the proposed work is vital to the agency (i)
 - An explanation of why only the servicing agency or its contractor, whose interests give rise to an OCOI, can perform the work (ii)
 - Steps to be taken by the agency to mitigate the results of the servicing agency or its contractor with an OCOI performing the effort (iii)

If NRC determines that an OCOI exists that cannot be adequately mitigated, and if a justification exists for proceeding without mitigation to neutralize the OCOI, the following shall also be included: (4)

- Findings that establish an OCOI cannot be mitigated (a)

Procedures for Requesting an Executive Director for Operations (EDO) Waiver of Commission Requirements on Avoidance of Organizational Conflict of Interest (OCOI) (H)
(continued)

- A description of the extraordinary circumstances justifying use of the servicing agency or its contractor whose performance gives rise to an OCOI (b)

The Director of ADM, OGC, and the appropriate Deputy EDO shall concur in the Request for Waiver of Commission Requirements on Avoidance of OCOI document before the EDO reviews and approves or disapproves the request. If the EDO disapproves the justification, the project shall not commence. For an ongoing project, the cognizant NRC office shall terminate the project or a portion of the project as expeditiously as possible in accordance with this MD. (5)

If the EDO approves the request, the justification and approval documents for the waiver shall be placed in the NRC Public Document Room. (6)

The Commission should be notified of the EDO's intent to approve waiver requests under this provision and the circumstances justifying such a waiver. (7)

Method of Acquiring Information Technology (IT) Resources (I)

When it has been determined that IT resources are required for the effort, in conjunction with OIS and DC, the PM shall determine whether it is in the NRC's best interest to acquire the IT resources or have the servicing agency acquire the resources. The servicing agency should be provided the standards and architecture documents identifying the environment in which the IT resources

Method of Acquiring Information
Technology (IT) Resources (I)
(continued)

will be required to operate (see MD 2.8, "Project Management Methodology (PMM)"). (1)

When it is in the NRC's best interest to supply the IT resources to the servicing agency as Government-furnished property, the resources may be available at NRC, obtained through OIS, or acquired from the commercial sector. If acquired from the commercial sector, NRC Form 400, "Request for Procurement Action (RFPA)," will be developed by the requiring office and sent to DC to initiate the procurement action. The RFPA should specify the IT resources to be acquired that are in support of an existing interagency agreement and cite the agreement number and point of contact. (Also see MD 11.1, "NRC Acquisition of Supplies and Services," for information on commercial acquisition of IT resources.) (2)

Circumstances may indicate that it is in the NRC's best interest to have the servicing agency procure the IT resources. When the use of another Federal agency's procurement staff is contemplated, the requiring office shall obtain the approval of the Director of DC. (3)

Required reviews and approvals for the acquisition of IT resources may be found in MD 2.8. Coordination with OIS is required for interagency agreements involving IT requirements. (4)

The servicing agency shall inform NRC when use of NRC funds (at a cost of \$50,000 or more) is anticipated for acquisition of any capital or IT equipment or software. The servicing agency also reports NRC-funded software with a useful life of 2 years or more and a development cost of \$500 or more in the month the development of the software is completed. (5)

Review of SOW and Justification (J)

The Director of DC, or designee, reviews projects to be performed by another agency with an average annual estimated cost of \$1 million or more. (1)

He or she reviews the adequacy of the SOW, the justification to place work with another agency, and the IGCE. (2)

Within 3 working days of receipt, the Director of DC reviews the package to determine if— (3)

- A sound basis exists to place the project with another agency rather than competing the project among private sector organizations. (a)
- The project SOW adequately articulates the project objectives and requirements. (b)
- The estimated project cost that will be used as a basis for comparison for proposed evaluation and negotiation is properly formed. (c)

The package will always include— (4)

- SOW (a)
- Justification to Place Work With Another Agency (b)
- IGCE (c)

The NRC office's Associate Competition Advocate, prior to approval, reviews the package— (5)

- To ensure that the facts and rationale presented in the justification are sound for placement of work with another agency rather than competing the project among private sector organizations. (a)

Review of SOW and Justification (J)
(continued)

- To ensure the project does not unnecessarily duplicate or overlap with other NRC work already proposed, in progress, or completed. (b)

The Director of DC's written or electronic approval allows the requiring office to proceed with the project by requesting a proposal from the other agency and negotiating and awarding the project. Disapproval of the project contains specific steps that the requiring office may take to remedy deficiencies. Once the remedial steps have been taken by the office, the Director of DC will approve project continuation in writing. (6)

- Once a project has been concurred in, modifications do not require a second concurrence unless the cost of the modification itself exceeds \$1 million annually. (a)
- If the Director of DC does not concur, he or she schedules a meeting with the program office to discuss and resolve issues. (b)

The following are procedures for review of projects with a value of \$1 million or more for the Chairman's review or approval. (7)

Prior to proceeding with a project or a project modification with a value of \$1 million or more, or a modification that will result in a project with a total value of \$1 million or more, the PM shall consult the DC Web site to determine if the project qualifies for Chairman review or approval. Refer to DC's internal home page under "Chairman Paper Guidance and Procedures" (<http://www.internal.nrc.gov/ADM/ChairmanPaperOverview.pdf>) for information on preparing a review or approval package for these projects. If a review or approval is required, the PM cannot go forward with the project until notification to proceed has been received. (8)

Special Considerations (K)

Using the Servicing Agency's Contractor (1)

An interagency agreement may be placed if at least one of the following circumstances is applicable: (1) The service will be provided by another agency's personnel; (2) An order is placed under the other agency's contract entered into before placement of the order to meet the other agency's requirements and the contract permits use by other agencies; (3) The NRC Competition Advocate determines that the other agency has capabilities or expertise to enter into a contract, and the capability or expertise is not available to NRC; or (4) The other agency is specifically authorized by law or regulation to purchase such services or supplies on behalf of other agencies. (a)

It is permissible to use the servicing agency's contractor to perform work under an interagency agreement if the requiring office ensures that the servicing agency avoids "pass-through" actions. Pass-through actions are projects and/or individual task orders for which the contractor performs the majority of the effort and the servicing agency acts as an overseer or a mere conduit for contract administration and does not contribute significantly to the technical results. (b)

The servicing agency has technical responsibility for directing the contract effort and integrating all contract deliverables into the work product. (c)

The servicing agency shall include cost details (level of effort; direct labor cost; travel costs, materials, equipment, indirect rates and other direct costs for all contractors) when contract costs are estimated to exceed 25 percent of the project value. (d)

Special Considerations (K) (continued)

Required Federal Sources and Use of Another Federal Agency's Forms (2)

Acquiring Goods and Services From a Required Federal Source (a)

Examples of acquisition of goods and services from a required Federal source include printing services from the Government Printing Office (GPO), services provided by the Department of Treasury for access to its Government Online Accounting Links System, and participation in the Office of Personnel Management's FINANCENET computer program. In these cases, NRC typically orders from a well-defined program in which the servicing agency has established the prices for services. NRC does not negotiate the price of the service. The NRC requiring office does not develop a justification, a SOW, an IGCE, or a request for proposal. The only documentation required before award is a brief description of the terms or services required and a written certification of funds. However, the completed agreement package also should include items of services, a unique identifying number, amount of the agreement, period of performance, statutory authority, signatories, and pertinent accounting data.

Using Another Agency's Forms (b)

When a required Federal source uses its forms to transact the acquisition of the service, NRC may accept the other agency's terms and conditions and attach any additional information to meet the requirements of this handbook. (i)

When acquiring routine services such as off-the-shelf training, NRC will use the servicing agency's forms, if required. However, before accepting the servicing agency's terms and conditions, the NRC requiring office should ensure that there is no conflict with NRC's normal terms and conditions. (ii)

Special Considerations (K) (continued)

Required Federal Sources and Use of Another Federal Agency's Forms (2) (continued)

When a conflict arises, the requiring NRC office should contact DC Procurement Oversight/Policy staff for assistance. The Office of the Chief Financial Officer (OCFO) should be contacted to resolve any issues related to funds management. When the servicing agency selected to perform NRC's project for routine services is not a required source and the servicing agency's forms are used, NRC must provide— (iii)

- Justification to place the interagency agreement with the servicing agency (*a*)
- An SOW, which may be a brief, adequate description of the service sought (*b*)
- An IGCE, if the work is estimated to exceed \$100,000 (*c*)
- A request for proposal (*d*)
- A negotiation summary, which may be brief as long as it details the agreements reached by the agencies (*e*)

Advance Payments for Interagency Agreements (3)

NRC may be asked to make an advance payment to cover the servicing agency's anticipated expenses, or for the cost of acquired goods and services. An interagency agreement entered into by NRC may not provide for NRC making advance payments unless required by statute or the Federal entity providing the goods and services. NRC's policy is not to pay in advance of services rendered or goods provided for interagency agreements. The Director of the Division of Financial Services (DFS), OCFO, must approve in writing any proposed interagency agreement that provides for making advance payments. The interagency

Special Considerations (K) (continued)

Advance Payments for Interagency Agreements (3) (continued)

agreement shall include the following (see Part VI of the handbook to MD 4.2, "Administrative Control of Funds," for further information on advance payments):

- Adequate procedures for making the advance payments (a)
- Submission of cost reports at least quarterly (b)
- A stipulation that a refund will be made to NRC promptly when the advance payments exceed the actual cost of goods and services later provided (c)

Security (4)

NRC Form 187 (a)

It is necessary to complete NRC Form 187, "Contract Security and/or Classification Requirements" (available on the online forms icon), for work performed under an interagency agreement when the work requires access to classified or sensitive unclassified information. NRC Form 187 must be approved by the Director of the Division of Facilities and Security, ADM, before classified or sensitive unclassified work is performed under an interagency agreement.

Unescorted Access (b)

For contracts/interagency agreements requiring unescorted access to any NRC Headquarters and/or regional office, employees of other agencies will be subject to a background investigation or confirmation of an adequate existing investigation before this access is granted.

Special Considerations (K) (continued)

Security (4) (continued)

Exempt Information (c)

In connection with the performance of work under this agreement, NRC may furnish for servicing agency review, evaluation, or other use, certain trade secrets or confidential or privileged commercial or financial information determined by NRC to be exempt from public inspection or disclosure. Guidance on the protection of proprietary information used in reports prepared by the servicing agency and examples of proper marking of the cover, the title page, and the back cover are contained in MD 12.6, "NRC Sensitive Unclassified Information Security Program."

Proprietary Information (d)

Proprietary or other privileged information provided by NRC to another agency will be protected from disclosure and will be returned to NRC upon completion of the work. Any such claimed proprietary data will be appropriately identified and marked as such. The use of proprietary information in reports prepared by another agency requires the protection specified in MD 12.6.

Unclassified Work Efforts (e)

To the extent that performance of work under this agreement does not involve classified information or sensitive unclassified information, the following clauses are applicable:

- It is mutually expected that the activities under this agreement must not involve classified or sensitive unclassified information or material. If, in the opinion of either party, this expectation changes, the party shall immediately notify the other party in writing. In any event, the servicing agency shall handle and otherwise safeguard classified and sensitive unclassified information and material, including unclassified controlled

Special Considerations (K) (continued)

Security (4) (continued)

nuclear information, in accordance with applicable law and NRC and the servicing agency requirements, and shall promptly inform the NRC office in writing if and when classified or sensitive unclassified information or material becomes involved. (i)

- The servicing agency shall not permit any individual to have access to Restricted Data or other classified or sensitive unclassified information and material except in accordance with the Atomic Energy Act of 1954, as amended, and the servicing agency and NRC regulations or requirements. (ii)
- Except as specifically authorized by this agreement or as otherwise approved by the issuing authority, records or other information, documents, and materials furnished by the office in the performance of the agreement shall be used only in connection with the work performed under the agreement. Upon completion or termination of this agreement, the servicing agency shall transmit to the office all information that NRC requires. (iii)
- All parties conducting activities under this agreement shall be responsible for the safeguarding from unauthorized disclosure any information or other documents and material exempt from public disclosure under NRC regulations and made available in connection with the performance of work, or generated in the performance of this work under this agreement. Both parties agree to conform to all regulations, requirements, and directions of NRC with respect to this material. (iv)

Classified Work Efforts (f)

To the extent that the performance under this agreement involves classified information, the following clauses are applicable:

Special Considerations (K) (continued)

Security (4) (continued)

- **Responsibilities.** The servicing agency and the servicing agency contractor (performing organization) shall be responsible for safeguarding Restricted Data, Formerly Restricted Data, and other National Security Information and for protecting it against sabotage, espionage, loss, and theft in accordance with the servicing agency security regulations and requirements. (i)
- **Transmission of Classified Matter.** Except as otherwise expressly provided, the servicing agency or the servicing agency contractor shall, upon completion or termination of the agreement, transmit to the office all classified matter in its possession or in the possession of any person under its control in connection with performance of this agreement. If retention of any classified matter is required by the servicing agency or the servicing agency contractor, the servicing agency must obtain the approval of the office and complete a certificate of possession specifying the classified matter to be retained. (ii)
- **Regulations.** The servicing agency contracting officer shall ascertain that the servicing agency contractors conform to all the servicing agency security regulations and requirements. (iii)
- **Definition of Restricted Data.** The term “Restricted Data,” as used in this clause, means all data concerning (1) the design, manufacture, or utilization of atomic weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy, but does not include data declassified or removed from the Restricted Data category pursuant to Section 142 of the Atomic Energy Act of 1954, as amended. (iv)
- **Definition of Formerly Restricted Data.** The term “Formerly Restricted Data,” as used in this clause, means classified

Special Considerations (K) (continued)

Security (4) (continued)

information related primarily to the military utilization of atomic weapons that can be adequately safeguarded as National Security Information, subject to the restrictions on transmission to other countries and regional defense organizations that apply to Restricted Data. (v)

- **Definition of National Security Information.** National Security Information is information that has been determined pursuant to Executive Order 12958 or any predecessor Order to require protection against unauthorized disclosure and is so designated. (vi)
- **Security Clearance of Personnel.** The servicing agency shall not permit any individual to have access to Restricted Data, Formerly Restricted Data, or National Security Information, except in accordance with the Atomic Energy Act of 1954, as amended, Executive Orders 12968 and 10865, and the servicing agency regulations or requirements applicable to the particular type or category of classified information to which access is required. (vii)
- **Liability.** It is understood that the unauthorized disclosure or the failure to properly safeguard Restricted Data, Formerly Restricted Data, or National Security Information that may come to the servicing agency or to any person under an NRC/ servicing agency agreement in connection with work under the agreement may subject the performing organization, and its agents, employees, or subcontractors, to administrative sanctions and criminal liability under the laws of the United States. (See the Atomic Energy Act of 1954, as amended [42 U.S.C. 2011et seq.], 18 U.S.C. 793 and 794; and Executive Orders 12958 and 12968.) (viii)

Special Considerations (K) (continued)

Security (4) (continued)

- **Subcontracts and Purchase Orders.** Except as otherwise authorized in writing by the Commission, the servicing agency shall insert provisions similar to the foregoing in all subcontracts and purchase orders under this agreement. (ix)

Classification (g)

Classification Clause (i)

To the extent that the performance of work under this agreement involves classified information, the following clause is applicable:

In the performance of work under this agreement, the servicing agency shall ensure that the servicing agency authorized classifier shall assign classification levels to all documents, material, and equipment originated or generated by the performing organization in accordance with classification guidance furnished by the Commission. Each subcontract and purchase order issued hereunder involving the generation of classified documents, material, or equipment shall include a provision to the effect that in the performance of such subcontract or purchase order, the servicing agency authorized classifier shall assign classification levels to all such documents, material, and equipment in accordance with classification guidance furnished by the NRC.

When appropriate, NRC Form 187, "Contract Security and/or Classification Requirements," is a part of this agreement. It is the responsibility of the NRC office originating the agreement to review the classification assigned and to refer any problems to NRC's DFS, ADM, for resolution. (ii)

Special Considerations (K) (continued)

Security (4) (continued)

Unclassified Safeguards Information, Unclassified Controlled Nuclear Information, or Unescorted Access to Protected and Vital Areas of Nuclear Power Plants (h)

To the extent that the performance of work under this agreement involves unclassified Safeguards Information (SGI), the following clause is applicable: (i)

In the performance of the work under this project, the servicing agency shall assure that the the servicing agency shall mark and protect all documents, material, and equipment originated, generated, or received by the performing organization in accordance with the provisions of Section 147 of the Atomic Energy Act of 1954, as amended, its implementing regulations (10 CFR 73.21), and NRC guidance (NUREG-0794, "Protection of Unclassified Safeguards Information: Criteria and Guidance"). Further guidance on the protection of unclassified Safeguards Information and examples of proper marking of cover; title page, and back cover are contained in NRC Management Directive (MD) 12.7, "NRC Safeguards Information Security Program."*

To the extent that performance of work under this agreement involves unclassified controlled nuclear information (UNCI), the following clause is applicable: (ii)

In the performance of the work under this project, the servicing agency shall assure that the servicing agency shall mark and protect all documents, material, and equipment originated, generated, or received by the

* Issuance pending.

Special Considerations (K) (continued)

Security (4) (continued)

performing organization in accordance with the provisions of Section 148 of the Atomic Energy Act of 1954, as amended, its implementing the servicing agency regulations, and the servicing agency agreements and guidance.

It is the responsibility of the NRC office originating the work to indicate whether the work will involve unclassified SGI, UNCL, or unescorted access to protected and vital areas of nuclear power plants. An NRC Form 187, "Contract Security and/or Classification Requirements," shall be completed to indicate such access. (iii)

Proprietary Information (i)

In connection with the performance of work under this agreement, NRC may furnish for the servicing agency review, evaluation, or other use certain trade secrets or confidential or privileged commercial or financial information determined by the office to be exempt from public inspection or disclosure. A synopsis of such information must be submitted in writing to the servicing agency contracting officer for reaching agreement with the office on the acceptance and use of the information. Up-to-date guidance on the protection of proprietary information used in reports prepared by the servicing agency on proper marking of cover, title page, and back cover may be obtained from the NRC PM. (i)

Proprietary or other privileged information may be provided by the office on an individual basis to the servicing agency employees working as NRC consultants with the understanding that it shall be protected from disclosure and shall be returned to the office upon completion of the work. Any such claimed proprietary data will be appropriately identified and marked as such. The use of proprietary information in reports prepared by consultants requires

Special Considerations (K) (continued)

Security (4) (continued)

protection. Further information may be obtained from the NRC PM. (ii)

Other Sensitive Unclassified Information (j)

Information other than safeguards, unclassified controlled nuclear, proprietary information, and predecisional information may at times be determined to be sensitive. The use of such information in reports requires the specific designation and protection. Further information may be obtained from the NRC PM.

Information on NRC Cooperative Programs With Foreign Governments and Organizations and With U.S. Industry (k)

The servicing agency facilities, contractors, and subcontractors working on NRC cooperative programs with foreign governments and organizations and with U.S. industry perform this work with the understanding that draft or formal reports on this work are to be available only to participants in the program until public availability is authorized by the NRC office. Reports or codes (including data) on this work shall be issued as "Draft Preliminary Reports (Codes)" until the office authorizes issuance of the report as a formal report with the designation NUREG/IA-XXXX for international agreement reports or NUREG/CR-XXXX for contractor reports. Details of the handling of reports may be obtained from the NRC PM.

Task Order Agreements (5)

A task order agreement is a type of contract "arrangement" that is useful and necessary when only the general requirement or overall project objective may be known and the details of the specific tasks under the requirement may not be known until a later date. The specific tasks, generally, will be of a similar and/or recurring

Special Considerations (K) (continued)

Task Order Agreements (5) (continued)

nature. The PM will prepare an IGCE to determine the level of effort and whether the overall task order agreement value will exceed the NRC office's threshold of delegated authority.

Prescription for Use (a)

When these circumstances exist, a task order agreement may be used to broadly describe the basic agreement, the project, the overall project objective, the type of services required, a project term period, applicable terms and conditions, and procedures for placement of individual task orders. Then, as the need for each task becomes known and can be better defined, it is negotiated and issued as a separate task order under the basic agreement. NRC does not obligate funds under a basic task order agreement unless a minimum quantity is required. (i)

Since task order agreements are more administratively burdensome than a regular agreement, every effort shall be made to ensure that they are used only when appropriate. (ii)

Procedures (b)

The Basic Task Order Agreement (i)

The same procedures for placement of an interagency agreement apply to the basic task order agreement, except that an IGCE and spending plan are not required for this agreement. The RFP should provide an estimate of the overall level of effort (staff hours) and the labor type(s) required of the servicing agency. The technical requirements in the SOW and the estimated level of effort for the basic task order agreement are based on what is known at the time the proposal is requested and broadly describe the work that may be required. (See NRC Form 667, "Servicing Agency Project and Cost Proposal for NRC Work," for

Special Considerations (K) (continued)

Task Order Agreements (5) (continued)

the proposal format to establish a basic task order agreement.) The funding for task orders is provided on NRC Form 662, "Award of Interagency Agreements." (Both forms are available on the online forms icon.)

Individual Task Orders (ii)

Once the basic task order agreement is in place, the individual task orders may be issued. A task order SOW is developed and should include a complete description of the work required, the estimated level of effort, the reporting requirements, the task order period of performance, travel and meetings, the delivery schedule, and any special requirements that may pertain to the task order. In addition, each task order expected to have an estimated cost in excess of \$100,000 requires an IGCE. (a)

At a minimum, the proposal should provide the technical and cost information shown on NRC Form 667. A spending plan also is required for individual task orders that exceed 6 months. (b)

The PM will evaluate the task order proposal; negotiate terms, conditions, and costs; and document negotiation results. In cases for which DC is responsible for awarding the interagency agreement (IA), the contracting officer (CO) is responsible for negotiating terms, conditions, and costs and for documenting negotiation results. Following discussions, the NRC office or the CO will prepare a summary of negotiations (see NRC Form 555A, "Summary of Negotiations Interagency Agreement," available on the online forms icon). (c)

Each task order assignment is an obligation to perform the work for the agreed-upon amount of the order. The task order must contain sufficient detail in the SOW to accomplish the work ordered and indicate specific goods and services required (see the FAR, Part 16.505). (d)

Special Considerations (K) (continued)

Governmentwide Acquisition Contract and Multiple Award Contract (6)

The Governmentwide acquisition contract (GWAC) and the multiple award contract (MAC) are two other vehicles for NRC to use to acquire goods and services. Both types of contracts offer NRC flexibility in procuring goods and services. The statutory authority for using these contractual vehicles is either the Information Technology Management Reform Act (also known as the Clinger/Cohen Act) or the Economy Act. Ordering can be done on both a centralized and a decentralized basis. Whichever process is identified in the contract is the process that must be followed for placing orders. (a)

There are two cases in which the decentralized ordering process may be used. Decentralized ordering occurs when NRC obligates funds directly against a contract. Centralized ordering occurs when NRC transfers funds to another agency, which, in turn, obligates funds against a contract. The first occurs when NRC may use an NRC or a standard form to obligate funds for the acquisition of goods or services. In this case, the NRC CO or the office with delegated authority obligates the funds in accordance with the contract terms and conditions. Depending on the commodity being acquired, certain documentation is required. (b)

- For services, an SOW (preferably performance based), an acceptance test plan (which serves as the basis for payment), and evaluation criteria as stated in the contract are required. An acceptance test plan states the actions to be taken to ensure that the contractor meets the SOW and project functionality requirements. The plan states the parameters to be used to measure and ascertain that contract deliverables are satisfactory and meet project requirements. Preparation of an IGCE also will be required if the item exceeds the IGCE threshold and is for services. (i)

Special Considerations (K) (continued)

Governmentwide Acquisition Contract and Multiple Award Contract (6) (continued)

- For supplies, identification of the required supplies and part numbers is required. No IGCE is required for supplies because the not-to-exceed price being paid is already pre-established in the host contract. (ii)

The second case in which the decentralized ordering process may be used occurs after an initial interagency agreement is executed. This case requires the same documentation as the first case. (c)

The centralized process allows another agency to obligate NRC funds. Coordination between OCFO and DC is required before entering into an interagency agreement in which another agency obligates funds for NRC. Once agreement on the administrative procedures has been reached, the requiring office will write and execute the interagency agreement. (d)

Unsolicited Proposals (7)

Unsolicited proposals are written proposals initiated by the offeror for the purpose of obtaining a contract or agreement with NRC to support the agency's mission. As such, these proposals are not written in response to an NRC formal or informal request. Also, the initiator of the proposal prepares the SOW. (a)

All unsolicited proposals are to be submitted to the Director of DC, who will coordinate the evaluation of unsolicited proposals and will formally acknowledge receipt of the proposal to the offeror. DC will ensure the protection of any proprietary information contained in the unsolicited proposal. For a complete discussion of what constitutes an unsolicited proposal, the processing and evaluation of such proposals, and restrictions on information contained in unsolicited proposals, see Part 9, Section 3.2, of Handbook 11.1, "NRC Acquisition of Supplies and Services." (b)

Special Considerations (K) (continued)

Unsolicited Proposals (7) (continued)

Unsolicited proposals that are accepted and are to be awarded by DC are forwarded to DC via NRC Form 400, "Request for Procurement Action." Those unsolicited proposals accepted for funding that are to be awarded by the technical offices shall follow the appropriate policies and procedures of this directive and handbook. (c)

Part III

Proposal Preparation and Submittal

Request for Proposal (RFP) (A)

Offices authorized to enter into their own agreements, as delegated, shall prepare the RFP for the office director's or designee's signature. Offices requiring the signature of the Director of the Division of Contracts (DC) on the agreement will assist DC with the preparation of the interagency agreement. (1)

The RFP contains the statement of work (SOW), proposal preparation instructions, reporting requirements, and standard terms and conditions. (2)

The RFP will indicate the due date for proposal submission and the mailing address, including the name, address, and NRC mail stop of the person who will receive the proposal. (3)

NRC will send the RFP to the cognizant Federal agency. In response, the servicing agency will prepare a written technical and cost proposal and forward the proposal to the requiring office or to DC if it is awarding the agreement, generally within 30 calendar days of receipt of the RFP. This response time and proposal detail may vary for an individual project as circumstances dictate (e.g., the size and complexity of the project). (4)

Proposal Format (B)

Proposal Narrative Content

General (a)

The proposal includes a discussion of proposed personnel, travel, contracting or consultant effort, special equipment required, if

Proposal Format (B) (continued)

Proposal Narrative Content (continued)

appropriate, information technology (IT) resources needed, and conflict-of-interest information. It includes résumés for all personnel identified in the proposal, including contractor and consultant staff. If appropriate, the narrative will include contractor information, including specific work to be performed, the estimated level of effort, proposed labor categories, and associated labor rates. If this information is not available at the time the proposal is submitted because the competitive contract award process is not completed, the servicing agency should provide the information to NRC as soon as possible. (i)

The servicing agency will address the NRC's SOW and provide an approach and best estimate for accomplishing the work. It will describe the specific approach proposed and provide an indication of potential problem areas and proposed actions to be taken to resolve them. The servicing agency shall discuss any interpretations or assumptions regarding the NRC's SOW requirements. (ii)

Alternate Actions and/or Approaches (b)

The servicing agency may propose tasks, including additional meetings and/or travel, that were not identified in the NRC SOW, in addition to responding to the SOW. However, the servicing agency will provide a clear explanation of how the additional efforts benefit the objectives of the SOW, together with associated costs, in the narrative portion of the proposal.

NRC Schedule and Due Dates (c)

The proposal will address the SOW schedule for work. If the servicing agency is unable to comply with the schedule, it will provide the reason and proposed alternatives, if any. The requiring

Proposal Format (B) (continued)

Proposal Narrative Content (continued)

office may then decide whether it is appropriate to accommodate rescheduling or to place the effort elsewhere. Generally, the duration of the interagency agreement should not exceed 5 years.

Cost Information (d)

The proposal provides the cost information required for projects and for establishing a task order agreement (see Exhibit 2(a) of this handbook). A similar level of detail is required for individual task orders. This level of information enables the Project Manager (PM) to compare the proposed costs with NRC's estimates for performance, as well as prepare the PM for discussions and/or negotiations.

Spending Plan (e)

The proposal will include a spending plan that projects the level of cost expenditure under a project or individual task order, placed under a task order agreement (see Exhibit 2(a) of this handbook). The spending plan and its updates in the status report will enable the NRC requiring office to track costs and technical progress against the projected spending and percentage of completion for the project or task order. Spending plans will reveal potential contractor funding or performance problems in sufficient time to implement needed corrections. (i)

The spending plan is required for all interagency agreements and individual task orders that exceed 6 months in duration. A spending plan is not required for the basic task order agreement. The spending plan cost information is updated and submitted in the status report when incurred costs (cumulative to date) vary by 20 percent or more from planned spending (cumulative to date). (ii)

Proposal Format (B) (continued)

Proposal Narrative Content (continued)

Prior approval of the spending plan update is not required when circumstances indicate that planned spending needs to be adjusted and the adjustment will not result in exceeding total project estimated costs. NRC expects that this will normally be the case. However, when circumstances indicate that planned spending would exceed the total approved cost estimate for the project, the servicing agency will send a written request for NRC approval to submit an updated spending plan before incurring the increase in costs. Of course, the agreement must be modified to obligate any increase of needed funds. After NRC written approval, the spending plan update will be included in a revised status report (see Exhibit 5) and in each succeeding status report until another variance is encountered. (iii)

Proposal Evaluation and Negotiation of Terms and Cost (C)

Proposal Evaluation (1)

The NRC PM evaluates the proposal and ensures that the results are documented and contained in the official project file. NRC Form 558A, "Summary of Proposal Evaluation — Interagency Agreement" (available on the online forms icon), is used by offices to facilitate a thorough review of the proposal to prepare for discussion. The form focuses analysis on the proposed technical approach and an understanding of the project objectives. It also provides specific cost and price items that can be addressed during discussions and negotiations. From this analysis, the PM develops specific technical, cost and price, and administrative process questions.

Proposal Evaluation and Negotiation of
Terms and Cost (C) (continued)

Proposal Evaluation/Past Performance (2)

Past performance of the servicing agency shall be evaluated prior to award of an agreement. This evaluation should be accomplished by checking the past performance data available regarding the proposed servicing agency's performance. This information may be found in the agencywide past performance database located on the DC home page of the NRC internal Web site. A note shall be placed in the file to verify that past performance has been checked.

Discussions and Negotiations (3)

The objective of discussions and negotiations is to ensure that the PM and the servicing agency reach a meeting of the minds regarding the work to be accomplished, the cost and price for the work, metrics, and administrative process being used. Negotiations can address any elements of cost and price. (a)

After negotiations, in instances in which there are no or only minor issues not involving cost and price, it is unnecessary to request a revised proposal. However, if cost and price issues are involved, the NRC requiring office will request that the servicing agency submit a revised proposal. (b)

Summary of Negotiations (4)

The PM completes a summary of negotiations that contains the salient aspects of the discussions held. The summary of negotiations may be completed either on NRC Form 555A, "Summary of Negotiations—Interagency Agreement" (available on the online forms icon), or as a memorandum to file. The information contained in the summary of negotiations should provide as much detail as the office considers appropriate to support the actions taken, given the project's degree of complexity.

Part IV Work Authorization

Once the servicing agency's proposal has been approved, NRC Form 662, "Award of an Interagency Agreement" (available on the online forms icon), will be issued to authorize the initiation of work. Currently, two signed originals of the agreement will be sent to the servicing agency under a transmittal letter. A sample transmittal letter appears as Exhibit 3. The letter should be addressed to the appropriate authorized manager at the servicing agency. The servicing agency will countersign the form and return three originals to the NRC administrative contact in the requiring office. The administrative contact ensures that one original is sent to the Division of Financial Services (DFS), Office of the Chief Financial Officer, to designate obligation of funds in the agency's accounting system within 2 business days of receipt. No work shall be initiated unless adequate funds are committed and obligated.

Content of Interagency Agreement (A)

Required Data and Information (1)

An interagency agreement consists of— (a)

- A completed NRC Form 662 with the interagency agreement number (i)
- The statement of work (SOW), either attached or incorporated by reference (ii)
- The proposal incorporated by reference (iii)

Each NRC office assigns a unique identifying number for each interagency agreement within that office. The number consists of the following three elements: (b)

Content of Interagency Agreement (A)
(continued)

Required Data and Information (1) (continued)

- The first three or four letters, as appropriate, will be the first three or four letters of the NRC office's acronym (i.e., RES-, NRR-, NMSS-) followed by a hyphen. (i)
- The next two digits will be the fiscal year in which the interagency agreement is awarded (i.e., 99, 00, 01) followed by a hyphen. (ii)
- The last three digits will be a unique number chosen by the NRC office. For example, RES-99-001 is a unique identifying number for an interagency agreement. This number is not the unique commitment number required for all documents entered into the agency accounting system. The agreement number remains unchanged throughout the life of the agreement. (iii)

The period of performance, including a start date and an end date for the entire project, must be provided. Ordinarily, the period of performance will not exceed 5 years. (See policy in the MD 11.1, "NRC Acquisition of Supplies and Services," handbook.) (c)

NRC should give an estimate of the total funding for the project broken into how the funds will be obligated on a yearly basis (i.e., FY 2001 - \$100,000, FY 2002 - \$100,000, etc.). (d)

The statutory authority for entering into an interagency agreement ordinarily is one of the following, which should be checked in the appropriate box on NRC Form 662. (e)

- Energy Reorganization Act of 1974, as amended — generally used for research-type acquisitions (i)

Content of Interagency Agreement (A)
(continued)

Required Data and Information (1) (continued)

- Economy Act of 1932 — generally used for acquisition of supplies and services other than from required sources stated in the Federal Acquisition Regulation (FAR), Part 8 (e.g., Federal Supply Schedules, acquisitions from Federal Prison Industries, or from the Blind or Seriously Disabled) (ii)
- Information Technology Management Reform Act of 1996 (also known as the Clinger/Cohen Act) — used for information technology (IT) acquisitions (iii)
- Other statutory authority, if applicable (iv)

Points of contact shall be listed for both agencies. The names of the technical contacts and administrative contacts must be provided, along with their addresses and appropriate telephone numbers, and e-mail addresses. (f)

The appropriate agency funds certifying official must sign the NRC Form 662 certifying the availability of NRC funds. Included in this section are the appropriate accounting citations that include the amount of the funding, the Job Code number (JCN), the budget and reporting classification (B&R), the appropriation symbol, the budget object classification code (BOC), and the office commitment identifier number. (g)

Include typewritten names, titles, and signatures of those persons tasked by their respective agencies with the responsibility of entering into an agreement with the other agency. A certification of funds availability is required prior to the signature of the servicing agency. (h)

It should be determined how equipment and property purchases will be handled. If no equipment is to be purchased under the

Content of Interagency Agreement (A)
(continued)

Required Data and Information (1) (continued)

agreement it should be stated; or if the other agency retains the equipment at the end of the interagency agreement, that should also be stated. If NRC wants to review a list of equipment for retention, the interagency agreement should state that NRC reserves the right to review the equipment for possible retention. (i)

Any restrictions to the agreement must be included as an attachment to NRC Form 662. (j)

Standard Terms and Conditions (2)

Standard terms and conditions describe the duties and responsibilities of the parties during the life of the project. The standard terms and conditions are incorporated by reference on the NRC Form 662. (a)

The SOW for a project describes the technical work and performance requirements of the servicing agency. The standard terms and conditions for a project describe the administrative requirements for performance of a project. The terms and conditions represent the minimum provisions included in the agreement. NRC and the servicing agency agree that the following terms and conditions apply to this project unless otherwise stated. All work orders are issued with this understanding. Other terms and conditions may be added upon acceptance by both NRC and the servicing agency. (b)

Technical Direction (i)

The NRC Project Manager (PM), as named in the SOW, is responsible for ensuring that the services required under this project are delivered in accordance with the terms of the SOW. All

Content of Interagency Agreement (A)
(continued)

Standard Terms and Conditions (2) (continued)

technical direction instructions to the servicing agency must be issued through the PM. Technical direction includes interpreting technical specifications, providing needed details, and suggesting possible lines of inquiry. They must not constitute new work or affect overall project cost or period of performance. Technical direction must be confirmed in writing to the servicing agency. (a)

Technical direction may include approval of approaches, solutions, designs, or refinements; interpretation of specifications; or shifting of emphasis among work areas or tasks. It may not constitute new assignments of work and will not change the estimated project cost or change the scope or expressed terms, conditions, or specifications contained in the current SOW. (b)

Technical direction must be documented in writing and forwarded to the servicing agency, with a copy placed in the official NRC project file. (c)

Billing Requirements (ii)

The servicing agency will bill NRC for costs incurred in support of NRC projects by the JCN. For interagency agreements, the servicing agency shall either bill and collect from NRC by an electronic transfer of funds through the U.S. Treasury on the Interagency Payment and Collection (IPAC) system or forward monthly to NRC an original and three copies of Standard Form 1081 (Exhibit 7) in accordance with the Treasury Fiscal Requirements Manual, Bulletin No. 78-09. (a)

A voucher shall be sent to support the amount billed. The voucher shall identify the interagency agreement number, the JCN, and

Content of Interagency Agreement (A)
(continued)

Standard Terms and Conditions (2) (continued)

the B&R classification. The voucher must identify any billable activities as specified by 10 CFR Part 170. (b)

The SF 1081, voucher, and other required documentation shall be submitted to— (c)

U.S. Nuclear Regulatory Commission
Office of the Chief Financial Officer
Division of Financial Services
Washington, DC 20555-0001

Dissemination of Project Information (iii)

The servicing agency shall comply with the requirements of NRC MD 3.7, “NUREG-Series Publications,” and, if applicable, NRC MD 3.9, “NRC Staff and Contractor Speeches, Papers, and Journal Articles on Regulatory and Technical Subjects,” regarding publications or dissemination to the public of any information, oral or written, concerning the work performed under this project.

Termination (iv)

Circumstances may arise in which either NRC or the servicing agency wishes to terminate performance of a project in whole or in part. The work may be terminated in whole or in part. (a)

If the servicing agency wishes to terminate the project, it shall advise the cognizant NRC signatory in writing. (b)

If NRC wishes to terminate the project, the cognizant contracting officer or office director or designee will advise the servicing agency and send a copy of the termination notice in writing to the servicing agency. (c)

Content of Interagency Agreement (A)
(continued)

Standard Terms and Conditions (2) (continued)

Within 30 days after the effective date of the termination of the agreement or specific task under the agreement, the servicing agency shall submit a termination settlement proposal to the cognizant NRC signatory. In cases in which additional time is required to compile all outstanding costs, such as contractor costs, the servicing agency shall provide a written notification to the NRC contracting officer (CO) or office director or designee that includes a proposed due date for the final settlement proposal. (d)

In the event of disagreement between the parties, the cognizant NRC CO or office director or designee will make the final decision. (e)

The servicing agency shall not incur new obligations for the terminated portion of the project after the effective date and must cancel as many outstanding obligations as possible. NRC will be accountable to the servicing agency for obligations properly incurred before termination. (f)

Key Personnel (v)

The individual(s) identified as key personnel on NRC Form 667, "Servicing Agency Project and Cost Proposal for NRC Work" (available on the online forms icon), are considered to be essential to the successful performance of the work. The servicing agency agrees that these key personnel shall not be removed from the project or replaced unless— (a)

- A key person, for whatever reason, becomes or is expected to become unavailable for work under this contract for a continuous period exceeding 30 workdays. (1)

Content of Interagency Agreement (A)
(continued)

Standard Terms and Conditions (2) (continued)

- A key person is expected to devote substantially less effort to the work than indicated in the proposal or initially anticipated.
(2)

Under either situation above, the servicing agency agrees to immediately notify the NRC requiring office of its intent to make key personnel replacements. (b)

The servicing agency will provide, in writing, a request for approval of personnel substitutions on a project. The request will include a detailed explanation of the circumstances necessitating the proposal substitution. The request also should include a complete résumé for the proposed substitute and any other information the requiring office requests to approve or disapprove the proposed substitution. The requiring office will evaluate the request and promptly notify the servicing agency, in writing, of its approval or disapproval. (c)

The project may be terminated if the requiring office determines that— (d)

- Suitable and timely replacement of key personnel who have been reassigned, terminated, or have otherwise become unavailable for the project is not reasonably forthcoming. (1)
- The resultant reduction of effort or expertise would be so substantial as to impair the successful completion of the work.
(2)

Limitation of Funds (vi)

NRC is not required to reimburse the servicing agency for costs incurred in excess of the total amount obligated by an

Content of Interagency Agreement (A)
(continued)

Standard Terms and Conditions (2) (continued)

appropriately executed NRC Form 662. The NRC office will formally notify the servicing agency of any projects that are intended to be phased out or terminated as soon as such intent is known, preferably at least 30 days before the proposed termination date. For work orders with fixed periods, the servicing agency should assume that the program will terminate on the last day of the period specified in the “Award of Interagency Agreement,” unless notified otherwise. (a)

The servicing agency must notify NRC if at any time it has reason to believe that the costs of the project will exceed the total amount authorized. In the absence of formal NRC instructions to continue or to terminate a work order, the servicing agency contracting officer, or his or her designee, will notify NRC by fax, or other suitable written means, when the accrued costs of any NRC work order approaches 75 percent of the authorized funding level for a project or task order. (b)

The notification should include the estimated date when the accrued costs will equal the authorized funds, and may, if appropriate, recommend or request the NRC action desired. If additional funds are necessary to complete the project, the servicing agency will identify and justify the amount requested. The notification should be sent to the requiring NRC office. (c)

After this notification, the requiring office will evaluate costs incurred against technical progress and, if necessary, will— (d)

- Increase funding authorization (1)
- Change the scope of the work (2)
- Change the period of performance (3)

Content of Interagency Agreement (A)
(continued)

Standard Terms and Conditions (2) (continued)

- Terminate the project (4)

The performance of work will be completed within the period stated in the most current authorization document. This document could either be in the form of an amendment to NRC Form 662 or in a letter defining the task order. However, when the servicing agency anticipates that the work cannot be completed within the fixed time period, it will notify the office in writing. Notification should be given in sufficient time to allow a modification to NRC Form 662 to be issued. The modification will authorize an extension of the work period to the date necessary to complete the work. A modification using NRC Form 662 will also be necessary for increases in funding. If the period of performance is not extended, NRC will notify the servicing agency via a modification to NRC Form 662 containing closeout instructions, including the reconciliation of any excess funds. (e)

Stop-Work Order (vii)

The requiring NRC office may, at any time, by written order to the servicing agency contracting officer, require the servicing agency to stop all or any part of the work called for by this work order. The stop-work order may be for a period of up to 90 days after the order is delivered to the servicing agency and for any further period to which the parties may agree. This type of order will be specifically identified as a “stop-work order,” issued pursuant to the stop-work order clause. (a)

Upon receipt of this order, the servicing agency will comply immediately with its terms. The servicing agency will take all reasonable steps to minimize the incurrence of cost allocable to the work covered by the order during the period of work stoppage. (b)

Content of Interagency Agreement (A)
(continued)

Standard Terms and Conditions (2) (continued)

Within a period of 90 days after a stop-work order is delivered to the servicing agency or within any extension of that period to which the parties have agreed, the requiring office will either cancel the stop-work order or terminate the work covered by the order. (c)

If a stop-work order issued under this clause is canceled or the period of the stop-work order or any extension thereof expires, the servicing agency will resume work. An adjustment will be made in the delivery schedule or cost, or both, and the work order must be modified in writing accordingly. (d)

If a stop-work order is not canceled and the work covered by the order is terminated in accordance with the terms of this work order, costs resulting from the stop-work order will be allowed in arriving at the termination settlement. (e)

Part V Administration of Interagency Agreements

Project Monitoring (A)

Project monitoring is designed to ensure that a project is performed in accordance with the requirements of the statement of work (SOW) and the technical approach stated in the servicing agency's approved proposal. It will also ensure that the work remains on schedule and within the agreed-upon cost. The NRC requiring office monitors work as it proceeds and conducts reviews of the contractor's actions to ensure that they are in compliance with project requirements. A primary tool is the status report. (1)

Effective project monitoring includes conducting monthly progress reviews such as the following on a timely basis: (2)

- Tracking costs against technical progress through a detailed review and analysis of the servicing agency's spending plan. (a)
- Reviewing the status reports. (b)
- Recognizing and resolving potential performance problems. (c)
- Communicating with the servicing agency's project personnel. (d)
- Conducting meetings with the servicing agency's staff on project progress in order to be proactive and active in providing technical oversight. (e)
- Documenting substantive conversations with the servicing agency and the actions taken to keep the project on schedule, within cost limitations, and in conformance with the SOW. (f)

Project Monitoring (A) (continued)

- Executing technical and administrative actions (i.e., voucher review, modifications, incremental funding, and deobligation of excess funds). (g)
- Reviewing and approving the receiving reports (or IPAC report). (h)

NRC-Furnished Documents and Materials (B)

If the SOW included documents and/or materials or equipment that NRC will furnish, the Project Manager (PM) should ensure that these items are provided to the performing organization in a timely manner. (1)

The PM should make every effort to see that these items are provided on or before the date specified in the SOW. Failure to provide these items in a timely manner may impact the performing organization's ability to proceed with the work. If this happens, the PM should review the amount of NRC-caused time delay and modify the performance period of the agreement accordingly. Remember that this does not necessarily mean a one-for-one time extension. A 1-week delay in receipt of some items might equate to more than a week needed by the performing organization to compensate. The PM should contact the servicing agency and discuss any necessary time changes. (2)

Review and Analysis of Status Reports (C)

Each SOW will require a periodic status report as a deliverable under the agreement and/or task order. Status reports are normally submitted on a monthly and/or quarterly basis. A sample format with content requirements for these reports is contained in Exhibit 5 of this handbook. (1)

Review and Analysis of Status Reports (C) (continued)

As agreed upon in the interagency agreement, the servicing agency will submit a status report that summarizes significant technical findings and results and the expenditure of NRC funds. The report addresses staff effort and other costs. Under each category, the report will include costs of the previous period, cumulative costs and uncosted obligations to date, and projections by period for the remainder of the NRC-obligated funds. The initial report will provide the established projections and subsequent reports will either indicate revised projections or indicate “no change in the expenditure projection.” Copies of each report will be submitted to the NRC PM and other designee(s), their name(s), mail stop, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001. Generally, these reports are due on the 20th day of the month following the period reported. (2)

The status report should provide adequate information for the NRC requiring office to fully understand the technical progress of the project and to identify any potential problems that may impede progress or lead to undesirable results. (3)

The status report also should provide detailed cost information for the project. This information should show hours expended by labor category, direct labor cost, material and service costs, travel costs, equipment costs, contractor costs, other direct costs, overhead costs, and general and administrative expenses (indirect costs). The status report also should provide a total cost for each task. NRC PMs need this information to monitor the progress and cost of a project. (4)

An updated spending plan will be submitted with the status report when incurred costs (cumulative to date) vary by 20 percent or more from planned spending (cumulative to date). By reviewing the costs incurred against the servicing agency’s spending plan,

Review and Analysis of Status

Reports (C) (continued)

the requiring office can determine if the rate of spending is on target each month or deviating from expected costs. (5)

The PM's review of the status report should include— (6)

- Detailed cost information (see Section B(2) of this part) (a)
- Technical performance with input from the Technical Monitor (if applicable) (b)
- Staffing levels by category (c)
- Changes in the servicing agency's project personnel (d)
- Project schedules (e)
- Acceptance of deliverables (f)
- Problems with the SOW (g)
- Reportable items identified in the agreement (h)

The PM should— (7)

- Discuss all inconsistencies and problems with the servicing agency (a)
- Determine the impact of problems, such as increased costs, revised schedules, and failures in attaining technical objectives, and determine whether or not NRC can accept the result. (b)
- Ensure that delays on projects are minimized. When the servicing agency indicates either verbally or by a written

Review and Analysis of Status Reports (C) (continued)

notification (e.g., in the status reports) that the project is experiencing a delay, the requiring NRC office shall take prompt action to resolve all issues or, if appropriate, take action to terminate the project if the servicing agency has not made necessary efforts to resolve the issue(s) causing the delay. (c)

- Ensure that any required NRC action is taken expeditiously so as not to impede the agency's progress. (d)
- Determine if the impact of problems and/or any proposed solutions will require the agreement to be modified. (e)
- Document the nature and resolution of issues and problems and maintain this record in the office project file. (f)

Modifications to Projects (D)

Modifications range from administrative in nature (e.g., incremental funding actions, change in key personnel, no-cost extensions of the periods of performance) to the more complex technical changes or actions (e.g., amending the SOW to add additional work and terminating some or all of the work). (1)

Modifications involving the simpler administrative actions may be accomplished without requesting a new proposal since project cost is not affected. (2)

Modifications that affect project costs, on the other hand, require a new proposal. These modifications require the preparation of an NRC Form 662, "Award of Interagency Agreement" (available on the online forms icon). (3)

Monitoring the Servicing Agency's Performance/Past Performance (E)

The PM must monitor the servicing agency's performance closely to ensure that the work is satisfactorily performed in a timely manner. Communication with the servicing agency is important to this success. (1)

An evaluation of the servicing agency's performance shall be prepared for all active projects. Such evaluations normally must be prepared by the PM annually for multiyear projects and at the time the work under the project is completed. The past performance questionnaire may be accessed and completed at the agencywide past performance database located on the DC home page of the NRC internal Web site. (2)

Property Management Procedures (F)

General (1)

In the SOW for a proposed interagency agreement, the requiring NRC office identifies any property, including software, required for performance of the project. (a)

The proposal includes a description of the property required for project performance that has an estimated acquisition cost of \$500 or more. The proposal also identifies the potential development of NRC-funded software during the project. NRC-funded software is software specifically developed for NRC and is generally the deliverable for the project (e.g., analytical code). (b)

The requiring office will review the list of property and NRC-funded software included with the servicing agency proposal to ensure that it is necessary for project performance. Any questions regarding the acquisition of property or the development of NRC-funded software must be addressed during negotiations. (c)

Property Management Procedures (F)
(continued)

General (1) (continued)

After work initiation, the servicing agency will submit a written request to the PM for approval to develop additional NRC-funded software or purchase additional property with an estimated acquisition cost of \$500 or more. The PM will approve or disapprove, in writing, the acquisition or development of any additional items. (d)

When property is received by the NRC staff, the purchaser is responsible for promptly notifying his or her office property custodian so the property can be tagged. Documentation of the purchase (i.e., purchase order, package slip and/or receiving report) is required before an item can be tagged. The property custodian will forward the completed tagging package to the Division of Contracts (DC), ADM, for entry into the Property and Supply System. (For further information see Management Directive [MD] Handbook 13.1, "Property Management.") (e)

The servicing agency reports property with an acquisition cost of \$500 or more in the status report in the month or quarter the property was acquired. The PM forwards a list of all property acquired to the NRC DC/ADM. The PM includes the following information for each item reported: (f)

- Item description or nomenclature (i)
- Manufacturer (ii)
- Model number (iii)
- Serial number (iv)
- Acquisition cost (v)

Property Management Procedures (F)
(continued)

General (1) (continued)

- Receipt date (vi)

The servicing agency also reports NRC-funded software with a useful life of 2 years or more and a development cost of \$500 or more in the month the development of the software is completed. The PM will submit a copy of this report to the Business Process Improvement and Applications Division (BPIAD), Office of Information Services (OIS); Director, Division of Financial Management, Office of the Chief Financial Officer (OCFO); and DC. (g)

The servicing agency provides the following information for each item of NRC-funded software, which the PM will verify: (h)

- Software name and functions (i)
- Development cost (ii)
- Computer language used (iii)
- System on which it will operate (iv)
- Physical location of the software and/or the hardware system (v)
- Date the development of the software was completed (vi)
- Date of scheduled replacement or projected useful life (If none can be determined, use a date 5 years from the date the software became operational.) (vii)

Property Management Procedures (F)
(continued)

Purchase of Additional NRC-Funded Software or Property (2)

The servicing agency shall submit a written request to the NRC PM for approval to develop additional NRC-funded software or to purchase additional property with an estimated acquisition cost of \$500 or more after work initiation. The PM shall approve or disapprove the acquisition or development of any additional items in writing.

Funds Control Responsibilities (G)

Responsibilities of Each NRC Office (1)

In accordance with MD 4.2, "Administrative Control of Funds," NRC offices are responsible for the internal records and controls in their organizational units. Thus, offices and their staff are responsible for adhering to funds availability ceilings in all actions related to the certification, commitment, or obligation of allocated funds. Further, offices are responsible for ensuring that allocated funds are committed, obligated, and expended for the purposes for which they were appropriated as reflected in the current allowances and financial plans. (a)

The Funds Certifying Official must certify the availability of funds on the interagency agreement before the NRC official authorized to enter the agency into the agreement signs it. Requiring offices will work closely and coordinate procurement activities with the allowance financial management teams in their offices before making representations to outside organizations. This close coordination should ensure that commitments and obligations, including modifications, are processed in a timely and accurate manner before commencement or continuation of work. (b)

Funds Control Responsibilities (G) (continued)

Responsibilities of Each NRC Office (1) (continued)

NRC offices must not authorize funds to be transferred between job codes after the end of the fiscal year without prior approval of the Director of the Division of Planning, Budget, and Analysis, OCFO. (c)

Recording Commitments and Obligations (2)

The availability of funds must be certified on all interagency agreements before the NRC official authorized to enter the agency into the agreement signs it. The amount of funds certified in the initiating document represents the recorded commitment. Once the document has been completed with all required approvals, that amount is recorded as an obligation in the NRC accounting system. (a)

Required approvals, in addition to a certification of funds availability, include the administrative approval by an NRC office director, regional administrator, or contracting officer authorized to enter NRC into an interagency agreement and the signature of a representative of the other agency authorized to accept the agreement. Offices that have not been delegated authority to enter into interagency agreements must request the Director of DC to award the interagency agreement. (b)

After an authorized NRC official has signed the agreement, it is forwarded to the other agency for acceptance. The allowance holder funding the agreement, or the DC contracting officer who signed the agreement, is responsible for ensuring that a copy of the accepted interagency agreement is promptly forwarded to the Division of Financial Services (DFS), OCFO, to be recognized as an obligation in the NRC accounting system. Work will not begin before the funds are obligated for the project. (c)

Funds Control Responsibilities (G) (continued)

Acceptance of Deliverables (3)

The PM will ensure that delivery schedules are met, that problems are addressed and solved expeditiously, and that the agreement stays within the estimated cost. The PM reviews, evaluates, and approves all deliverables for technical sufficiency and provides comments, as appropriate, in a timely manner.

Final Past Performance Evaluation (4)

A final evaluation shall be prepared for all expiring projects within 30 days after receipt of the final invoice. Such information will be used by other PMs prior to award of projects. Careful evaluation of a servicing agency's performance after completion of the project is very important as it serves as a valuable guide in determining the servicing agency's suitability for future work. The PM can access and complete the past performance questionnaire at the agencywide past performance database located on the DC home page of the NRC internal Web site. This information provides useful recommendations to those staff members who are considering the servicing agency for further work. (a)

The Federal Acquisition Regulation (FAR), Part 42.15, requires that a final evaluation be prepared for contracts in excess of \$100,000 and that interim (annual) reports be prepared for contracts exceeding 1 year in duration. PMs prepare these evaluation reports. These evaluation reports will be used to provide current information for source-selection purposes to NRC and other Federal agencies that request it. (b)

Careful evaluation of the servicing agency's performance after completion of the agreement is very important because it serves as a valuable guide in determining the agency's suitability for future work. The PM should prepare a concisely written report of the evaluation in consultation with DC. The evaluation report should be kept on file in the requiring office. However, if DC

Funds Control Responsibilities (G) (continued)

Final Past Performance Evaluation (4) (continued)

executes the agreement, the report should be kept in DC for future reference to provide useful data for future source-selection activities. The report should address the servicing agency's— (c)

- Compliance with terms and conditions governing the quality of the end item or service (i)
- Success in meeting schedules (ii)
- Success in performing within costs (iii)
- Capability to perform the contract (iv)
- Ability to perform without direction or assistance from NRC (v)
- Recommendations for future solicitations (vi)

Official Project File (H)

The office issuing the interagency agreement will maintain the official project file for each interagency agreement. The issuing office is responsible for maintaining in chronological date order all documents, memoranda, references, and accounting and billing information that are technical and administrative in nature from the point of initiation through a final closeout.

Project File Content (1)

The official file shall contain the original signed interagency agreement and modifications, project and office reviews, audit reports, and deliverables as specified in the interagency agreement, such as technical reports (in hard copy or electronic format). (a)

Official Project File (H) (continued)

Project File Content (1) (continued)

The office with delegated authority shall maintain the official project file. Specific documents shall be maintained in the official file, if applicable to the interagency agreement. These include— (b)

- User request and/or endorsement memorandum (i)
- Determination of findings — Justification to place work with another agency— (ii)
- SOW (a)
- Independent Government cost estimates (if required) (b)
- Special administrative approvals (c)
- Information technology approvals (d)
- Security/classification requirements (e)
- Proposal (f)
- Summary of Negotiations (g)
- Award of an interagency agreement (NRC Form 662; available on the online forms icon) (h)
- Memoranda that document meetings, telephone conversations, technical direction and guidance, changes to SOWs, schedule, cost estimates, trip reports, and meeting agenda (i)
- Correspondence (interagency and interoffice) (j)
- Status reports (k)

Official Project File (H) (continued)

Project File Content (1) (continued)

- Deliverables such as technical reports (*l*)
- Program reviews (*m*)
- Billing information/vouchers (*n*)
- Agreement closeout (*o*)

Office Project File Disposition (2)

Within 90 days of completion of all closeout actions, the PM will have the responsibility of forwarding the official project file to the NRC Records Management Branch, Information and Records Services Division, Office of Information Services, for disposition in accordance with NUREG-0910, "NRC Comprehensive Records Disposition Schedule."

File Reviews (I)

DC, ADM, is responsible for oversight of NRC work placed with other Federal agencies and their contractors. (1)

DC staff conduct office file reviews periodically to ensure that interagency agreement projects are being conducted in accordance with the guidelines outlined in this handbook. The scope of project file reviews includes (but is not limited to) office use of past performance information, the degree to which deliverables and due dates are clearly defined in the SOW, and evidence of use of performance-based techniques, where practicable. The reviews will also provide emphasis on the adequacy of documentation of monthly progress reviews. The reviews will help to ensure adherence to sound contract management practices and will provide constructive feedback to the supporting office, including specific findings and recommendations for improvement. The file review checklist used by DC may be found in Exhibit 9. (2)

Part VI

Closing Out Interagency Agreements

Closing Out the Project (A)

The NRC office will begin action to close out a project upon expiration of the period of performance and receipt of all deliverables or upon termination of the interagency agreement. The closeout process begins with a statement on the servicing agency's performance of work; property disposition, if necessary; and identification of funds remaining in the agreement to either be deobligated or expended. NRC Form 662, "Award of Interagency Agreement" (available on the online forms icon), will be used to deobligate excess funds and state the final disposition of property.

Work Completion (B)

The project manager— (1)

- Approves final acceptance of product or services, with input from the Technical Monitor (if applicable). (a)
- Prepares a final written evaluation of the servicing agency's performance on the project. Include an evaluation of any contractor's performance where applicable. (b)
- Ensures that interim and final reports are submitted to the NRC's Agencywide Documents Access and Management System (ADAMS; see Management Directive 3.53, "NRC Records and Document Management Program.") (c)
- Ensures that property requests are properly justified and approved and that accountability is maintained. (d)
- Notifies the servicing agency of an address to which to send any final bills. (e)

Work Completion (B) (continued)

The closeout of the interagency agreement is completed by timely cost reconciliation and deobligation of excess funds. The NRC requiring office develops a memorandum, to be signed by the appropriate office funds certifying official, requesting deobligation of any excess funds, if necessary. The memorandum is sent to the Division of Financial Services, Office of the Chief Financial Officer, along with a copy of the countersigned closeout form (NRC Form 559A, "NRC/Interagency Project Closeout," available on the online forms icon). In addition, the project manager will place a copy of the countersigned closeout form in the official file and archive the official file using NRC Form 35, "Records Transfer." (2)

Abbreviations

APP	advance procurement plan
COI	conflict of interest
DEDIA	Deputy Executive Director for Information Services and Administration and Chief Information Officer
GWAC	Governmentwide acquisition contract
IGCE	Independent Government Cost Estimate
IPAC	Interagency Payment and Collection
IT	information technology
MOU	memorandum of understanding
PBA	Performance-Based Acquisition
QASP	Quality Assurance Surveillance Plan
RFP	Request for Proposal
RFPA	Request for Procurement Action
SOW	statement of work

Exhibit 1

Determinations and Findings (D&F) for Entering Into an Agreement With Another Federal Agency

Determinations and Findings by _____
Office _____

Job Code _____

I. **Section 1:** The determinations and findings (D&F) must state the following and include supporting rationale:

- (1) Use of an interagency acquisition is in the best interest of the Government because _____ and _____
- (2) The supplies or services cannot be obtained as conveniently or economically by contracting directly with a private source.

II. **Section 2:** If the order requires contracting action by the servicing agency, the D&F shall also include a statement that at least one of the following circumstances is applicable:

- (1) The acquisition will appropriately be made under an existing contract of the servicing agency, or entered into before placement of the order, to meet the requirements of the servicing agency for the same or similar supplies or services;
- (2) The servicing agency has capabilities or expertise to enter into a contract for such supplies or services that are not available within the requesting agency; or
- (3) The servicing agency is specifically authorized by law or regulation to purchase such supplies or services on behalf of other agencies.

III. **Authority:**

- Energy Reorganization Act of 1974, as amended
- The Economy Act of 1932
- The Clinger/Cohen Act of 1996
- Other (specify) _____

Signature of Certifying Official/Awarding Official

Date

Exhibit 2(a) Letter Requesting Another Agency's Proposal


	<p>UNITED STATES NUCLEAR REGULATORY COMMISSION WASHINGTON, D.C. 20555-0001</p>
<p>(Date)</p>	
<p>Name Servicing Agency _____ _____</p>	
<p>SUBJECT: _____ (NRC Agreement Title) _____</p>	
<p>Agreement No. _____ Job Code _____</p>	
<p>Dear _____:</p>	
<p>We request a proposal for performance for the attached statement of work (SOW) under Job Code _____ for the Nuclear Regulatory Commission, Office _____ The enclosed SOW details the required work and should be used as the basis for proposal preparation.</p>	
<p>Cost Proposal</p>	
<p>Use NRC Form 667, "Servicing Agency Project and Cost Proposal for NRC Work," for cost proposals for basic work orders. The form includes instructions for completion.</p>	
<p>Also submit a spending plan as part of your cost proposal. Guidance for completion of the plan is contained in the instructions portion of NRC Form 667.</p>	
<p>Technical Proposal Content</p>	
<p>As a minimum, the technical proposal must contain the following:</p>	
<ul style="list-style-type: none">• A discussion to substantiate the servicing organization's understanding of the scope of work• A discussion of the servicing organization's technical approach to meet the project's objective• A discussion of the experience and capabilities of key personnel and the servicing agency in performing similar work• Identification of key personnel and the number of staff hours that will be committed to complete work (résumés for key personnel must be included)• Identification of administrative support personnel and/or facilities needed to assist professional personnel in completing the work• A discussion of any potential organizational conflict-of-interest issues• A discussion of any problem areas or deviations from the NRC's SOW	

Exhibit 2(a) (continued)

Name _____

- 2 -

Organizational Conflict of Interest

When NRC enters into an agreement with another Federal agency for performance of NRC work, and during the life of the agreement, the servicing agency shall review its or its contractors' current work, planned work, and where appropriate past work, in the same technical area and on the same or similar matter as the NRC project scope of work, for other organizations (including but not limited to NRC licensees, vendors, industry groups, or research institutes that represent or are substantially comprised of nuclear utilities). Should that review reveal current or planned work for others in the same technical area and on the same or similar matter as this NRC project, the servicing agency shall provide the name of the organization, the dollar value, and the period of performance of the work identified as well as descriptions of such potentially conflicting present/planned/past work to NRC.

A proposal must be submitted within 30 calendar days from receipt of this request for proposal (RFP).

The RFP is not an authorization to start work.

(Include when appropriate)

Work under this project (is anticipated to be unclassified), (will require access to and or the origination of classified information on the enclosed NRC Form 187), (or will require access to and/or the origination of sensitive unclassified information).

(Include when appropriate)

Performance of work under the SOW is urgently required in support of (brief description of the activity) and, in accordance with NRC Management Directive _____, Part _____, expedited handling by the servicing organization is hereby requested. The proposal should be faxed to NRC no later than (month, day, year). Please advise me by telephone as soon as possible if there is any difficulty in meeting this due date.

The original proposal and _____ copies should be sent to the U.S. Nuclear Regulatory Commission, Attn: _____, Office of _____, Division of _____, Mail Stop _____, Washington, DC 20555-0001.

Questions concerning this request should be addressed to _____, at (area code) + (telephone number) _____. Thank you for your assistance in this matter.

Sincerely,


_____, Director
Division of _____
Office of _____

- Enclosures:
1. Statement of Work
2. NRC Form _____ with Instructions
3. NRC Form 187 *if appropriate*

cc w/enclosures:

CONCURRENCES ON LETTER: (As required by office policy)

Exhibit 2(b)
Letter Requesting a Revised Agency
Proposal (Optional)

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

(Date)

Name
Servicing Agency

SUBJECT: _____ (NRC Agreement Title)

Agreement No. _____ Job Code _____

Dear _____:

We request a revised proposal from the (servicing agency) for performance of the attached statement of work (SOW) under Job Code _____ for the Nuclear Regulatory Commission.

Negotiation of project's cost, terms, and conditions between NRC and the (servicing agency) concluded on _____.

The revised technical and cost proposal shall reflect the agreements reached by the parties.

The servicing agency shall use NRC Form 667, "Servicing Agency Project and Cost Proposal for NRC Work," for its cost proposal. The cost proposal shall reflect any change to the spending plan as a result of negotiations.

The revised proposal must be submitted within 30 calendar days from receipt of the request for a revised proposal.

The request for a revised proposal is not an authorization to start work.

The proposal should be sent in an original and _____ copies to the U.S. Nuclear Regulatory Commission, Attn: _____, Office of _____, Division of _____, Mail Stop _____, Washington, DC 20555-0001.

Questions concerning this request should be addressed to _____, at (area code) + (telephone number) _____. Thank you for your assistance in this matter.

Sincerely,

_____, Director
Division of _____
Office of _____

Enclosure: Statement of Work (NRC Form ____ with Instructions)

cc w/enclosures:

CONCURRENCES ON LETTER: (As required by office policy)

Exhibit 3

Transmittal Letter for New Agreement (Optional)


	<p>UNITED STATES NUCLEAR REGULATORY COMMISSION WASHINGTON, D.C. 20555-0001</p>
<p>(Date)</p>	
<p>Name _____ Servicing Agency _____</p>	
<p>SUBJECT: INTERAGENCY AGREEMENT BETWEEN THE U.S. NUCLEAR REGULATORY COMMISSION (NRC) AND THE SERVICING AGENCY, NO. (IAA NUMBER), ENTITLED "AGREEMENT TITLE"</p>	
<p>Dear _____:</p>	
<p>Pursuant to the authority contained in the Energy Reorganization Act of 1974, as amended, the Economy Act of 1932, and the Clinger/Cohen Act of 1996, the Office of _____, U.S. Nuclear Regulatory Commission and the Servicing Agency desire to enter into an agreement as described in the attached.</p>	
<p>If this agreement is acceptable to the Servicing Agency, please sign all four original copies of NRC Form XXX. Three of the originals should be returned to the NRC administrative contact, _____, in the envelope provided. Please retain the fourth copy for your records.</p>	
<p>Sincerely,</p>	
<p>Appropriate NRC Manager and Title Division of _____ Office of _____</p>	
<p>Enclosure: Interagency Agreement (IAA Number) (4 copies)</p>	

Exhibit 4

Transmittal Letter for Ongoing Agreement (Optional)


	<p>UNITED STATES NUCLEAR REGULATORY COMMISSION WASHINGTON, D.C. 20555-0001</p>
<p>(Date)</p>	
<p>Name Servicing Agency _____ _____</p>	
<p>SUBJECT: MODIFICATION TO THE INTERAGENCY AGREEMENT BETWEEN THE U.S. NUCLEAR REGULATORY COMMISSION (NRC) AND THE SERVICING AGENCY, NO. (IAA NUMBER, Mod. No. ____), ENTITLED "AGREEMENT TITLE"</p>	
<p>Dear _____:</p>	
<p>Purpose of modification.</p>	
<p>Pursuant to the authority contained in the Energy Reorganization Act of 1974, as amended, the Economy Act of 1932, and the Clinger/Cohen Act of 1996, the Office of _____, U.S. Nuclear Regulatory Commission and the Servicing Agency desire to continue an agreement as described in the attached.</p>	
<p>If this agreement is acceptable to the Servicing Agency, please sign all four original copies of NRC Form XXX. Three of the originals should be returned to the NRC administrative contact, _____, in the envelope provided. Please retain the fourth copy for your records.</p>	
<p>Sincerely,</p>	
<p>Appropriate NRC Manager and Title Division of _____ Office of _____</p>	
<p>Enclosure: Interagency Agreement (IAA Number, Mod. No. ____) (4 copies)</p>	

Exhibit 5 Status Report Requirements

SOW Attachment
Page ___ of ___

A letter status report must be submitted to NRC as specified in the Interagency Agreement (IA). The report shall be delivered to the NRC project manager and the Division of Contracts, Office of Administration. Distribution of additional copies of the report also shall be stated in the agreement. The report shall, as a minimum, contain the information required below. If the project is awarded as a task order agreement, a separate report shall be submitted for each task order with a summary project report.

The report must include the following: the full name and address of the performing organization; the agreement number; the job code number and title of the project; the principal investigator's name and full telephone number; and the project period of performance, the task assignment period of performance, and the reporting period. Financial information must be provided on each individual task under a project and by individual task orders under basic task order agreements.

A project may be omitted from the servicing organization's report following NRC's determination that all work is completed and that the final cost information is acceptable. However, the final report for the project must be included in the performing organization's activities report covering the last quarter of NRC's fiscal year.

It is acceptable to indicate in the report that the project was inactive during the reporting period if a previous quarterly status report that contained the latest financial and progress status information is referenced.

As a minimum, the report must include the following sections:

Objective

Provide a brief statement of the servicing agency's understanding of the objective(s) of the program/project.

Progress During Reporting Period

For each task and/or task order, provide a clear, concise discussion of the work performed during the reporting period. As a minimum, these discussions must include sufficient detail to support the costs reported for the period. Progress reported as "worked on all tasks" is not acceptable. Names and dates of meetings and conference calls must be included. In addition, the current status of each task shall be identified.

Travel

Travel taken during the reporting period must be fully described and must include, as a minimum, the purpose of the travel, whether prior NRC authorization was required and obtained, the identity of all travelers, beginning and ending dates of the travel, and the origin and destination points. If portions of the travel costs are split between projects, the appropriate corresponding job code number must be identified.

Exhibit 5 (continued)

Anticipated and Encountered Problem Areas

Problems both encountered during the reporting period and anticipated for the next period(s) must be identified.

Discussion of problems encountered during the reporting period must include the actual solution or, if action is not implemented by the time of report issuance, the proposed solution. The status of the problem shall be updated in subsequent reports until problem solution is achieved and reported. **Note:** The person(s) and/or organization(s) with responsibility for action to address the problem must be clearly identified. In the event that NRC is required to take action, a separate letter to the appropriate NRC individual must be transmitted.

Problems or circumstances that require a change in the level of effort or estimated cost, scope of work, or travel requirements shall be discussed. **Note:** A separate letter identifying the need for modification must be sent to the office as soon as the problem is identified. Such notification must not be delayed until issuance of the report.

Reminder: Changes to the statement of work (SOW) that constitute new assignments of work or changes of such a nature as to justify an adjustment in overall cost or period of performance may only be issued by the appropriate official.

Plans for the Next Reporting Period

A discussion of the work to be performed and a description of anticipated travel must be provided. Milestones that will be completed during the period must be described. **Note:** Where prior NRC approval for travel authorizations is required, a separate notification must be written to NRC.

Variance

Any variance in either schedule or spending rate must be identified and discussed in detail. Discussion must include the cause for the variance, together with any proposed solution to bring the dates and cost within planned dates and amounts.

Financial Schedule Status

In addition to the financial status information reported in the format shown in the "Financial Status Report Format" section of this exhibit, a narrative description of the financial status of the project must be provided. Statements such as "See attached financial status" are not acceptable. A discussion of the status of the projected cost and schedule of the project must be included. If the projected actual cost is expected to be greater than or less than the planned cost and/or if the schedule is projected to be longer than or less than the planned schedule, a discussion of the reasons for the differences must be provided. Actions to mitigate any delays in schedule and/or increases in cost shall be thoroughly described.

Encumbered costs shall be noted and briefly described.

Exhibit 5 (continued)

Spending Plan Update

The spending plan agreed to by the parties for projects and task orders shall be included in the initial report. Thereafter, the spending plans shall be updated in the report when incurred costs (cumulative to date) vary by 20 percent or more from planned spending (cumulative to date).

Acquired Property

Report property, including software acquired for the project during the quarter with an acquisition cost of \$500 or more. Provide the following information for each item of property: item description, manufacturer, model number, serial number, acquisition cost, receipt date, and performing organization identification number, when appropriate. If no property was acquired during the report quarter, include a statement to that effect in the report.

NRC-Funded Software Developed

Report NRC-funded software with a useful life of 2 years or more and a development cost of \$500 or more in the quarter the development is completed. Provide the following information for each item of NRC-funded software:

- Software name and functions (i)
- Development cost (ii)
- Computer language used (iii)
- System on which it will operate (iv)
- Physical location of the software and/or the hardware system (v)
- Date the development of the software was completed (vi)
- Date of scheduled replacement or projected useful life. (If none can be determined, use a date of 5 years from the date the software became operational.) (vii)

Exhibit 5 (continued)

SOW Attachment
Page ___ of ___

**Status Report
 Financial Status Report Format
 Reporting Period**

Job Code Number* _____ Interagency Agreement No. _____
 Title: _____
 Project/Task Order Agreement Period of Performance From _____ To _____

Task Order Number** _____
 Task Order Title _____
 Task Order Period of Performance From _____ To _____

Total Project Ceiling Amount \$ _____
Total Funds Obligated to Date \$ _____
Total Current Fiscal Year Ceiling Amount \$ _____
Total Funds Obligated Current Fiscal Year \$ _____

Direct Staff Effort _____ (Hours Expended by Labor Category)

Current Cost-Incurred Status to the Nearest Dollar

	Current Quarter	Fiscal Year To Date	Cumulative Project To Date
--	--------------------	---------------------------	----------------------------------

Direct Labor, Labor Categories _____
 Overhead _____
 Materials and Services** _____
 Travel Expenses _____
 Subcontracts/Consultants† _____
 Other _____
 General and Administrative _____
Subtotal \$ _____ \$ _____ \$ _____
 Foreign Funds†† _____
Total Uncosted Amount \$ _____ \$ _____ \$ _____
 Percentage of available cumulative funds costed % _____
 Percentage of available current fiscal year funds costed % _____

* Specialized internal account numbers may be added.
 ** Individual financial status reports are required for each individual task order that has an estimated cost of \$100,000 or more and has a period of performance of 6 months or more. For task orders under these thresholds, only the total estimated cost is required.
 † Include contract and purchase order dollar amounts. Provide cost breakdown by element of cost for subcontracts that exceed 25 percent of project costs.
 †† Portion of total costs charged to foreign funds.

Exhibit 5 (continued)

Attachment
Page ___ of ___

Cost Totals by Project Task

Task

Direct Labor \$ _____

Total Estimates Cost \$ _____

Quarterly Spending Plan Update

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Direct Costs \$	_____	_____	_____	_____
Indirect Costs \$	_____	_____	_____	_____
Total Estimated Cost \$	_____	_____	_____	_____
Project Completion %				

(Continue for entire period of performance)
Cumulative Costs to Date \$ _____

Overall Funding Status

In thousands of dollars, provide the total for the following:

Prior FY Carryover	\$	_____
FY xx Project Funding Level	\$	_____
FY xx Funds Received to Date	\$	_____
FY xx Funding Balance Needed	\$	_____
Projected Carryover to Next FY	\$	_____
Total Estimated Project Amount	\$	_____
Total Project Cumulative Amount Obligated	\$	_____
Total Project Balance Needed	\$	_____
Total Project Cumulative Amount Costed	\$	_____

(For each task order, provide the same information listed above.)

Exhibit 5 (continued)

Attachment
Page ____ of ____

License Fee Recovery Cost Status

Pursuant to the provisions on fees of 10 CFR Parts 170 and 171, provide the total amount of funds costed during the period and fiscal year to date for each task or task assignment by facility or topical report. The License Fee Recovery Cost Status Report (LFRCS) must be on a separate page as part of the report for the job code, and must be in the format provided on the following page. If no fee-recoverable costs were incurred during the month, the performing organization shall so indicate by checking the appropriate block located on the next page of this exhibit under "License Fee Recovery Cost Status."

There should be only one LFRCS table per job code. Unit numbers, for example, Beaver Valley 2, should be identified for each facility included in each table, the facilities should be sorted by docket number, and costs should be reported as whole numbers rounded to the nearest dollar. For work that involves more than one unit at the same site, each unit should be listed separately and the costs should be split appropriately between the units. Common costs, as defined below, must be identified separately in the LFRCS table each quarter and must be divided among all plants worked on under the program during the quarter. The total of the period costs reported in the LFRCS table should equal the total of the period costs reported in the Financial Status section. In the event the totals of the costs reported in these two tables are not equal, an explanation for the variance should be given as a footnote to the LFRCS table.

"Common costs" are those costs associated with the performance of an overall program that benefit all similar licensees covered under that program or that are required to satisfactorily carry out the program. Common costs include costs associated with the following: preparatory or startup efforts to interpret and reach agreement on methodology, approach, acceptance criteria, regulatory position, or technical reporting requirements; efforts associated with the lead plant concept that might be involved during the first one or two plant reviews; meetings and discussions involving the above efforts to provide orientation, background knowledge, or guidance during the course of a program; any technical effort applied to a category of plants; and project management. On a quarterly basis, the common costs for the quarter must be apportioned in proportion to the costs incurred during the quarter for each of the plants for which work was performed.

Exhibit 5 (continued)

Attachment
Page ___ of ___

License Fee Recovery Cost Status
(Sample Task Order)

Job Code:
Title:
Period:

Report Title	Facility Name	Docket Number	Identification Number	Period Costs	Cumulative Costs This Fiscal Year
--------------	---------------	---------------	-----------------------	--------------	-----------------------------------

Common Costs*

Task 1
Task n

No license fee recoverable costs were incurred during the reporting period.

*Common costs shall be reported on a quarterly basis in the Letter Status Report.

Exhibit 6

Interagency Payment and Collection (IPAC) Form (Bills Charged to NRC)

RECEIVED BY YOUR ALC
 COLLECTION TRANSACTIONS RECEIVED BY: _____
 INCLUDES THIRD PARTY SUBMITTER DATA

Start Date: _____ End Date: _____

Originating ALC	Customer ALC	Submitter ALC	COLLECTION
Document Reference Number		Summary Amount	
Accomplished Date	Accounting Date	Number of Detail(s)	Originator DO Symbol
ALC Contact			Contact Phone
Contact E-mail			
Detail Number	Receiver Treasury Account Symbol		
Receiver DUNS+4 Sender Treasury Account Symbol			Sender
Receiver	Receiver	Sender	Sender
Purchase Order Number		Invoice Number	
Obligating Document Number	Requisition Number	Contact Number	
CLIN	Jas Number		
ACT (trace number)	Job (Project) Number	Pay Flag	Receiver Dept. Code
Unit of Issue	Quantity	Unit Price	Detail Amount
ACRN	Accounting Classification Code	FSN/AAA/ADSN	DOD Activity Address Code
Transaction Contact	Contact Phone		
Transaction Description	Miscellaneous Information		

Exhibit 7

Voucher and Schedule of Withdrawals and Credits (NRC Form 1081)

STANDARD FORM 1081 Revised September 1982 Department of the Treasury IFORM 2-2500		VOUCHER AND SCHEDULE OF WITHDRAWALS AND CREDITS	
CHARGE AND CREDIT WILL BE REPORTED ON CUSTOMER AGENCY STATEMENT OF TRANSACTIONS FOR ACCOUNTING PERIOD ENDING _____			Transaction Date _____ Document No. _____
CUSTOMER AGENCY		BILLING AGENCY	
Agency Location Code (ALC) _____	Customer Agency Voucher No. _____	Agency Location Code (ALC) _____	Billing Agency Voucher No. _____
DEPARTMENT BUREAU ADDRESS		DEPARTMENT BUREAU ADDRESS	
SUMMARY		SUMMARY	
APPROPRIATION, FUND, OR RECEIPT SYMBOL	AMOUNT	APPROPRIATION, FUND, OR RECEIPT SYMBOL	AMOUNT
(MUST AGREE WITH BILLING AGENCY TOTAL)	TOTAL	(MUST AGREE WITH BILLING AGENCY TOTAL)	TOTAL
Details of charges or reference to attached supporting documents			
BILLING AGENCY CONTACT: PREPARED BY _____ APPROVED BY _____ TELEPHONE NO. _____			
CERTIFICATION OF CUSTOMER OFFICE			
I certify that the items listed herein are correct and proper for payment from and to the appropriation(s) designated.			
_____ (Date)		_____ (Authorized administrative or certifying officer)	
_____ (Telephone No.)			
NSN 7540-00-634-4234 PREVIOUS EDITION NOT USABLE			

Exhibit 8

Waiver of Commission Requirements on Avoidance of Organizational Conflict of Interest for a Project (Template)

This document should be marked as
Official Use Only - Sensitive Internal Information

Template:

WAIVER OF COMMISSION REQUIREMENTS ON AVOIDANCE OF ORGANIZATIONAL
CONFLICT OF INTEREST FOR A PROJECT AT (THE SERVICING AGENCY OR THE
SERVICING AGENCY'S CONTRACTOR)

This document discusses a waiver of potential organizational conflict of interest (OCOI) for the
work being performed at (_____) under Job Code entitled "
_____" For reasons described herein, the staff
requests the Executive Director for Operations' approval of this OCOI waiver request to
continue obtaining support from (the Servicing Agency or the Servicing Agency contractor) in
performing _____. (The Servicing Agency or the Servicing Agency contractor's)
continued support is needed to _____.

Background

Waiver Justification (Explanation of why the work is vital to the agency.)
(Explanation of why only the Servicing Agency or the Servicing Agency's
contractor can perform the work.)
(Steps to be taken by the agency to mitigate the results of the Servicing
Agency or the Servicing Agency's contractor with an OCOI performing
the effort. If adequate mitigation cannot be achieved to neutralize the
conflict, findings that establish an OCOI cannot be adequately mitigated
and a description of the extraordinary circumstances justifying use of the
Servicing Agency or the Servicing Agency's contractor whose
performance gives rise to an OCOI.)

Requested Action Short summary.
Since the activities being performed at (the Servicing Agency or the
Servicing Agency's contractor) are important to NRC and can only be
completed by (the Servicing Agency or the Servicing Agency's
contractor) under the current schedule, (if adequately mitigated, add
"and appropriate actions can be taken to mitigate the potential OCOI.") (if
not mitigated, add "and an adequate justification was provided of the
extraordinary circumstances justifying use of [the Servicing Agency or
the Servicing Agency's contractor], whose performance gives rise to an
OCOI"), the staff recommends that a waiver be issued to allow
completion of the work.

The Division of Contracts has concurred in this request and has no objection to approving this
waiver. The Office of the General Counsel has no legal objection to approving this waiver.

Waiver Request: Approved () Disapproved ()

Luis Reyes
Executive Director for Operations

Date

This document should be marked as
Official Use Only - Sensitive Internal Information

Exhibit 9

File Review Checklist for Interagency Agreements

REVIEW OF PROGRAM OFFICE INTERAGENCY AGREEMENT PROJECT FILES TO DETERMINE COMPLIANCE WITH MANAGEMENT DIRECTIVE 11.8

DC REVIEWER _____ PROGRAM OFFICE REVIEWED _____ DATE _____
 PROJECT MANAGER _____

Specific Review Criteria	Yes	No	Not Complete	Revise	N/A	Comments
I. Preaward Phase						
A. Review of SOW Are tasks well defined, succinct, and clear as to purpose?						
Is there a period of performance stated?						
Are required reports and other deliverable products and schedules stated?						
B. Adequacy of Justification to award an interagency agreement (IA) to an agency other than the U.S. Department of Energy (DOE) in accordance with Part II, Section (E), and with Exhibit 1 of MD 11.8, "Determinations and Findings (D&F) for Entering Into an Agreement With Another Federal Agency." Did the project manager (PM) support the selected criterion?						
Did the office director, regional administrator, or designee approve the justification?						
For IAs with an average annual estimated cost of \$1M or more, was the project sent to the Director of DC for review and approval?						
C. Other Required Reviews Did the Office of Information Services (OIS) review and approve an IA involving information technology (IT) resources?						
If the work required access to classified or sensitive unclassified information, was an NRC Form 187 completed?						

Exhibit 9 (continued)

Specific Review Criteria	Yes	No	Not Complete	Revise	N/A	Comments
D. Independent Government Cost Estimate (IGCE) Was an IGCE developed for projects with an estimated annual cost greater than \$250K or in excess of \$500K for a multiyear IA?						
Was NRC Form 554B, "Independent Government Cost Estimate (IGCE) for Interagency Agreements," used?						
E. Conflict-of-Interest (COI) Consideration Did the PM review and analyze submitted information regarding organizational COI? (Part II, Section (G), MD 11.8)						
Was action taken to ensure that the potential for COI was eliminated?						
F. Evaluation of Proposal Did the PM evaluate the technical approach?						
Did the PM identify problem areas or ambiguities in the preliminary proposal?						
Did the servicing agency provide a cost proposal using NRC Form 667, "Servicing Agency Project Cost Proposal for NRC Work," or its criteria?						
Was a spending plan included in the cost proposal for IAs longer than 6 months in duration?						
Did the PM use NRC Form 558A, "Summary of Proposal Evaluation - Interagency Agreement," or a similar format to evaluate the proposal?						
Is there any evidence that the PM compared the proposal to the IGCE regarding the level of effort and the skill mix?						

Exhibit 9 (continued)

Specific Review Criteria	Yes	No	Not Complete	Revise	N/A	Comments
Did the PM develop technical and cost questions for negotiation discussions to eliminate proposal ambiguities, errors, and omissions?						
G. Subcontracting Any evidence of pass-through contracting? Does the servicing agency's contractor perform work under the IA? (Part III, Section (K), MD 11.8)						
Did the servicing agency break out subcontract costs (level of effort, direct labor cost, travel costs, materials, equipment, indirect rates, and other direct costs for all contractors) when such costs exceeded 25% of total IA costs? (Part III, Section (K), MD 11.8)						
Did the PM evaluate the agency's contractor information (résumés, personnel, costs)?						
H. Special Considerations - If Applicable Using Required Federal Sources (e.g., Office of Personnel Management's (OPM's) FINANCENET computer program) where NRC does not negotiate the price of the service. No justification, statement of work (SOW), IGCE, or request for procurement (RFP) is required. Does the completed agreement package include items of services, a unique identifying number, the amount of the agreement, the period of performance, the statutory authority, signatories, and pertinent accounting data?						
If using another agency's forms, has the office ensured that there is no conflict with the NRC's normal terms and conditions?						
Has NRC still provided a justification to place the IA with the servicing agency, an SOW, an IGCE if work is expected to exceed \$250,000, an RFP, a negotiation summary?						

Exhibit 9 (continued)

Specific Review Criteria	Yes	No	Not Complete	Revise	N/A	Comments
I. Negotiation Discussions Did the summary of negotiations address the major issues discussed during negotiations and include criteria set forth in NRC Form 555A, "Summary of Negotiations – Interagency Agreement"?						
Did the summary of negotiations address agreements reached?						
J. Award Was NRC Form 662, "Award of Interagency Agreement," issued to authorize the initiation of work? (Required data outlined below is discussed in Part IV, Section (A), MD 11.8.)						
Were funds certified on the NRC Form 662 before work was placed?						
Was the proposal incorporated by reference?						
Was the period of performance stated? (Not to exceed 5 years)						
Is there an estimate of total funding for the IA stated that is broken down as to how the funds will be obligated on a yearly basis?						
Is the statutory authority checked in the appropriate box on the NRC Form 662?						
Are points of contact listed?						
Has the handling of equipment and property purchases been stated? (Part IV, Section (A), MD 11.8)						

Exhibit 9 (continued)

Specific Review Criteria	Yes	No	Not Complete	Revise	N/A	Comments
Have the standard terms and conditions been incorporated by reference? (Part IV, Section (A), MD 11.8)						
Was an NRC Form 662 signed by both parties?						
Was a copy of the executed IA provided to DC, ADM, for inventory purposes? (Section 038 of Directive 11.8)						
II. Contract Administration Phase						
K. Status Report (SR) Review						
Do SRs contain information required by Exhibit 5, "Status Report Requirements," MD 11.8?						
Is there evidence that the PM analyzed the SR?						
Was NRC Form 552A, "Status Report Review," used?						
- Response to technical/cost information						
- Action taken to remedy a problem with technical progress, the schedule, a deliverable, or personnel.						
Did the servicing agency provide an updated spending plan in the status reports when incurred costs (cumulative to date) varied by 20 percent or more from planned spending?						
Did the servicing agency provide required information on property acquired or NRC-funded software developed valued over \$500? (Part V, Section (F), MD 11.8)						

Exhibit 9 (continued)

Specific Review Criteria	Yes	No	Not Complete	Revise	N/A	Comments
For an IA exceeding 1 year in duration, did the PM complete an annual written evaluation of agency performance to include performance of project work requirements, quality of work performed, timeliness of work, and cost-effectiveness? (Part V, Section (E), MD 11.8)						
L. Voucher Review Were vouchers reviewed for reasonableness and accuracy in a timely manner? Did the PM compare the SR amount with the voucher as part of the voucher review process for approval/disapproval of the voucher? Was the form signed by PM? Were problems annotated on the voucher? Did the PM provide a rationale for a suspension or a disallowance?						
When a problem area arose (e.g., the SR amount did not match the voucher amount, unsatisfactory technical progress), did the PM discuss and document the issue and its resolution?						
M. Project Modification For modifications with an average annual estimated cost of \$1M or more, was the modification sent to the Director of DC for review and approval? For new work, did the PM prepare a justification for agency source selection? Did the justification receive appropriate approvals? Was an IGCE prepared when required?						

Exhibit 9 (continued)

Specific Review Criteria	Yes	No	Not Complete	Revise	N/A	Comments
Is the SOW succinct? Did it contain delivery schedules? Are deliverable products clearly identified?						
Did the PM request and evaluate the preliminary proposal?						
Did the PM document agreements in a Summary of Negotiations or a memorandum to file?						
Were funds certified, where appropriate, on an NRC Form 662?						
Did the NRC Form 662 properly identify work to be done (SOW), period of performance, and so on?						
N. Technical Direction Evidence of documenting technical direction given to agency by PM.						
O. Stop Work/Termination of Project Did the PM, after trying to resolve the problem, issue a stop work order?						
Was the project terminated properly? - Termination proposal requested and evaluated? - Remaining funds promptly deobligated?						
P. Closeout of IA For an IA exceeding \$100,000, did the PM complete a final written evaluation of the agency's performance to include performance of project work requirements, the quality of work performed, the timeliness of work, and cost-effectiveness? (Part V, Section (G), MD 11.8)						
Did the PM reconcile funds?						
Were deliverables/final reports received?						

Exhibit 9 (continued)

Specific Review Criteria	Yes	No	Not Complete	Revise	N/A	Comments
Did the PM deobligate unexpended funds in a timely fashion?						
Did the PM complete the closeout checklist, countersign NRC Form 559A, "NRC/Interagency Project Closeout," and the NRC Form 35, "Records Transfer"?						
Q. Property Management Did the PM ensure that the agency proposal included a description of property of \$500 or more proposed to be acquired?						
Did the PM ensure that property requests were properly justified and approved and that accountability was maintained?						

G:\DC\bev\IA\FILEREVIEWSHEET.wpd