



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

OFFICE OF THE  
INSPECTOR GENERAL

August 5, 2008

MEMORANDUM TO: R. William Borchardt  
Executive Director for Operations

FROM: Stephen D. Dingbaum */RA/*  
Assistant Inspector General for Audits

SUBJECT: AUDIT OF NRC'S CONTRACT FOR ALTERNATIVE  
DISPUTE RESOLUTION SERVICES (OIG-08-A-08)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR MATERIALS,  
WASTE, RESEARCH, STATE, TRIBAL, AND  
COMPLIANCE PROGRAMS, OFFICE OF THE EXECUTIVE  
DIRECTOR FOR OPERATIONS MEMORANDUM DATED  
APRIL 25, 2008

Attached is the Office of the Inspector General's (OIG) analysis and status of the recommendations as discussed in the agency's response dated April 25, 2008. Based on this response, recommendations 1, 2, and 3 are closed. All recommendations in audit report OIG-08-A-08 are now closed.

If you have any questions or concerns, please call me at 415-5915 or Sherri Miotla at 415-5914.

Attachment: As stated

cc: V. Ordaz, OEDO  
J. Arildsen, OEDO  
P. Shea, OEDO

## Audit Report

### Audit of NRC's Contract for Alternative Dispute Resolution Services OIG-08-A-08

#### Status of Recommendations

Recommendation 1:

Either modify or renegotiate the current contract to:

- A. Include explicit billing instructions that establish standards such as monthly billing requirements.
- B. Strengthen the statement of work to include specific deliverables and milestone dates.

Agency Response

Dated April 25, 2008:

Agree. On April 21, 2008, the NRC Contracting Officer signed Modification Number 0007 (Enclosure 1) to Contract NRC-37-06-351, "Neutral Services Supporting Enforcement ADR Program," and forwarded it to Cornell University for signature.

Part A is addressed by the insertion of a statement into the contract's "Billing Instructions" that requires the contractor to submit a voucher or invoice on a monthly basis. Refer to item 2 on page 2 of 2 of Modification Number 0007 (Enclosure 1) to Contract NRC-37-06-351.

Part B is addressed by the inclusion of the following tasks into step C.3, "Scope of Work," of Modification Number 0007 (Enclosure 1) to Contract NRC-37-06-351.

1. Cornell shall contact the NRC Project Officer to confirm that an offer to engage in the ADR program can be made (Refer to Task 1(a) (1)).
2. Forward copies of the signed agreement to mediate to the Project Officer within 10 days and obtain a delivery order for services performed (Refer to Task 1(b) (1)).
3. Before the mediation session, obtain a delivery order from the NRC Project Officer for approval of fees and travel expenses (Refer to Task 4(c)).

Expected Completion: May 31, 2008.

## Audit Report

### Audit of NRC's Contract for Alternative Dispute Resolution Services OIG-08-A-08

#### Status of Recommendations

OIG Analysis: The actions taken address the intent of OIG's recommendation. This recommendation is closed.

**Status:** Closed.

## Audit Report

### Audit of NRC's Contract for Alternative Dispute Resolution Services OIG-08-A-08

#### Status of Recommendations

Recommendation 2: Require the project officer to be certified/recertified under NRC's acquisition certification program.

Agency Response

Dated April 25, 2008:

Agree. Individuals assigned to oversee NRC contracts are required to be certified in accordance with NRC Management Directive 11.1, "NRC Acquisition of Supplies and Services." The individual assigned as the primary project officer for oversight of Contract NRC-37-06-351 had inadvertently allowed his qualifications to lapse on November 4, 2007, and had not completed the recertification training. The person assigned as the alternate project officer was qualified and had completed the required project officer certification training. Contract Modification Number 0006, dated February 25, 2008 (Enclosure 2), reassigned the alternate project officer as the lead for the ADR contract.

Completed: February 25, 2008.

OIG Analysis:

The actions taken address the intent of OIG's recommendation. This recommendation is closed.

**Status:**

Closed.

## Audit Report

### Audit of NRC's Contract for Alternative Dispute Resolution Services OIG-08-A-08

#### Status of Recommendations

Recommendation 3: Preclude the project officer for the ADR contract from participating as faculty in any future Cornell workshops.

Agency Response  
Dated April 25, 2008:

Agree. The report states that the NRC Project Officer for the ADR contract was listed as a Cornell University faculty member for an ADR workshop sponsored by the University. While the NRC agreed to let the project officer teach a portion of the workshop, the NRC did not give permission or intend to have Cornell list the Project Officer as a faculty member. The NRC asked Cornell University to correct the University Web page(s) to stop listing the NRC Project Officer as a faculty member.

The NRC frequently allows members of its staff to participate in industry workshops. Participation in seminars, training sessions, and other industry meetings provide an opportunity to present information about the NRC's programs. The Office of Enforcement intends to allow the ADR Project Officer to participate, as a representative of the NRC, in future Cornell workshops if requested by the University.

On April 17, 2008, Cornell University notified the NRC that they have corrected their Web page. It no longer identifies the NRC Project Officer or mentions that a member of the NRC will speak at the workshop on "Mediation in the Federal Sector."

Completed: April 17, 2008.

OIG Analysis:

The actions taken address the intent of OIG's recommendation. This recommendation is closed.

**Status:** Closed.