

**U.S. NUCLEAR REGULATORY COMMISSION MANAGEMENT DIRECTIVE (MD)**

<b>MD 11.7</b>	<b>NRC PROCEDURES FOR PLACEMENT AND MONITORING OF WORK WITH THE U.S. DEPARTMENT OF ENERGY (DOE)</b>	<b>DT-XX-XX</b>
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**EXECUTIVE SUMMARY**

Directive and Handbook 11.7 have been revised as part of an ongoing effort to improve the agency's Management Directives (MD) program. This revision updates the MD to comply with the most current policies, standards, and procedures. In addition, the handbook has been reorganized to provide clarity, eliminate duplicative sections, and remove most of the exhibits from the handbook, because the exhibits are now available electronically.

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## I. POLICY

- A.** It is the policy of the U.S. Nuclear Regulatory Commission that work placed with the U.S. Department of Energy (DOE) be managed effectively.
- B.** This directive and handbook specify the agency responsibilities, authorities, and procedures for placement and monitoring of work with DOE laboratories or DOE facility operators.
- C.** This directive and handbook represent the actions necessary to implement the DOE-NRC Memorandum of Understanding (MOU) (refer to Agencywide Documents Access and Management System (ADAMS) Accession Number ML0905107010), dated November 24, 1998, to continue joint activities subsequent to the Energy Reorganization Act of 1974, as amended (42 U.S.C. 5801 et seq.).
- D.** This directive does not cover procedures for placement of work with Government agencies other than DOE or with commercial contractors.

## **II. OBJECTIVES**

- Ensure that procedures for negotiating and managing agreements with DOE are consistent with sound business practices and contracting principles.
- Ensure uniform application of an agencywide standard of contract management for projects placed with DOE.
- Ensure that a framework exists for program management control, administration, monitoring, and closeout of projects placed with DOE.

## **III. ORGANIZATIONAL RESPONSIBILITIES AND DELEGATIONS OF AUTHORITY**

### **A. Chairman**

1. Delegates unlimited contracting authority to the Executive Director for Operations (EDO) to authorize agency procurements at all dollar levels for DOE Agreements.
2. Reviews significant projects with DOE laboratories that may have policy implications for the Commission (matters that may be sensitive, highly visible, have agencywide implications, or otherwise be of high interest to the Commission).

### **B. Executive Director for Operations (EDO)**

1. Delegates contractual authority to the Senior Procurement Executive to execute and modify interagency agreements, including DOE Agreements, and settle claims and terminations thereof, with authority to redelegate to the Office Directors, as appropriate.
2. Informs the Chairman, with a copy to the Commission, of significant projects with DOE laboratories that may have policy implications for the Commission (matters that may be sensitive, highly visible, have agencywide implications, or otherwise be of high interest to the Commission).
3. Formally notifies the Commission (within 5 working days) once a determination has been made that a potential organizational conflict of interest (OCOI) will require a waiver.
4. Approves or disapproves the OCOI waiver request as appropriate (after a minimum of 5 working days) following notification to the Commission.
5. Informally notifies the Commission of approval or disapproval of the OCOI waiver request.
6. Informs the Chairman, with a copy to the Commission, of OCOI waiver requests that raise sensitive, highly visible, or agencywide implications for agreements previously approved or reviewed by the Chairman.

**C. Deputy Executive Director for Corporate Management (DEDCM)**

1. Serves as the agency's Chief Acquisition Officer.
2. Serves as the agency's Chief Information Officer.
3. Provides senior level oversight of strategic acquisition initiatives and established Portfolio Councils (PCs).
4. Responsible for ensuring that performance reports on DOE acquisitions are provided to the Chairman, the Commission, senior managers, and the staff on a quarterly basis.

**D. Office of the Inspector General (OIG)**

1. Investigates allegations of fraud, waste, or abuse within the DOE agreement process.
2. Audits the DOE agreement processes.
3. Provides annual fraud awareness briefings to all NRC Project Officers (POs).
4. Investigates reported violations of NRC's OCOI rules under DOE Agreements.

**E. Office of the General Counsel (OGC)**

1. Reviews PO's proposed decision regarding OCOI concerns with work placed or to be placed with DOE laboratories.
2. Reviews and makes recommendations regarding any legal questions concerning work placed or to be placed with DOE laboratories.

**F. Director, Office of Information Services (OIS)**

1. Provides program guidance, advice, and assistance to NRC offices in obtaining IT resources for DOE projects.
2. Reviews and approves documentation and DOE work orders 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."
3. Reviews and approves DOE projects that involve IT resources that exceed the threshold referred to in MD 2.8.

4. Provides support to NRC offices, as requested, in preparing the statement of work (SOW) and other documentation for DOE projects involving IT resource acquisitions.
5. Provides assistance to NRC offices, as requested, in the review and evaluation of proposals for DOE work involving IT resources.

**G. Director, Office of Administration (ADM)**

1. Serves as the agency's Senior Procurement Executive as required by Executive Order 12931, "Federal Procurement Reforms."
2. Develops and directs acquisition policy for NRC/DOE projects.
3. Delegates, as Senior Procurement Executive, contractual authority to the Office Directors to execute and modify interagency agreements, including DOE Agreements, and settle claims and terminations thereof.

**H. Office Directors or Designee (Offices Executing DOE Work Orders in Accordance With Delegation of Authority)**

1. Execute and modify DOE agreements actions and settle claims and terminations in accordance with delegated authority.
  - (a) Delegations of authority are issued to the appropriate office directors by the Senior Procurement Executive.
  - (b) The list of specific delegations can be found in the MD 11.7 Document library on the Project Manager Corner at [http://portal.nrc.gov/edo/adm/dc/pms/\\_layouts/viewlists.aspx?BaseType=1](http://portal.nrc.gov/edo/adm/dc/pms/_layouts/viewlists.aspx?BaseType=1) (hereafter referred to as "MD 11.7 Document library").
2. Inform the Chairman, through the EDO, with a copy to the Commission, of significant projects with DOE laboratories that may have policy implications for the Commission (matters that may be sensitive, highly visible, have agencywide implications, or otherwise be of high interest to the Commission).
3. Review and sign requests for a waiver of Commission requirements for avoidance of OCOI.
4. Inform the Chairman, through the EDO, with a copy to the Commission, of OCOI waiver requests that raise sensitive, highly visible, or agencywide implications for agreements previously approved or reviewed by the Chairman.
5. Ensure timely development of an office advance procurement plan (APP) and updates thereto.
6. Appoint POs.

7. Appoint an Office Associate Competition Advocate (OACA).
  8. Approve the DOE Source Selection Justification.
  9. Issue request for proposal (NRC Form 189, “DOE Laboratory Project and Cost Proposal For NRC Work”) to the cognizant DOE Site or Field Office with a copy to the DOE laboratory.
  10. Authorize and issue NRC Form 173, “Standard Order for DOE Work (SOEW),” and accompanying attachments.
  11. Ensure that the PO properly manages all aspects of the DOE projects assigned.
  12. Ensure that the proposed work does not create an OCOI based on information available to the agency.
  13. Ensure that the PO responsible for the management of DOE laboratory projects attends required training consistent with agency guidelines.
  14. Ensure appropriate review and approval of DOE projects involving IT resources in compliance with MD 2.8.
  15. Ensure that DOE laboratory projects are properly executed, monitored, and closed out and that project results are properly analyzed, evaluated, and disseminated.
  16. Delegate authority to execute DOE agreements to designee in writing.
  17. Ensure proper certification of funds before placement of work with DOE, as described in MD 4.2, “Administrative Control of Funds.”
  18. Develop office procedures as necessary to implement directive and handbook requirements.
- I. Budget Director, Division of Planning, and Budget, (DPB), Office of the Chief Financial Officer (DPB/OCFO)**
1. Issues advice of allowances and approved financial plans to allowance holders.
  2. Reviews and concurs on projects requiring senior management review.
- J. Controller, Division of the Controller (DOC/OCFO)**
1. Establishes job codes in the agency accounting system upon request by NRC offices.
  2. Maintains records of outstanding DOE unexpended obligations and provides reports to NRC offices.
  3. Provides a monthly report to offices for projects with no billing activity for 6 months or more.

4. Records obligations against NRC Form 173 that have been accepted by DOE and forwarded to DOC/OCFO, ensuring use of valid accounting citations. Maintains copies of DOE-accepted NRC Form 173s as official obligating documents.
5. Determines valid accrued costs and records the cost in the accounting system.
6. Receives notice through the U.S. Treasury on the Intergovernmental Payment and Collection System (IPAC) that an electronic funds transfer from NRC to reimburse the DOE has occurred, sends the approval form(s) with any supporting documentation sent by the DOE to the PO for review and approval, follows up on timely (usually 20 days) return of forms, and maintains the signed approval forms on file.
7. Assists offices in identifying erroneous billings. Executes a chargeback to the DOE when notified in writing by the PO that a charge is erroneous and should not be accepted.

**K. Director, Information and Records Services Division, OIS**

1. Develops and issues instructions in conjunction with the NRC offices and DOE for the preparation of reports published in the NUREG series.
2. Prints and distributes reports as specified by the agreement, including all reports required by the SOW that are to be made publicly available.
3. Issues NUREG-series numbers and maintains pertinent records.
4. Advises offices on the preparation and handling of documents containing sensitive unclassified non-safeguards information (SUNSI).

**L. Director, Division of Contracts (DC), ADM**

1. Serves as the alternate Chief Acquisition Officer.
2. Reviews and concurs on projects requiring senior management review or approval, as appropriate, to ensure that placing the project at a DOE laboratory rather than competing the work in the commercial sector is appropriate and in the NRC's best interest.
3. Oversees office placement and monitoring of NRC/DOE projects through periodic reviews of selected project files.
4. Chairs meetings with the following in order to establish and maintain an agencywide contracting standard:
  - (a) Agencywide DOE Users Group,
  - (b) DOE laboratories,
  - (c) DOE headquarters, and
  - (d) DOE site or field offices.

5. Prepares MDs and guidance memoranda for NRC/DOE projects.
6. Establishes policy in conjunction with OGC and other NRC offices to ensure resolution of all OCOI concerns.
7. Ensures that detailed and updated DOE laboratory cost and pricing data are provided to NRC offices on an annual basis.
8. Conducts utilization reviews of DOE-acquired property to determine availability and use for other NRC requirements.

**M. Director, Division of Facilities and Security (DFS), ADM**

1. Confirms facility approval for classified projects from the appropriate DOE site or field office security organization and notifies the NRC office of this approval.
2. Maintains a master facility register for all NRC classified interests at DOE facilities.

**N. Director, Division of Security Operations (DSO), Office of Nuclear Security and Incident Response (NSIR)**

Advises NRC offices on the preparation and handling of documents containing safeguards or classified information.

**IV. APPLICABILITY**

The policy and guidance in this directive and handbook apply to all NRC employees who are involved with the planning, placement and monitoring of NRC/DOE work projects.

**V. DIRECTIVE HANDBOOK**

Handbook 11.7 contains detailed guidelines, procedures, and management controls for planning, placement and monitoring of work with the DOE.

**VI. REFERENCES**

***Code of Federal Regulations (CFR)***

10 CFR Part 20, Appendix G, "Requirements for Transfers of Low-Level Radioactive Waste Intended for Disposal at Licensed Land Disposal Facilities and Manifests."

10 CFR Part 26, "Fitness for Duty Programs."

Federal Acquisition Regulation—

48 CFR, Chapter 1, Part 6, "Competition Requirements."

48 CFR, Chapter 1, Part 7 "Acquisition Planning."

48 CFR, Chapter 1, Part 10 "Market Research."



48 CFR, Chapter 1, Part 45, "Government Property."

***Executive Orders***

12931, "Federal Procurement Reforms," October 13, 1994  
(<http://www.archives.gov/federal-register/executive-orders/pdf/12931.pdf>).

13526, "Classified National Security Information," January 5, 2010  
(<http://www.archives.gov/isoo/policy-documents/cnsi-eo.html>).

***Nuclear Regulatory Commission (NRC) Documents***

Management Directives—

MD 2.8, "Project Management Methodology."

MD 3.7, "NUREG-Series Publications."

MD 3.53, "NRC Records and Document Management Program."

MD 4.1, "Accounting Policy and Practices."

MD 4.2, "Administrative Control of Funds."

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

MD 10.6, "Use of Consultants and Experts."

MD 12.2, "NRC Classified Information Security Program."

MD 12.3, "NRC Personnel Security Program."

MD 12.5, "NRC Automated Information Security Program."

MD 12.6, "NRC Sensitive Unclassified Information Security Program."

MD 12.7, "NRC Safeguards Information Security Program."

NUREGS—

NUREG-0650, "Preparing NUREG-Series Publications," Rev. 2.

NUREG-0910, "NRC Comprehensive Records Disposition Schedule," Rev. 4.

***Other Documents***

The 12-month Employment Cost Index at <http://data.bls.gov/cgi-bin/surveymost>.

DOE-NRC Memorandum of Understanding, "Governing Nuclear Regulatory Commission Funded Work Performed at the Department of Energy Laboratories," November 24, 1998 (Agencywide Documents Access and Management System (ADAMS) Accession Number ML0905107010).

"Guidance and Procedures for Federal Acquisition Certification for Contracting Officer Technical Representatives (FAC-COTR)," at <http://portal.nrc.gov/edo/adm/dc/pms/default.aspx>.

“National Industrial Security Program Operating Manual,” February 28, 2006 at <http://www.fas.org/sqp/library/nispom.htm>.

Office of Management and Budget (OMB) Circular No. A-11, “Preparation, Submission, and Execution of the Budget” at [http://www.whitehouse.gov/sites/default/files/omb/assets/a11\\_current\\_year/a\\_11\\_2010.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/a11_current_year/a_11_2010.pdf).

“Work for Others (Non-Department of Energy Funded Work)” DOE Order 481.1C at <https://www.directives.doe.gov/directives/current-directives/481.1-BOrder-c/view?searchterm=DOE Order 481.1C>).

### *United States Code*

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

Energy Policy Act of 2005, P.L. No. 109-58, Sec. 639, August 8, 2005; S. Report No. 109-100, 109th Cong., 1st Session (June 30, 2005).

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

Federal Information Security Management Act (FISMA) (44 U.S.C. § 3541 et seq.).

Experts and Consultants: temporary or intermittent (5 U.S.C. 3109).

Resource Conservation and Recovery Act of 1976, Subtitle C, “Cradle-to-Grave Requirements” (42 U.S.C. § 6901 et seq.).