

EDO Principal Correspondence Control

FROM: DUE: 11/15/12

EDO CONTROL: G20120445

DOC DT: 06/21/12

FINAL REPLY:

Stephen D. Dingbaum, OIG

TO:

Borchardt, EDO

FOR SIGNATURE OF :

** GRN **

CRC NO:

Carpenter, ADM

DESC:

ROUTING:

Status of Recommendations: Independent Evaluation
of the United States Nuclear Regulatory
Commission's Contract Award Process (OIG-12-A-02)
(EDATS: OEDO-2012-0365)

Borchardt
Weber
Johnson
Ash
Mamish
OGC/GC
Arildsen, OEDO

DATE: 06/22/12

ASSIGNED TO:

CONTACT:

ADM

Carpenter

SPECIAL INSTRUCTIONS OR REMARKS:

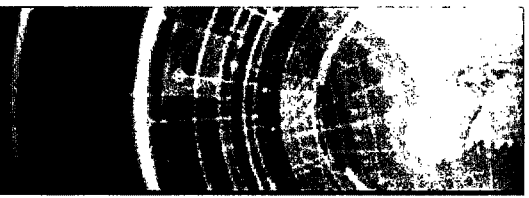
Please provide a complete response to Stephen D. Dingbaum, OIG addressing recommendation 1. Be sure to include the target completion date and the current point-of-contact. Forward final memo via email to Judy Gordon, cc: Stephen Dingbaum, Steven Zane and the RidsEdoMailCenter by November 15, 2012. If applicable, be sure to attach in email any Enclosures to the response. See additional instructions attached. Note: Based on the OIG memo, WITS Items 201100282 - 201100285 are now closed.

Template: EDO-001

E-RIDS: EDO-01

EDATS

Electronic Document and Action Tracking System



EDATS Number: OEDO-2012-0365

Source: OEDO

General Information

Assigned To: ADM

OEDO Due Date: 11/15/2012 11:00 PM

Other Assignees:

SECY Due Date: NONE

Subject: Status of Recommendations: Independent Evaluation of the United States Nuclear Regulatory Commission's Contract Award Process (OIG-12-A-02)

Description:

CC Routing: NONE

ADAMS Accession Numbers - Incoming: NONE

Response/Package: NONE

Other Information

Cross Reference Number: G20120445, OIG-12-A-02

Staff Initiated: NO

Related Task:

Recurring Item: NO

File Routing: EDATS

Agency Lesson Learned: NO

OEDO Monthly Report Item: NO

Process Information

Action Type: Memo

Priority: Medium

Sensitivity: None

Signature Level: ADM

Urgency: NO

Approval Level: No Approval Required

OEDO Concurrence: NO

OCM Concurrence: NO

OCA Concurrence: NO

Special Instructions: Please provide a complete response to Stephen D. Dingbaum, OIG addressing ALL resolved recommendations. Be sure to include the target completion date and identify the current point-of-contact for each recommendation. Forward final memo via email to Judy Gordon, cc: Stephen Dingbaum, Steven Zane and RidsEdoMailCenter by November 15, 2012. If applicable, be sure to attach in email any Enclosures to the response. See additional instructions attached.

Document Information

Originator Name: Stephen D. Dingbaum

Date of Incoming: 6/21/2012

Originating Organization: OIG

Document Received by OEDO Date: 6/22/2012

Addressee: R. W. Borchardt, EDO

Date Response Requested by Originator: 11/15/2012

Incoming Task Received: Memo



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

OFFICE OF THE
INSPECTOR GENERAL

June 21, 2012

MEMORANDUM TO: R. W. Borchardt
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: INDEPENDENT
EVALUATION OF THE U.S. NUCLEAR REGULATORY
COMMISSION'S CONTRACT AWARD PROCESS
(OIG-12-A-02)

REFERENCE: DIRECTOR, OFFICE OF ADMINISTRATION,
MEMORANDUM DATED MAY 14, 2012

Attached is the Office of the Inspector General's (OIG) analysis and status of the recommendations as discussed in the agency's response dated May 14, 2012. Based on this response, recommendations 2, 3, 4, and 5 are closed, and recommendation 1 is in resolved status. Please provide an updated status on the resolved recommendation by November 15, 2012.

If you have any questions or concerns, please call me at 415-5915 or Kathleen Stetson, Team Leader, at 415-8175.

Attachment: As stated

cc: D. Ash, OEDO
N. Mamish, OEDO
K. Brock, OEDO
J. Arildsen, OEDO
C. Jaegers, OEDO

Evaluation Report

INDEPENDENT EVALUATION OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT AWARD PROCESS

OIG-12-A-02

Status of Recommendations

Recommendation 1: Determine what policies and procedures are required for an efficient and effective contract award process, develop or update them, and establish a process to regularly maintain them.

Agency Response
Dated May 14, 2012:

All activities to update Management Directives (MD) 11.1, 11.7, and 11.8 are on schedule.

- MD 11.1, "NRC Acquisition of Supplies and Services," is currently being updated and will be sent out for office review and comment by October 31, 2012.

Point of Contact (POC): Joe Schmidt

- MD 11.7, "NRC Procedures for Placement and Monitoring of Work with the U.S. Department of Energy (DOE)," was published on January 27, 2012, and is available in ADAMS (ML112991579).

POC: Sharlene McCubbin

- MD 11.8, "NRC Procedures for Placement and Monitoring of Work with Federal Agencies Other Than the U.S. Department of Energy (DOE)," is currently being updated and has been distributed for office review and comment.

POC: Sharlene McCubbin

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives a copy of updated MDs 11.1 and 11.8, and determines that there is an established process to regularly maintain them.

Status: Resolved.

Evaluation Report

INDEPENDENT EVALUATION OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT AWARD PROCESS

OIG-12-A-02

Status of Recommendations

Recommendation 2: Develop a comprehensive communications and information-sharing plan, in concert with NRC internal stakeholders, which facilitates timely and effective sharing of current policy and updates.

Agency Response
Dated May 14, 2012:

ADM worked with internal NRC stakeholders and developed a comprehensive communications and information-sharing plan which facilitates timely and effective sharing of current policy and updates that stakeholders find useful. This plan was completed on January 25, 2012, and is available in ADAMS (ML12123A579). ADM requests this recommendation be closed.

POC: Jill Daly

OIG Analysis:

OIG reviewed the *Division of Contracts Communication Plan* and determined that it facilitates timely and effective sharing of current policy and updates, and that it was developed in concert with NRC internal stakeholders. This recommendation is therefore considered closed.

Status: Closed.

Evaluation Report

INDEPENDENT EVALUATION OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT AWARD PROCESS

OIG-12-A-02

Status of Recommendations

Recommendation 3: Develop templates and samples and make them available for reference.

Agency Response
Dated May 14, 2012:

ADM solicited input from NRC offices to determine which templates and samples to develop and make available for reference. The templates and samples have been developed and were made available for reference in the "Templates and Samples" section of The CORner on April 30, 2012 and in ADAMS (ML12122A136, ML12122A059, ML12122A087, ML12122A107, ML12122A054, ML12122A135, ML12122A118, ML12122A061, ML12122A105, ML12122A092, ML12122A079, ML12122A132, ML12122A089, ML12122A058, ML12122A130, ML12122A103, ML12122A069, ML12122A102, ML12122A115, ML12122A096, ML12122A084, ML12122A076, ML12122A099, ML12122A051, ML12122A111, and ML12128A081). ADM requests this recommendation be closed.

POC: Joe Schmidt

OIG Analysis: OIG reviewed the templates and samples available on the CORner and determined that they meet the intent of this recommendation. This recommendation is therefore considered closed.

Status: Closed.

Evaluation Report

INDEPENDENT EVALUATION OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT AWARD PROCESS

OIG-12-A-02

Status of Recommendations

Recommendation 4:

Clearly delineate the roles, responsibilities, and expectations associated with each stakeholder involved in SEP report creation. As part of this, NRC should evaluate whether:

- OGC and/or Division of Contracts personnel should play a greater role in the review of the SEP documentation for sufficiency, particularly as it pertains to documenting SEP conclusions in a manner that fully complies with FAR.
- Templates or other tools should be developed that would facilitate better compliance on the part of SEP personnel, particularly as it pertains to fully documenting the logic behind the SEP's decisions and conclusions.

Agency Response

Dated May 14, 2012:

ADM has clearly delineated the roles, responsibilities, and expectations associated with each stakeholder involved in SEP report creation and has included them in the following: Instructions for Award Decision Memorandum (ADAMS ML12122A059), SEP Chairperson Appointment Memorandum (ML12122A115), Instructions for Preparing a Competitive Range Report (ADAMS ML12122A061), and Instructions for Technical Evaluation (ADAMS ML12122A136).

ADM evaluated whether OGC and/or Division of Contracts personnel should play a greater role in the review of the SEP documentation for sufficiency. ADM does not recommend any changes to the SEP process, nor to the roles played by the participants. The SEP members are technical evaluators and their independent technical judgment cannot be interfered with by non-SEP agency staff members.

Currently, the assigned Contracting Officer or Contract Specialist and an OGC attorney are required to review an

Evaluation Report

INDEPENDENT EVALUATION OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT AWARD PROCESS

OIG-12-A-02

Status of Recommendations

Recommendation 4 (cont):

SEP report to ensure compliance with applicable acquisition regulations and the law.

In addition to the documents listed above, ADM has developed templates related to SEP documentation and made them available for reference in the "Templates and Samples" section of The CORner on April 30, 2012, and in ADAMS (ML12122A087, ML12122A107, ML12122A054, ML12122A135, ML12122A118, ML12122A105, ML12122A092, ML12122A079, ML12122A132, ML12122A089, ML12122A058, ML12122A130, ML12122A103, ML12122A069, ML12122A102, ML12122A096, ML12122A084, ML12122A076, ML12122A099, ML12122A051, ML12122A111, and ML12128A081). ADM requests this recommendation be closed.

POC: Joe Schmidt

OIG Analysis:

OIG reviewed the documents described above and determined that ADM has clearly delineated the roles, responsibilities, and expectations associated with each stakeholder involved in SEP report creation, including evaluating whether OGC and/or Division of Contracts personnel should play a greater role in the review of the SEP documentation for sufficiency, and developing templates that facilitate better compliance for SEP personnel. This recommendation is therefore considered closed.

Status:

Closed.

Evaluation Report

INDEPENDENT EVALUATION OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT AWARD PROCESS

OIG-12-A-02

Status of Recommendations

Recommendation 5: Update PALT times (milestone schedules) on a biennial basis to determine if changes need to be made to reflect the changing factors that affect them (i.e., contracting workload, staffing levels).

Agency Response

Dated May 14, 2012:

ADM evaluated PALT data to determine if changes needed to be made to PALT standards and updated those standards on February 27, 2012. The updated PALT standards are available in ADAMS (ML12128A081). ADM requests this recommendation be closed.

OIG Analysis:

OIG reviewed the updated PALT times and determined that it addresses the intent of the recommendation. Additionally, OIG reviewed the Policy Oversight Recurring Assignments tickler file and determined that biennially evaluating PALT and revising if necessary is included. This recommendation is therefore considered closed.

Status:

Closed.

Additional Instructions to Action Offices/Regions on Responding to OIG Requests for Status Updates for OIG Report Recommendations

The action Offices/Region should provide a memorandum addressed to the Assistant Inspector General for Audits (AIGA) signed by the Office Director or Regional Administrator. The response should provide the status of each recommendation in the associated OIG audit report.

The memorandum should provide updated status for the OIG report recommendations by the date specified. An extension will not be granted since the memorandum is requesting a status of the recommendation(s), not the completion of the recommendation(s).

Please ensure the updated status memorandum addresses all “resolved” and “unresolved” recommendations and include for each recommendation separately:

- (a) the recommendation by number, repeating its text verbatim,
- (b) a response that describes under each recommendation the action(s) needed for closure,
- (c) the target completion date for the action(s), and
- (d) the identification of the current point-of-contact.

When appropriate, ensure applicable document(s) to support OIG closure of recommendation(s) are attached as Enclosures and/or provide an ADAMS accession number with viewer rights. Be sure to include the audit number, for example: OIG-11-A-01, and task number(s) to the case reference field in the ADAMS profile.

Forward the memorandum to OIG via email, as described in the Special Instructions or Remarks in the associated action item ticket.

Please note that status update memoranda that are in response to publically available OIG audit report recommendations should be profiled in ADAMS to be publically available, and the memorandum should not be marked to the contrary.