



OFFICE OF THE  
INSPECTOR GENERAL

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

December 13, 2018

MEMORANDUM TO: Margaret M. Doane  
Executive Director for Operations

FROM: Dr. Brett M. Baker */RA/*  
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: EVALUATION OF  
NRC'S OVERSIGHT OF THE AGENCY'S FEDERALLY  
FUNDED RESEARCH AND DEVELOPMENT CENTER  
CONTRACT (OIG-18-A-17)

REFERENCE: DIRECTOR, OFFICE OF ADMINISTRATION,  
MEMORANDUM DATED NOVEMBER 16, 2018

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated November 16, 2018. Based on this response, recommendations 1 and 4 are closed. All recommendations related to this evaluation are therefore closed.

If you have questions or concerns, please call me at (301) 415-5915, or Eric Rivera, Team Leader, at (301) 415-7032.

Attachment: As stated

cc: R. Lewis, OEDO  
H. Rasouli, OEDO  
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## Evaluation Report

# EVALUATION OF NRC'S OVERSIGHT OF THE AGENCY'S FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTER CONTRACT

OIG-18-A-17

### Status of Recommendations

Recommendation 1: Develop and implement procedures to use the COR Invoice Review Checklist (Cost-Reimbursement Type Contracts/Orders - required for all contracts and orders exceeding \$1M), for all FFRDC invoices to ensure they are prepared in accordance with NRC Billing Instructions for Cost-Reimbursement Type Contracts.

Agency Response Dated  
November 16, 2018:

On June 13, 2018, in the training provided to FFRDC CORs, the CORs were instructed to use this checklist for all invoices related to the FFRDC contracts, regardless of dollar value. This was formalized on September 20, 2018, when the Office of Administration (ADM) updated the procedures for use of the COR Invoice Review Checklist and made the checklist mandatory for all task orders issued under the FFRDC contracts.

OIG Analysis:

OIG auditors reviewed the updated invoice review checklist procedures and determined that use of the checklist is required for all FFRDC invoices. OIG auditors also reviewed an invoice review checklist completed by a FFRDC COR on November 12, 2018, which verified the agency implemented the revised procedures. This recommendation is, therefore, considered closed.

**Status:**

Closed.

## Evaluation Report

# EVALUATION OF NRC'S OVERSIGHT OF THE AGENCY'S FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTER CONTRACT

OIG-18-A-17

### Status of Recommendations

Recommendation 4: Revise NRC Billing Instructions for Cost-Reimbursement Type Contracts, to include language prohibiting the contractor from billing rates that have not been incorporated into the contract by written modification.

Agency Response Dated November 16, 2018: ADM revised the NRC billing instructions for cost-reimbursement type contracts on September 20, 2018, to include language prohibiting the contractor from billing rates that have not been incorporated into the contract by written modification.

OIG Analysis: OIG auditors reviewed the revised NRC Billing Instructions for Cost-Reimbursement Type Contracts, and determined it prohibits the contractor from billing rates that have not been incorporated into the contract by written modification. The revised instructions address the intent of this recommendation, therefore, it is considered closed.

**Status:** Closed.