



OFFICE OF THE
INSPECTOR GENERAL

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

March 13, 2019.

MEMORANDUM TO: Margaret M. Doane
Executive Director for Operations

Maureen E. Wylie
Chief Financial Officer

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE U.S.
NUCLEAR REGULATORY COMMISSION'S CONTRACT
ADMINISTRATION PROCESS (OIG-17-A-20)

REFERENCE: OFFICE OF ADMINISTRATION'S MEMORANDUM DATED
DECEMBER 28, 2018

Attached is the Office of the Inspector General's (OIG) analysis and status of the recommendations as discussed in the agency's response dated December 28, 2018. Based on this response, recommendation 1 is resolved and recommendation 3 is closed. Recommendation 2 was previously closed. Please provide a status update on the resolved recommendation by July 5, 2019.

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

Attachments: As stated

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Audit Report

AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT ADMINISTRATION PROCESS

OIG-17-A-20

Status of Recommendations

Recommendation 1: Develop and implement a system that centralizes the management of contractor provided invoices and supporting documentation.

Agency Response Dated
December 28, 2018:

Status: Unchanged. The Invoice Processing Platform (IPP) has been implemented to the maximum extent possible given its current functionality. IPP does not have the ability to process invoices for contract types that may have a holdback associated with them, such as cost-plus-fixed-fee contracts. The NRC continues to work closely with the Department of Treasury to determine what options are available for inclusion of cost-plus-fixed-fee contracts in IPP. The target completion date should allow sufficient time for IPP to be updated to accept invoices for cost-plus-fixed-fee contracts. Invoices associated with other contract types are being processed using IPP.

Target Completion Date: June 30, 2019.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. OIG will close this recommendation after verifying that a system that centralizes the management of contractor provided invoices and supporting documentation has been developed and implemented.

Status: Resolved.

Audit Report

AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT ADMINISTRATION PROCESS

OIG-17-A-20

Status of Recommendations

Recommendation 3: Design and implement procedures for timely contract closeout initiation by CORs.

Agency Response Dated
December 28, 2018:

Status: The Office of Administration issued interim guidance to supplement the closeout procedures currently outlined in Management Directive and Handbook 11.1, "NRC Acquisition of Supplies and Services ", on December 28, 2018.

Target Completion Date: December 28, 2018.

OIG Analysis: OIG reviewed Yellow Announcement YA-19-0021 "Timely Initiation of Contract Closeouts," and other supporting documentation and determined that procedures for timely contract closeout initiation by CORs has been designed and implemented. This recommendation is therefore closed.

Status: Closed.