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MEMORANDUM FOR: Edward L. Halman, Director
Division of Contracts, ADM

FROM: Robert B. Minogue, Director
Office of Standards Development

SUBJECT: REQUEST FOR PROCUREMENT ACTION

Attached is a request for procurement action to cover an unanticipated cost overrun of \$1,900 for NRC contract number NRC-01-78-014.

We understand that NRC is under no obligation to fund the \$1,900 overrun on the subject contract. In reviewing the June 14 and September 17 memos from Dr. Stanley Ferguson, it is evident that the \$1,900 is to cover the principal investigator's salary for two weeks beyond the contract performance period during which he completed the data analysis and wrote the final report. Although this two week effort was outside of the performance period, the work completed was clearly within the contract work scope, and was of course necessary to the successful completion of the contract terms.

While the contractor should have anticipated this time/cost overrun and given NRC advance notice according to established procedure, the complications outlined by Dr. Ferguson in the above-mentioned memos made it difficult to accurately assess the length of time needed to complete the scope of work. On balance, we feel that the contractor has acted in good faith and recommend that NRC cover the \$1,900 overrun.

Robert B. Minogue, Director
Office of Standards Development

Attachment:
As stated

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TASK NO: RH 722-8

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