



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

December 23, 1991

MEMORANDUM FOR: All NRR Employees

FROM: Thomas E. Murley, Director  
Office of Nuclear Reactor Regulation

SUBJECT: NRR OFFICE LETTER NO. 202, "PROCEDURES FOR THE  
ADMINISTRATION OF TECHNICAL ASSISTANCE  
CONTRACTS"

PURPOSE

The purpose of this office letter is to implement the policies and procedures contained in NUREG/BR-0101, "Procedures for the Administration of Technical Assistance Contracts."

BACKGROUND

Newly enacted Federal legislation pertaining to financial and procurement matters has heightened the importance of sound management practices and controls in these areas throughout the Federal Government and at all management levels. The NRC is revising its regulations to incorporate these new requirements and to strengthen its implementing procedures. For example, the NRC is developing and implementing its own procurement regulations, 48 CFR Part 20, "NRC Acquisition Regulation."

To assist NRR managers and staff responsible for technical assistance funds and contracts in properly implementing Federal and NRC regulations, policies, and procedures, and to foster sound management practices and controls in these areas, NRR has developed procedures for contract management that have been published in NUREG/BR-0101. These procedures are to be followed and implemented by all NRR and regional personnel who are responsible for expenditure of NRR technical assistance funds and who manage, administer, and monitor NRR technical assistance contracts.

NUREG/BR-0101 encompasses a one-inch binder. It will be distributed separately to those shown on distribution, to all NRR principal staff (SES managers), and to all NRR personnel who are involved or are likely to become involved in contract management. These personnel include all other NRR managers and technical and professional staff under the Associate Director for Inspection and Technical Assessment, the Division of Advanced Reactors and

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Special Projects, and the Director, Program Management, Policy Development and Analysis Staff. A list of persons receiving NUREG/BR-0101 will be maintained to facilitate the distribution of revisions. To receive a copy of NUREG/BR-0101 and be added to the distribution list, contact the Chief, Technical Assistance Management Section, Planning, Program, and Management Support Branch, Program Management, Policy Development, and Analysis Staff.

DEFINITIONS

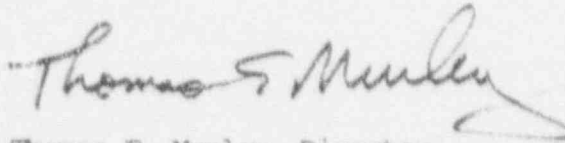
NUREG/BR-0101 contains a Glossary which defines the terms used in the procedures.

RESPONSIBILITIES AND AUTHORITIES

Section 2, "The Organization Phase," of NUREG/BR-0101 contains the authorities and responsibilities associated with the procedures.

EFFECTIVE DATE

This office letter is effective immediately.



Thomas E. Murley, Director  
Office of Nuclear Reactor Regulation

Enclosure:  
NUREG/BR-0101

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Nuclear Regulatory Commission



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# Procedures for the Administration of Technical Assistance Contracts

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Office of Nuclear Reactor Regulation

December 1981

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## FOREWORD

Recently enacted legislation—the Office of Federal Procurement Policy Act and the Chief Financial Officers Act—has focused attention on the expenditure of Government funds at all levels of the Federal Government. In response, the U.S. Nuclear Regulatory Commission (NRC) has focused more attention in the areas of finance and contracting than ever before. The Office of Nuclear Reactor Regulation (NRR) has responded by updating and upgrading its internal procedures for finance and contracting and by properly aligning contracting responsibilities with contracting authority.

In October and November 1991, NRR held training courses on procurement that were presented to more than 300 managers and technical staff involved with contract administration. The course will continue to be presented on an as-needed basis. The NRR technical assistance procedures in this manual are an extension of the training course and are intended to further the goal of the Director of NRR to improve NRR's contract management capability.

## GLOSSARY

This glossary defines terms used in the context of the NRR technical assistance procedures in this manual. These definitions may differ from, but are consistent with, those found in the NRC manual chapters or directives.

**Advance Procurement Plan (APP):** See "Procurement Plan."

**Allotment:** The portion of funds allocated to an NRR office from the agency's apportionment as received from the Office of Management and Budget (OMB).

**Apportionment.** Funds distributed by OMB that are available for obligation by the NRC.

**Appropriation:** An authorization by an act of Congress that allows the NRC to obligate funds and to make payments out of the Treasury for congressionally approved purposes.

**Available Funds (as part of the budget):** Budgeted funds allocated to a division, branch, or project less funds obligated.

**Available Funds (under a specific contract):** The amount of funds obligated to the contract less any incurred costs.

**Budget:** The amount of funds (fiscal resources) allotted to NRR to obtain technical assistance. Within NRR, this budget allotment for technical assistance is allocated largely to the technical divisions.

**Budget Cycle:** The period of time for which a budget is developed (e.g., 5-year budget cycle). The term can also refer to a specific period of time when NRR is preparing or updating its budget for the next budget cycle.

**Budget and Reporting (B&R) Classification Number:** A series of 10-digit numbers used to associate budgeted (appropriated) funds with specific program areas and program elements. The NRC uses the classification system to formulate the budget and control fiscal resources. The system is discussed fully in Section 2.8.2 and Appendix D of this manual.

**Carryover Funds:** The amount of obligated, unexpended funds remaining within a financial identification number (FIN) at the end of the fiscal year. These funds, which were not costed during the fiscal year, are carried over into the new fiscal year within the same FIN for continuation of the work.

**Certification of Funds:** The act of committing budgeted funds to a contract (FIN), ensuring that there are sufficient uncommitted or unobligated funds to be obligated within the appropriate B&R classification.

**Certifying Official:** The individual authorized to certify (commit) funds on behalf of NRR. This authority is delegated from the Director, NRR, to the Chief, Planning and Resource Analysis Section of the Planning, Program, and Management Support Branch, by NRR Office Letter No. 101.

**Commitment of Funds:** Same as "Certification of Funds."

**Contract:** A binding agreement; a document recording the obligation of funds, describing the work to be performed, and identifying the products to be delivered by the contractor. For commercial contracts, the documents include Standard Form 26, "Award/Contract," or Standard Form 30, "Amendment of Solicitation/Modification of Contract," and accompanying documents. For Department of Energy (DOE) work orders, the documents include NRC Form 173, "Standard Order for DOE Work," and accompanying documents such as NRC Form 189, "Project and Budget Proposal for NRC Work." For DOE National Laboratory work, the terms "work order" and "FIN" are often used to designate the contract.

**Contract Action:** A generic reference to any action to initiate or process a procurement action of any type.

**Contracting Officer:** The individual authorized to enter into and administer contracts on behalf of the NRC. For commercial contracts, this person is part of the Division of Contracts and Property Management and is usually at the branch chief level. For DOE work orders, the NRR division directors serve as the issuing authority and perform functions akin to those of the contracting officer.

**Contracting Officer's Technical Representative (COTR):** The term often used in the contracting regulation to refer to the project officer or the project manager (PM); the contracting officer's delegated authority to the PM to manage many day-to-day aspects of the contract. In NRR, the technical monitor shares part of the responsibilities. This function and associated responsibilities are explained in Section 2.4 and can be found in Appendix L.

**Contractor:** Any individual or organization that is a party to a contract with the NRC. The term generally refers to both commercial contractors and DOE National Laboratories.

**Contractor Program Manager:** The contractor employee who has overall responsibility for oversight and administration of the contract. He or she is usually the counterpart of the NRC project manager and is a key person on the contract.

**Contractor Project Manager:** Same as "Contractor Program Manager."

**Cost Estimate:** The amount of funds estimated to be costed by the contractor to perform work on a particular contract or task order.

**Costs/Costed:** Funds expended and billed by a contractor, and subsequently paid against a FIN, for performance of work under a contract. Funds that have been paid are considered costed.

**Costs (Independent Estimate):** See "Independent Cost Estimate."

**Deliverable:** Any product delivered by the contractor as specified in the statement of work.

**Deobligation:** A formal contract action that reduces the amount of funds previously obligated to a contract. Deobligations become effective upon acceptance by the contractor and are recorded by the Division of Accounting and Finance, Office of the Controller. See "Obligations/Obligated."

**Designating Official:** The individual who specifies what work is to be contracted; specifically, the individual who signs NRC Form 400, "Request for Procurement Action (RPA)," for commercial contracts and NRC Form 173, "Standard Order for DOE Work," for DOE work orders. Within NRR, the division directors are the designating officials by delegation from the Director, NRR.

**Disposition of Deliverable:** A description of how the product(s) and service(s) received from the contractor are actually used by NRR, not how they are intended to be used.

**DOE Work Order:** See "Work Order."

**Financial Identification Number (FIN):** A six-digit number that represents the lowest level of detail to which NRC funds are obligated. On financial documents, the sixth digit designates the fiscal year for which those funds were appropriated (e.g., A2352-2, for fiscal year 1992). Each FIN can be associated with only one B&R number. For DOE work orders, the FIN is also the contract number.

**Financial Plan (FIN Plan):** The compilation of projects at the FIN level with a specific allocation of funds that total the NRR's, a division's, or a branch's allocation of funds for the fiscal year. The FIN plan is a compilation of a division's project identification summaries (PIDSs).

**FIN Plan Change:** See "Reprogramming of Funds."

**Five-Year Plan (FYP):** An NRC budget document used as a management tool. It documents the agency's comprehensive and systematic assessment of the goals, objectives, planning assumptions, and implementation strategies for the agency's programs. It is used to determine the agency's resource needs for the stated 5-year period. The FYP provides the basis for future budget submissions to OMB and the Congress.

**Forward Funding:** The obligation of funds in one fiscal year that will be carried over into the next fiscal year to fund ongoing contracts.

**Funding Action:** See "Commitment of Funds," "Deobligation," "Obligation/Obligated," "Redirection of Funds," and "Reprogramming of Funds."

**Funds Available:** See "Available Funds."

**Independent Cost Estimate:** A detailed cost estimate by specific expenditure type [e.g., labor, overhead, G&A (general and administrative), travel] expected to be incurred by the contractor for performance of work on a specific contract or task order. The independent cost estimate is prepared by the project manager and the technical monitor for each new or modified contract or task order (or modification that involves a change in the level of effort or other cost factors).

**Inspection Report Number:** The number assigned by NRR or the region to a plant-specific inspection that is used to track that inspection; an inspection report number identified in each statement of work and subsequent contractor deliverable that involves an inspection. This number is also used to account for license fee recoverable costs.

**Interagency Agreement:** A contract between two Government agencies. Interagency agreements, other than the one with DOE, are arranged through NRC's Division of Contracts and Property Management (DCPM).

**Negotiation:** Discussions conducted between the NRC and a contractor (or potential contractors under a competitive solicitation), aimed at arriving at a mutual agreement (contract or task order) on the statement of work and costs. Successful negotiations should lead to an award that is most advantageous to the NRC.

**Obligation/Obligated:** The culmination of the process when a legal liability is incurred to pay funds from an appropriation for a specified period (period of performance). Funds are obligated when a contract document originated by the NRC is accepted and countersigned by the contractor and subsequently logged into the Division of Accounting and Finance ledger account.

**Operating Plan:** A compilation of objectives and planned accomplishments and the resources required to achieve them. The plan is developed on the basis of goals and other planning assumptions contained in the NRC's Five-Year Plan. An office operating plan documents planned accomplishments at a level of detail lower than the NRC's Five-Year Plan. Operating plans can also be created at the division level, at the branch level, and by the regions.

**Principal Investigator (PI):** The lead contractor employee responsible for accomplishing the work assigned under a contract. The PI is usually the counterpart of the NRC technical monitor and a key person on the contract and/or task order.

**Procurement Plan:** A requirement imposed on offices by NRC Manual Chapter 5101 that identifies and lists proposed or potential contract actions to be processed by the Division of Contracts and Property Management. The initial plan is due by August 1 of each year, and an updated plan is due by February 1 of the following year. The procurement plan is also known as the advance procurement plan (APP).

**Program Area:** A group of major programs that make up an office's mission. Each program area describes specific types of activities in a manner that provides a basis for formulating budgets and for controlling and measuring actual and budgeted performance. NRR's program areas are listed in Appendix D as part of NRR's B&R classification.

**Program Element:** The level of detail below the program area. Each program element describes an office's programs and mission (i.e., the elements of a program area). NRR's program elements are listed in Appendix D as part of NRR's B&R Classification.

**Program Review:** A planned and systematic review by NRC management of a contractor's performance. Program reviews are usually conducted at the contractor's facility. All contracts, or selected major contracts, are reviewed in detail technically, financially, and contractually.

**Program Support Funds:** An office's allotment used in direct support of its mission for NRR. The allotment supports programs listed in the office's B&R classification (NRR's is shown in Appendix D).

**Progress Review:** A planned and systematic internal review of an NRR organization's (division or branch) financial plan on a set, periodic basis (usually quarterly). All contracts are reviewed in detail technically, financially, and contractually. The performance of the staff in monitoring the work can also be evaluated during these reviews.

**Project:** A planned undertaking described at a level of detail below that of a program element. A project entails a well-defined and attainable objective aimed at accomplishing

a prioritized and approved planned accomplishment. A project can be a contract to which a FIN is assigned.

**Project Identification Summary (PIDS):** A management planning tool principally used to identify planned accomplishments to be contracted out and the allocation of budgeted funds to those specific contracts, projects, or task orders. From the PIDS, the financial plan for an organization (division or branch) is formulated, changed, processed, and approved by line management. The PIDS is also used to identify and communicate other information related to a contract, project, or task order. The format of a PIDS and the instructions for preparing it are given in Appendix I.

**Project Manager (Technical Assistance):** The person assigned the responsibility for overall management of a contract. For commercial contracts and interagency agreements (other than that with DOE), the project manager is also referred to as the "project officer." The responsibilities and limitations of the project manager are described in Appendix L. See also "Contracting Officer's Technical Representative (COTR)."

**Purchase Order (Small Purchase):** A contract used primarily to procure supplies and nonpersonal services when the total amount involved is less than \$25,000.

**Redirection of Funds:** The exchange of funds budgeted (and available for commitment and obligation) between program elements of the same program area. Program offices have the authority to make exchanges without higher level authorization. In NRR, division directors have this authority.

**Reprogramming of Funds:** The exchange of budgeted funds between two program areas (to utilize funds in a program area for purposes other than those contemplated at the time of appropriation). These exchanges, within set limits, are approved by the Office of the Controller after justification by the program offices.

**Request for Procurement Action (RFPA):** NRC Form 400 used to initiate and request processing of procurement actions from the Division of Contracts and Property Management.

**Request for Proposal (RFP):** A document that solicits contractors and, in the case of competitive solicitations, prospective contractors (offerors) to submit a proposal based on specific, defined requirements.

**Reserve:** Available NRR-budgeted funds that are not allocated to a specific division, but are held for unanticipated, unplanned, or emergency use. Reserve funds are usually held in each program area.

**Scope of Work:** This term refers, in sum, to the specific technical requirements, level of effort, period of performance, key personnel, and any other items that may affect the costs of the contract or task order.

**Statement of Work (SOW):** The document that describes all of the pertinent aspects of work required of a contractor to obtain particular deliverables or services, and the parameters associated with the contractor's performance. Appendix G contains the guidelines for preparing statements of work.



**Stop-Work Order:** The temporary cessation of work, all or any part, usually to allow time to resolve a problem or issue.

**Subcontract:** A contract between the prime contractor and another contractor to provide part of the effort required under the prime contract. A subcontractor works directly for the prime contractor and not for the NRC. Recommendation of a subcontractor is the responsibility of the prime contractor, not of the NRC. The NRC retains the right to approve a subcontractor.

**Task Order/Task Assignment:** A planned undertaking described at a level of detail that may be the same as that for a contract, but is generally more limited in scope and level of effort. A task order is not a contract, but rather is an assignment of work under a contract.

**Technical Assignment Control (TAC) Number:** A six-digit number assigned by the NRR systems coordinator to a work effort or assignment that is provided to a user(s) when NRC Form 197, "Technical Assignment Control," is completed and approved. This number must be identified in all statements of work that are not task ordering type contracts or do not contain an inspection report number. This number is used to account for license fee recoverable costs, where applicable.

**Technical Assistance:** The term typically used in NRR to refer to program support funds. It also refers to the NRR contracting process.

**Technical Assistance Procedures:** A compilation of policies and guidance that describes who has what authority and responsibilities, what interrelationships exist among the NRR organizations, and how various processes and procedures are administered in NRR.

**Technical Monitor:** The person assigned to monitor and provide technical guidance to contractors concerning the technical aspects of a contract or task order. Lead engineer, lead inspector, and team leader were previous designations of a technical monitor. The responsibilities of a technical monitor are described in Section 2.4 and Appendix L.

**Termination:** The cancellation of all or portions of a prime contract or subcontract before its completion through performance.

**Unsolicited Proposal:** A written offer to perform a project, initiated and submitted by a prospective contractor without a solicitation, with the objective of obtaining a contract. For procedures pertaining to the receipt and processing of unsolicited proposals, see NRC Manual Chapter 5102, "Receipt and Handling of Unsolicited Proposals."

**Voucher:** A contractor's written request for payment; a contractor's bill for service rendered.

**Voucher Review:** The analysis of the contractor's voucher to determine if the costs and charges billed are allowable under the terms and conditions of the contract, including the provisions of the statement of work.

**Work Order (with DOE):** The term usually used to refer to contracts or projects (FIN level) that are placed with the Department of Energy. In this manual, the term is interchangeable with the term "contract."

## LIST OF ABBREVIATIONS

ADP	automatic data processing
APP	advance procurement plan
B&R	budget and reporting
CFR	<i>Code of Federal Regulations</i>
COTR	contracting officer's technical representative
DCPM	Division of Contracts and Property Management
DOE	Department of Energy
DRIS	Division of Reactor Inspection and Safeguards
EDO	Executive Director for Operations
FACA	Federal Advisory Committee Act
FIN	financial identification number
FY	fiscal year
FYP	Five-Year Plan
G&A	general and administrative
ILPB	Inspection and Licensing Program Branch
IRM	Office of Information Resources Management
LPM	licensing project manager
MBLR	monthly business letter report
MOU	memorandum of understanding
MOV	motor-operated valve
NRC	Nuclear Regulatory Commission
NRR	Office of Nuclear Reactor Regulation
OC	Office of the Controller
OFFPA	Office of Federal Procurement Policy Act
OMB	Office of Management and Budget
PI	principal investigator
PIDS	project identification summary
PM	project manager
PMAS	Program Management, Policy Development and Analysis Staff
PMSB	Planning, Program, and Management Support Branch
PRAS	Planning and Resource Analysis Section

PTSB Policy Development and Technical Support Branch  
RAI request for additional information  
RFP request for proposal  
RFPA request for procurement action  
SCRB Senior Contract Review Board  
SEP source evaluation panel  
SOW statement of work  
SRP Standard Review Plan  
TAC technical assignment control  
TAMS Technical Assistance Management Section  
TER technical evaluation report  
TM technical monitor

# 1 INTRODUCTION

The mission of the U. S. Nuclear Regulatory Commission's (NRC's) Office of Nuclear Reactor Regulation (NRR) is to regulate the commercial nuclear power industry to ensure public health and safety. From the overall perspective of the Federal Government, however, this is a narrow focus. In addition to accomplishing his or her specific agency mission, each Government manager has a broader charter and more extensive responsibilities to maintain the Government's overall best interest. These responsibilities have been legislated through the Federal Managers' Financial Integrity Act of 1982.

Through legislative means, personnel and monetary resources are authorized and allocated to accomplish the NRC's mission. Laws and regulations prevent or mitigate the loss, waste, unauthorized use, or misappropriation of fiscal resources. In using the Government's resources, each Government manager must foster fair and open competition, prevent unfair competitive advantage, and spend resources to implement programs consistent with fiscal authorizations.

With respect to contracting, Federal laws govern how contractors are selected and contracts awarded and administered. Although it is time consuming to adhere to these laws and the processes involved in fulfilling them, negative repercussions result from violating them. Conflicts may arise between efficient use of approved resources to accomplish the agency mission and the need to adhere to rules and regulations to support the broader Government goals. For example, it may appear more efficient to contact a contractor you know can do a job and start the work the next day than to take the time to evaluate competitive proposals before awarding a contract. Consequently, managers and staff at all levels must gain a working knowledge of the rules and regulations that pertain to the fiscal resources under their purview.

This document prescribes procedures for the administration of technical assistance contracts in NRR. These procedures help ensure NRR personnel do not violate established legislative mandates while accomplishing the mission. Following the guidance in this document should assist in preventing violations (unintentional or otherwise), while enhancing the efficiency and effectiveness of technical assistance resources used in the intended manner.

## 1.1 Technical Assistance Procedures: Background and Purpose

NRR uses "technical assistance" as an informal name to refer to program support funds and the process used to obtain the services of contractors to support its mission. Other terms pertinent to and used in these procedures are found in the "Glossary," which appears at the beginning of this document.

Technical assistance, then, is another resource that management uses to accomplish its work. Like staff resources, technical assistance must be managed and controlled. Successful achievement of the objectives of a technical assistance contract correlates directly to the quality of staff management and oversight provided.

The contract administration function for project management will continue to be centralized in NRR, much like the licensing project management function. It resides in the Technical Assistance Management Section (TAMS) of the Planning, Program, and

Management Support Branch (PMSB). The term "project manager" (PM) refers to the TAMS PM. What is basically being changed is the authority for contract management from the Chief, TAMS, to division directors in accordance with a policy change issued in a memorandum by the Executive Director for Operations (EDO) on May 20, 1991. Appendix A contains a copy of this memorandum. In essence, the function of designating official for procurement actions processed by the Division of Contracts and Property Management (DCPM), Office of Administration, and the function of issuing authority for work orders placed with the Department of Energy National Laboratories can be delegated to the division director level, with no power of further delegation.

This document provides formal technical assistance procedures to be implemented by all NRR managers and staff associated with contract management.

## 1.2 Purpose and Organization of This Manual

### 1.2.1 Purpose

The principal purpose of this procedures manual is to provide NRR managers and staff with a quick reference that can be used to facilitate the administration of technical assistance contracts. These procedures are intended to make the NRR staff aware of the legal requirements and limits that pertain to contract management so that no one incurs unwanted liabilities.

Compliance with these procedures will help ensure that the following objectives are attained:

- Managers and staff are aware of the authorities and responsibilities involved with technical assistance contracting.
- A formal process is implemented by which fiscal resources are used in the manner in which they were authorized.
- Technical assistance is managed in a manner that ensures that the maximum services and products are obtained at reasonable costs.
- The distribution of roles and responsibilities between NRR's technical divisions and the PMSB staff is clearly identified to maximize efficiency and minimize misunderstandings.
- A clearly auditable record of procurement actions exists.

These procedures are intended to serve as an operating guide rather than to address all the laws, regulations, and policies related to contracting.

### 1.2.2 Organization

For organizational purposes, the NRR technical assistance procedures have been divided into five phases as discussed in Sections 2 through 6. These phases are (1) the organization phase (which includes the authorities and responsibilities in NRR), (2) the planning phase, (3) the execution phase, (4) the contract monitoring phase, and (5) the contractor evaluation phase. The planning, execution, and control (monitoring and evaluation) phases are depicted in flow charts given in Appendix B. Section 7, "Bibliography," contains specific references that provide official agency regulations, policy, and procedures.

The *Technical Assistance Project Manager's Handbook* contains detailed instructions to assigned PMSB personnel on how to prepare and process specific contract actions.

## 2 THE ORGANIZATION PHASE

### 2.1 General: Organizational Authorities and Responsibilities

The lines of authority for contracting are different from those of the normal organizational chain of command. They also differ when contracting with the Department of Energy (DOE) and with commercial contractors through the Division of Contracts and Property Management (DCPM). The lines of authority in relation to the technical monitor are the following:

Organizational Lines of Authority	Contracting Lines of Authority	
	Commercial (DCPM)	DOE
Chairman/EDO	Chairman/EDC	Office director
Office director	Director, DCPM	Associate director
Deputy office director	Contracting officer	Division director
Associate director	Designating official	Project manager*
Division director	Project manager*	Technical monitor
Deputy division director	Technical monitor	
Branch chief		
Section chief		
Technical monitor		

Contracting authority consists of the power to enter into a binding contract on behalf of the NRC. The authority to place work with the DOE National Laboratories derives from the Energy Reorganization Act. From this law, the DOE/NRC Memorandum of Understanding (MOU), which has been in effect since February 28, 1978, was developed. Implementing this MOU is NRC Manual Chapter 1102, in which authority for placement of work with DOE is delegated to NRC office directors. NRR Office Letter No. 101, "Delegation of Signature Authority," delegates this authority to NRR division directors with no power of further delegation. This satisfies the directive of May 20, 1991, from the Executive Director for Operations (EDO), found in Appendix A. The authority for contracting with DOE is exercised by signing NRC Form 173, "Standard Order for DOE Work," which appears in Appendix C.

For interagency agreements with Federal agencies other than DOE and for commercial contracts, the contracting authority resides with the contracting officer in DCPM. Within the NRR contracting process, the division directors serve as the designating officials and sign NRC Form 400, "Request for Procurement Action," which appears in Appendix C. Contracting authority for commercial contractors and Government agencies other than DOE is discussed in NRC Manual Chapter 5101.

The authority for contracting pertains to

- the work requirements (the technical scope of the contract)
- the level of effort and other factors that affect the ceiling cost
- the period of performance

\*In NRR, the project manager is designated by and reports to the Chief, TAMS.

- key personnel assigned to the contract
- subcontracts
- conflict of interest

Only individuals having the authority for contracting can modify or otherwise change any of these items on any contract or task order.

## **2.2 Authority for Contracting: NRR Division Directors**

### **2.2.1 Division Directors as Designating Officials**

For contractor sources obtained through DCPM, division directors serve as designating officials by signing NRC Form 400 or NRC Form 34 (see Appendix C) and have the following authorities and responsibilities with respect to designating the work, specifically, ensuring that the work is

- consistent with the Five-Year Plan or other approved management directive
- consistent with the NRR budget and reporting (B&R) classification, see Section 2.8.2 and Appendix D
- prioritized in accordance with the NRR priority ranking system, see Appendix E
- given a technical assignment control (TAC) or inspection report number
- justified to be contracted out (under a commercial task ordering type contract), see Appendix F
- assigned to an appropriate contractor (if a task order)
- properly described in a statement of work, see Appendix G

### **2.2.2 Division Directors as Issuing Authority**

For DOE work orders, in addition to the above, division directors have the following authorities and responsibilities as issuing authority:

- issue requests for proposals (RFPs)
- sign NRC Form 367, "DOE Source Selection Justification," see Appendix H
- sign NRC Form 173 to authorize the work, see Appendix C
- make determination findings on organizational conflict of interest
- determine the acceptability of subcontractors
- approve and authorize modifications, that is, changes to work scope and deliverables, level of effort and other cost factors, period of performance, and key personnel

### **2.2.3 Other Division Director Authorities and Responsibilities**

Other related authorities and responsibilities of division directors consist of

- approving the project identification summary (PIDS) and the division's financial plan, see Section 3.2 and Appendix I
- approving regional requests for technical assistance, see Section 3.3

- presenting projects to the Senior Contract Review Board, see Section 4.2.5
- approving contract and task order proposals that are more than 15 percent over the original independent cost estimate, see Section 4.5.4
- redirecting funds within a program area, see Section 2.8.4
- recommending the reprogramming of funds between program areas, see Section 2.8.4
- conducting quarterly progress reviews, see Section 6.3
- performing contract or program reviews with each contractor that has been assigned work valued at approximately \$1.5 million or more, see Section 6.5

#### 2.2.4 Contracting Authority When More Than One Division Is Affected

Whenever a contract action that pertains to more than one division has to be processed, a lead division director will be selected. The principal criterion is to select the director of the division that has the greatest amount of activity and funding associated with that project. The associate office director over those divisions will make any necessary final determination.

To keep the occurrence of the above situation to a minimum, it is advisable to limit the scope of a contract to a specific division.

### 2.3 Other Line Management Responsibilities

Each manager is responsible for developing (at his or her level), implementing, and practicing sound management controls, as stipulated in Section 2 of the Federal Managers' Financial Integrity Act of 1982.

The objective of management controls as defined in the law is to provide management with reasonable assurance of the following:

- Obligations and costs comply with applicable law.
- Assets are safeguarded against waste, loss, unauthorized use, or misappropriation.
- Revenue and expenditures are properly rendered and accounted for.
- Programs are efficiently and effectively carried out in accordance with law and management policy.

Management controls pertaining to technical assistance contracting encompass accepted measures that reasonably ensure that funds are safeguarded against waste, loss, unauthorized use, or misappropriation. These controls can vary with the management style of each manager.

Effective means of implementing effective management controls is through adherence to the following management practices:

- Preplan so as to preclude contracting on an "emergency" basis when the potential for waste and abuse is greatly increased.
- Conduct progress reviews as discussed in Section 6.3 and Appendix J.
- Review monthly business letter reports.



- Document conversations (e.g., those pertaining to understandings, agreements, and action items) and place this documentation in the official contract file.
- Select qualified and knowledgeable personnel to serve as technical monitors as discussed in Section 3.1.8.
- Select personnel who are free from personal conflict of interest and are knowledgeable of ethical considerations as discussed in Section 3.1.11.
- Ensure that contracts are monitored according to the procedures set forth herein and that the performance of technical monitors is evaluated as discussed in Section 3.1.10 and using the guidelines given in Appendix K.
- Ensure that costs are expended and vouchers are paid according to the procedures set forth herein (see Section 5.8).
- Ensure that deliverables are received and used in the intended manner and, conversely, that contracts or task orders for which the deliverables are no longer needed are terminated in a timely and efficient manner to minimize losses.

#### **2.4 Division of Responsibility for Contract Management Between NRR Divisions and Technical Assistance Management Section: Responsibilities of the Project Manager and the Technical Monitor**

The responsibilities for contract management are intentionally divided between the Technical Assistance Management Section (TAMS) and the NRR divisions. (Conceptually, this division is similar to the division of responsibility between the technical divisions under the Associate Director for Inspection and Technical Assessment and the project directorates under the Associate Director for Projects.)

Separation of the contract management function has internal control benefits. It institutes "checks and balances" and promotes sound accountability features in that project managers (PMs) have contract management as their primary responsibility, while the technical monitors (TMs) focus primarily on the technical attributes of the work. Nonetheless, the role of the two positions may at times be misunderstood or conflict. To help explain the role of the PM and the TM, one must first understand that within the context of contracting authority (see Section 2.1), the contracting officer (or issuing authority in the case of DOE work) designates a person to act as the contracting officer's technical representative (COTR). This is but one function, and in NRR it is split between the PM and the TM; however, the PM retains ultimate responsibility. The PM, therefore, has overall management responsibility for a contract and certain other responsibilities that are part of that position as specified in NRC Manual Chapter 1102 and NRC Bulletin 1401-2 for DOE work orders and in NRC Manual Chapter 5101 for interagency agreements other than that with DOE and for commercial contracts. These agency regulations also specify that the PMs may require support from other persons in carrying out their responsibilities. These persons are referred to as "technical monitors." In NRR, technical monitors are responsible for monitoring the contractor's performance and progress and ensuring the quality of services and of the products.

Appendix L contains a copy of NRC Bulletin 1401-2, "Project Management Responsibility for Goods or Technical and Research Services Acquired Under DOE/NRC Memorandum

of Understanding," which identifies the responsibilities of the project managers. In NRR, these responsibilities are performed jointly by the project managers and the technical monitors. The summary list that identifies these respective responsibilities is contained in Appendix L.

To ensure effective use of technical assistance, the PM and the TM must work as a team. The procedures set forth herein establish the relative roles of the organizations with a focus on the responsibilities of the technical divisions.

A TAMS PM is assigned to each NRR contractor to manage NRR's work efforts placed with the contractor. A list of assigned PMs is published periodically. If the PM is not known, the Chief, TAMS, should be contacted.

## **2.5 Lead Project Manager Responsibilities**

A TAMS PM will be designated as the lead PM for a technical division that has assigned technical assistance resources. The responsibilities of the lead PM are as follows:

- assisting the division in developing its financial plan, including assisting the division staff in interpreting the instructions for preparing the project identification summary (PIDS) and in preparing the PIDS
- serving as the TAMS point of contact for managers and staff, including
  - responding to procurement issues and questions of a generic nature
  - gathering and preparing procurement and financial data of a generic nature applicable to the division or a branch of that division
  - assisting managers and staff in selecting the most appropriate source (contractor) for the proposed work
- assisting in the conduct of the divisions' quarterly progress reviews by assembling status, financial, and other information for the branch chief and others

## **2.6 Authority and Responsibilities of the Chief, Technical Assistance Management Section**

The Chief, Technical Assistance Management Section (TAMS) of the Planning, Program, and Management Support Branch (PMSB), will concur in all contract actions to attest that all pertinent legal and administrative issues have been satisfactorily, appropriately, and correctly addressed.

The Chief, TAMS, has the authority to designate the project manager. Other responsibilities of the Chief, TAMS, are to

- serve as NRR's cognizant and principal point of contact for procurement actions involving other offices and agencies and the commercial sector
- recommend NRR procurement policies and procedures
- plan, organize, coordinate, and administer technical assistance for NRR
- monitor, evaluate, and take action to correct contractor performance (technical, financial, administrative)

- maintain administrative financial and status information in a data base and issue reports on a periodic and ad hoc basis
- provide guidance and assistance to the divisions in the preparation of their financial plans (i.e., completion of the PIDSs)
- analyze and assess the divisions' financial plans and provide comments to the associate directors and Deputy Director, NRR

## 2.7 Authority and Responsibilities of the Chief, Planning and Resource Analysis Section

The Chief, Planning and Resource Analysis Section (PRAS) of the Planning, Program, and Management Support Branch (PMSB), is delegated the authority to certify the availability of funds with no power of further delegation. In essence, this involves

- ensuring that sufficient uncommitted or unobligated funds are available within the appropriate budget and reporting (B&R) classification, program area, and program element for the work that has been designated
- ensuring that the effort for which the funds are being certified as available is correctly classified according to the definition of that program element

The authority and responsibility for certification of funds can be better understood after the B&R classification, which appears in Section 2.8.2, is explained.

In addition to these certification responsibilities, the Chief, PRAS, is responsible for

- maintaining official NRR financial logs and files
- being the prime point of contact with the Office of the Controller (OC); as such,
  - certifying financial reports received from OC
  - processing changes to the NRR Financial Plan (i.e., reprogramming of funds)
  - processing license fee recoverable costs
  - processing DOE vouchers
- assessing divisions' financial plans for consistency with the budget and recommending changes or adjustment to the NRR Financial Plan

## 2.8 Authority and Responsibilities for Certifying the Availability of Funds Within the Budget and Reporting Classification

### 2.8.1 General

Division managers and staff must understand that work at the project level (i.e., financial identification number described in Section 2.8.3) must be categorized in the proper budget and reporting classification (i.e., program area and program element) because this is the manner in which funds were appropriated and there are restrictions on the movement of these funds.

The authority for certifying the availability of funds is discussed in Part I of NRC Manual Chapter 1101, "Accounting Policies and Practices." This authority, as stated in Section 2.7, which is delegated to the Chief, PRAS, consists of

- (1) ensuring that the total allotment to NRR does not exceed the amount available, or otherwise violates the terms of the approved allotment
- (2) ensuring that the funds allocated to a specific program area and program element are used for contractor work that pertains to accomplishment of NRR efforts in that program area and program element

In the first case, the certifying officer must ensure that an overcommitment of funds does not occur because an overcommitment of funds that leads to an overobligation of funds is a violation of the Anti-Deficiency Act, and personnel having the delegated authority to certify funds may be held personally liable.

In the second case, funds may be available, but they may not be in the proper budget and reporting classification. For example, a division may have sufficient funds allocated to it, overall, but there may not be sufficient funds in a particular program area or program element in which the work is classified. In these situations, a redirection of funds or reprogramming of funds must be processed, as explained in Section 2.8.4.

### 2.8.2 Budget and Reporting Classification Structure

The allotment of funds by the Office of the Controller is based on financial plans developed by the individual program offices. The financial plan is an apportionment of the NRC allotment by program area. Though set by NRR management on the basis of the objectives planned for that program area through the budget process, the funding amount for each area has limitations as explained in Sections 2.8.4 and 2.8.5. In accounting terminology, categorization of funds by program areas is referred to as the "budget and reporting (B&R) classification." This is the source of the B&R number used on contract documents. Each 10-digit B&R number (XXX-XX-XX-XX-X) specifies the following components:

X Last digit of the fiscal year (e.g., 2 for fiscal year 1992)

XX Office (e.g., 20 for NRR)

XX Program support (i.e., 19 for technical assistance)

XX Program area (e.g., 11 for reactor licensing)

XX Program element (e.g., 01 for power reactor applications)

X Detail (not used by NRR)

The fiscal year 1992 B&R classification for NRR can be found in Appendix D. The B&R classification may change by fiscal year if changes are made to the program area definitions. The current B&R classification can be found in Part III of the appendix to NRC Manual Chapter 1301.

### 2.8.3 Financial Identification Number

The funding of contracts within the B&R classification is further complicated by the introduction of the financial identification number (FIN). The FIN is the lowest level at which funds are officially accounted for in the NRC accounting system. Each FIN can have only one B&R number associated with it. That is, only one type of work (program area and program element combined) can be assigned to a FIN. Use of a FIN is restricted to a

greater extent when used in contracting with DOE National Laboratories where the FIN is the contract number. Therefore, each DOE contract can contain only one type of work defined by the program element.

Project managers obtain FINs. Detailed guidance on the assignment of FINs is included in the *Technical Assistance Project Manager's Handbook*.

#### 2.8.4 Reprogramming and Redirection of Funds

The level of funding allotted to each B&R program area cannot be exceeded or changed at the office level without prior approval from the Office of the Controller. If a division's available funds are not in the B&R classification (program area and/or program element) required for the work to be performed, the division director must submit a memorandum to the Chief, TAMS, requesting that division funds be transferred from one program area to another (i.e., reprogrammed) or transferred from one program element to another (i.e., redirected). Section 5.7 contains the procedures for accomplishing these transfers.

If the transfer of funds between program areas (reprogramming) cannot be accomplished with existing NRR funds (office level), TAMS will initiate a financial plan change for approval by the Office of the Controller before the funding action may be processed. This request is coordinated by the Chief, TAMS, and processed by the Chief, PRAS. Depending on the circumstances, it may take up to 1 month for the Office of the Controller to process a financial plan change, thereby increasing the lead time required to complete contract funding actions dependent on reprogramming. Procedures for accomplishing this type of transfer of funds are specified in Section 5.7.3.

Division directors have the authority to transfer funds between or among program elements within the same program area, as stated in Section 2.2.3. Procedures for accomplishing this type of transfer of funds are specified in Section 5.7.2.

#### 2.8.5 Carryover Funds

Funds appropriated to NRC are referred to as "no year funds" in that they may be kept and used until they are fully expended. (Some Federal agencies are appropriated funds that expire at the end of the fiscal year if they are not obligated in the fiscal year in which they were appropriated.) However, the Executive Director for Operations (EDO), through the Office of the Controller (OC), has imposed restrictions on the use of funds allotted to the program offices after the close of the fiscal year in which they were allotted to the program offices.

Once funds allotted to a program office during a fiscal year are carried over into the next fiscal year, or other subsequent fiscal year (referred to as "carryover funds"), their status falls into three categories:

- (1) Unobligated funds that are carried over into the next fiscal year are "lost" to the program offices; that is, they automatically revert to OC for use as directed by the EDO.
- (2) Obligated, unexpended funds carried over into the next fiscal year, or other subsequent fiscal year, may be used for their intended purpose (that is, in keeping with the B&R classification as discussed in Section 2.8.2) until they are expended.

However, contractual limitations, such as the expiration of the contract or task order and the scope of the contract or task order, restrict the expenditure of those funds. (See note below.)

- (3) Obligated, unexpended funds carried over into the next fiscal year, or other subsequent fiscal year, that are subsequently deobligated automatically revert to OC for use as directed by the EDO.

Note: Funds are obligated for a specific FIN. They can only be transferred between FINs by deobligation/obligation actions. Therefore, carryover funds cannot be transferred between FINs because once they are deobligated (after the end of the fiscal year in which they were allotted), they automatically revert to OC.

Funds may be transferred between FINs only during the fiscal year in which they were allotted.

See also NRR funding policy on carryover funds explained in Section 4.5.5.

## 3 THE PLANNING PHASE

### 3.1 Background Information

#### 3.1.1 General

Funds for technical assistance are approved by Congress based on justified need to accomplish the agency mission. In addition, certain laws and regulations have been enacted to ensure that technical assistance contracts are properly awarded and administered. These mandates include the Federal Managers' Financial Integrity Act, which requires agencies to have internal controls and procedures in place to reasonably ensure that technical assistance funds are safeguarded against waste, loss, unauthorized use, or misappropriation. Such regulations and procedures act as checks and balances and will at times interfere with the timely and expedient use of technical assistance funds. However, they minimize the risks associated with the expenditure of funds and are, therefore, integral and important parts of the process. The keys to efficient and successful contracting are understanding the processes and their attendant laws and regulations and abiding by them.

NRR's technical assistance project management function under the Technical Assistance Management Section (TAMS) of the Planning, Program, and Management Support Branch (PMSB) was established to provide contract management support beginning with the source selection process [i.e., selecting the most appropriate source(s) of technical services], continuing through contract execution, and ending with contract closeout. The responsibilities of the technical assistance project manager are profiled in this procedures manual (see Section 2.4 and Appendix L). However, the *Technical Assistance Project Manager's Handbook* more fully describes the duties and functions of the project manager and provides detailed procedures for contract administration in NRR by the project manager.

#### 3.1.2 Budget Formulation

Budgets are normally formulated for a 5-year period two fiscal years before the beginning of that period (i.e., the budget for fiscal years 1994 through 1998 is formulated in fiscal year 1992). At this stage, the budget is prepared at the program area level principally by the PMSB staff and upper management with input from division management. While formulating the outyear budgets (e.g., those for fiscal years 1995 through 1999), the technical divisions focus on updating their budget allocations at the project level for the upcoming fiscal year. This involves development of the financial plan described in Section 3.2.

#### 3.1.3 Contracting Sources

Technical assistance is available to NRR through the following two sources:

- (1) Department of Energy (DOE) through which the NRC accesses the National Laboratories
- (2) Division of Contracts and Property Management through which the NRC contracts with commercial firms, universities, and Government agencies other than DOE [commercial firms include small and disadvantaged businesses, referred to as "Section 8.a. (of the Small Business Act) firms"]

Despite the need to accomplish the work in the most timely manner and by the most economic means, the principle underlying Government mandate is that all qualified and interested contractors must be given equal opportunity to compete for the work. Therefore, advance planning plays a major role in obtaining contractor assistance.

#### 3.1.4 Justification of Use of Contractors

The Inspector General has stipulated that NRC program offices document the need for use of a commercial contractor to perform specific work before placing each task order. To implement this requirement, NRC Bulletin 5101-8, "Justification of the Use of Contractor Employees Under Task Order Contracts," was issued. A copy of this bulletin can be found in Appendix F.

Designating officials must ensure that the use of contractor employees rather than NRC personnel is justified before a task ordering type contract is established. NRC Bulletin 5101-8 provides the procedures by which designating officials certify that the justification for the use of a contractor continues to be valid when a task order is placed.

Procedurally, NRR division managers are to indicate the need for use of a contractor for all work that is to be contracted on the project identification summary (PIDS), using the criteria in NRC Bulletin 5101-8. See Appendix I, which contains the PIDS and instructions for completing it. When a commercial task order is to be executed, the project manager will place on NRC Form 400 the justification for the use of a contractor from the PIDS. The division director, however, is responsible for attesting to the validity and correctness of that justification.

#### 3.1.5 In-proper Use of Contractors: Personal Services

The NRC has determined as a matter of policy that services rendered in the context of an employer-employee relationship will be obtained through the personnel appointment process. Division managers, technical monitors, and project managers are responsible for using contractors as independent sources for accomplishing the work identified in the statement of work. The use of contractors in a personal way, that is, forming an employer-employee relationship, or one that fosters such a relationship, is prohibited. Simply stated, personal services contracts (i.e., those that result in establishing an employer-employee relationship) are illegal. The Executive Director for Operations (EDO) addressed personal services in his memorandum of May 20, 1991, which is contained in Appendix A. In many instances, however, it can be difficult to distinguish between personal and nonpersonal services. Though NRR technical assistance is used to support accomplishment of the mission, contracting cannot be used to circumvent personnel hires or personnel ceilings. The issue here is not necessarily supplementing NRR personnel resources but rather **the manner** in which contractors are used.

Broad criteria for identifying personal services have been established on the basis of decisions of the Comptroller General. Appendix M contains guidelines to assist in distinguishing between personal and nonpersonal services. Division directors are responsible for reviewing the manner in which the services of a contractor are being carried out and for ensuring that the services are nonpersonal. The associate director will make the final determination in the event of any conflict between the Chief, TAMS, and the division director concerning the applicability of these guidelines for procurement actions placed



with the DOE National Laboratories. The contracting officer in the Division of Contracts and Property Management will make the final determination for all other procurement actions. The Office of the General Counsel should be consulted in any event when there is a question regarding the applicability of personal services.

An explanation of the legitimate use of personal services through the personnel appointment process is available from the Office of Personnel. Guidance is contained in NRC Manual Chapter 4139, "Utilization of Consultants, Members, and Other Advisory and Assistance Services." In some instances, this may be the most appropriate way to obtain assistance.

### 3.1.6 Improper Use of Contractors: Subcontracts

Subcontractors as used here refer to firms or individuals (e.g., consultants) employed by a prime NRR contractor to support the accomplishment of its work for NRR. Subcontractors work directly for the prime contractor and not for NRR. It is improper for NRR personnel to seek out subcontractors to be used by the prime contractor to work directly for NRR.

If a prime contractor, either a DOE National Laboratory or a commercial contractor, does not have a particular skill or specialized disciplinary area required to complete its work for NRR, the prime contractor can and should seek outside support of its own, and recommend approval by NRR. Division directors retain the right to approve\* subcontractors.

A high percent of subcontracting (more than 25 percent) may indicate that an inappropriate contractor source has been selected for the work. Therein lies the term "pass-through contracting." This is an improper use of contractors and occurs when NRR uses a prime contractor under an established contract solely to select another contractor that is desired to perform the work. This is a prohibited practice.

To avoid pass-through contracting or to obtain services not available from existing prime contractors, consider the use of purchase orders or a contract with a small and disadvantaged business referred to as a "Section 8.a. (of the Small Business Act) firm." Appendix B contains flow charts that depict the process for selecting contractors for work valued at \$25,000 or less under purchase order. Another excellent source of contractors that can be obtained within a timeframe that is much shorter than full and open competition for work valued at more than \$25,000 is the Small Business Administration. These contractors are Section 8.a. (of the Small Business Act) firms.

For further guidance in this area, the lead project manager or Chief, TAMS, should be contacted.

### 3.1.7 Obtaining the Services of Former NRC Employees Under Contract

This section does not apply to DOE work orders.

#### Noncompetitive Contracts

In accordance with Manual Chapter 5101, the NRC cannot enter into a noncompetitive contract with a former NRC employee for 2 years after the employee has terminated employment with the Government. The Executive Director for Operations may approve exceptions to this policy.

\*As designating officials, division directors recommend approval to the contracting officer; for DOE work orders, as issuing authority, they approve subcontractors.

## Competitive Contracts

In accordance with the Office of Federal Procurement Policy Act, former Government employees who have served as procurement officials on a particular competitive procurement action cannot perform work on a resulting contract for 2 years from the last day of any involvement in the procurement action prior to award. (See Appendix N for the definition of procurement official and other information pertaining to the referenced act.) Therefore, if a former NRC employee had not served as a procurement official on a competitive procurement action, he or she may work without restriction on contracts awarded competitively.

### 3.1.8 Selection of Staff Personnel: Technical Monitors

#### 3.1.8.1 General

Division managers are responsible for selecting and designating staff personnel to serve as technical monitors (TMs) on individual technical assistance contracts or task orders.

Technical monitor responsibilities and limits of authority are discussed in Section 2.4 and listed in Appendix L.

More than one technical monitor may be assigned to a contract or task order. If more than one technical monitor is assigned, the statement of work must clearly state the areas of responsibility of each technical monitor so that the contractor knows from whom and in what areas to take technical direction. Unless the technical monitor's supervisor or higher manager is listed as a TM, he or she is not authorized to give technical direction directly to the contractor, unless he or she is acting for the technical monitor. In such cases, the project manager and the contractor should be informed.

Changing or adding a technical monitor, even temporarily, does not result in a contract or task order modification. Rather, such a change is referred to as "technical direction" and is confirmed in writing to the contractor by the project manager.

As NRC employees, technical monitors have other titles such as reactor systems engineer, reactor inspector, or mechanical engineer. In the regions, some employees may have additional titles such as team leader. Regardless of their NRC titles, when assigned to monitor the work of a contractor, employees (other than project managers) will be designated as technical monitors and will use that title for purposes of defining their role under the contract.

#### 3.1.8.2 Technical Monitor Qualifications

To ensure that the contractor will receive proper technical direction and guidance in a timely manner, division managers should select a staff member to serve as a technical monitor on the basis of

- (1) the technical qualifications of the staff member in the technical area of the contract
- (2) the workload of the staff member
- (3) the experience of the staff member in contract administration and the formal training he or she has received
- (4) the interpersonal skills and ability of the staff member to communicate both orally and in writing

### 3.1.9 Technical Assistance Training

Before being assigned TM responsibilities, technical monitors should have taken the NRC course, "Acquisition for Project Managers," or the equivalent. In accordance with the EDO's memorandum of May 20, 1991, which can be found in Appendix A, this course is mandatory for individuals with contract management responsibilities. This includes supervisors.

To maintain a cadre of personnel available and qualified when the need arises, all technical branch personnel who might be assigned technical monitor responsibilities should attend this course. Assigned technical monitors should also attend a refresher course every 3 years.

In addition, TAMS provides training to the staff on NRR procedures on an as-needed basis. This training satisfies the 3-year refresher requirement.

Documentation of procurement training received by the staff will be kept in the NRR training files.

### 3.1.10 Performance Appraisals

Managers who have been allocated technical assistance funds and staff who have been assigned as technical monitors will be evaluated against a performance element and a performance standard in their performance appraisals. Sample performance elements and performance standards are provided in Appendix K.

### 3.1.11 Personal Conflict of Interest

In addition to being qualified to serve as a TM, it is important that proposed technical monitors and their managers be free of personal conflict of interest. That is, personnel involved in contract administration must not have a personal (e.g., employment) or financial (e.g., stock) relationship with, or interest in, a contractor who works (or is expected to work) under their direction. Although the financial interest aspects apply primarily to commercial contractors, they also apply to commercial subcontractors involved in contracts with the DOE National Laboratories. Accordingly, the following sentence will be added to the concurrence page (above the concurrence) for all new contracts and task orders being processed:

By concurring in this contract action, I certify that I do not have a personal or financial interest in the contractor(s) who will be performing the work.

The TAMS project manager (PM) prepares these memoranda and letters and places a copy of each in the official contract file.

### 3.1.12 Procurement Integrity Legislation

On May 16, 1989, amendments to the Office of Federal Procurement Policy Act (OFPPA) placed new requirements and restrictions on NRC employees involved in the Federal

commercial procurement process. Specifically, during the procurement process,\* a procurement official\*\* is prohibited from

- disclosing proprietary or source selection information regarding the procurement to any unauthorized individual
- soliciting or accepting future employment or business opportunities from a competing contractor (up to 2 years after terminating NRC employment)
- soliciting or accepting money or anything of value from a competing contractor

Violation of the law's information-disclosure provisions carries criminal as well as civil and administrative penalties. Information regarding this act can be found in Appendix N.

## **3.2 Development and Approval of the Division Technical Assistance Financial Plan**

### **3.2.1 General**

The major steps and timeframes for developing the division's financial plan can be found in Appendix O. The corresponding flow chart can be found in Appendix B.

### **3.2.2 Office-Level Call for Project Identification Summary and Financial Plan**

In the latter part of May, the NRR Deputy Director will ask for each division's technical assistance financial plan by memorandum. The division's technical assistance allocation, instructions for preparing the project identification summary (PIDS) if revised from those contained herein, and any other guidance will be issued with the call for the PIDS and financial plan. TAMS will provide the updated financial status of current projects.

### **3.2.3 Preparing the Project Identification Summary**

A PIDS is required for all new contracts or task orders and for any existing contracts or task orders that require additional funding. For task ordering type contracts, DOE or commercial, for which the specific task orders are not known, one PIDS can be prepared. This PIDS should identify the expected number of task orders and the average budget for each task order that amounts to the available funding. If there are both known and unknown task orders under a task ordering type contract, a PIDS should be prepared for those that are known, and one should be prepared for the balance of the funding using the guidance stated above.

For modifications to contracts and task orders that require changes to a branch's financial allocation or the division's financial plan during contract administration, see Section 5.7.

Appendix I contains the PIDS and the instructions for completing it. The instruction for developing a budget for a contract or task order follows.

Procedures for developing a division's financial plan are given in Section 3.2.4.

\*The procurement process is the period beginning with the development, preparation, and issuance of a commercial procurement solicitation, including the writing of the statement of work, and concluding with the award, modification, or extension of a contract.

\*\*A procurement official is any agency employee personally and substantially involved in preparing or approving the advance procurement plans and the statement of work and participating in the source evaluation process [i.e., serving as a member of a source evaluation panel (SEP)].

### Estimating the Budget for a Contract or Task Order

Neither commercial contractors nor DOE National Laboratories should be contacted to obtain the rates or costs of contracts or task orders.

The amount of funds needed for a contract or task order is determined at two stages:

- (1) **Development of a Budget Estimate:** A budget estimate, as discussed below, is developed when the PIDS is prepared.
- (2) **Development of an Independent Cost Estimate:** A detailed independent cost estimate is developed, as discussed in Section 4.1.3.1, before the contract or task order is executed.

Although developing the independent cost estimate is primarily the responsibility of the PM, specific input, such as the level of effort and travel requirements, is provided by the TM. Detailed procedures for developing the independent cost estimate are contained in the *Technical Assistance Project Manager's Handbook*.

Developing a budget estimate for a particular contract or task order is based primarily on the level of effort and requires a basic understanding of the work to be completed. The TM should first develop the estimated level of effort for each major task and, where warranted, at the subtask level for the contract or task order. This estimate should be based on the TM's knowledge of the technical essence and complexity of the work, his or her experience in doing the same or similar work, and the contractor's familiarity with the work and NRC's regulatory environment. A rule of thumb is to estimate how much time the TM would require to perform the work, then add 10 to 20 percent, depending on the contractor's degree of expertise and familiarity with the NRC's work.

In general, the level of effort should be defined in professional staff hours or weeks, although professional staff months or years can be used for major contracts. Estimates should include professional staff time only because of the variances among contractors' rates for engineering staff, contract management, and other cost factors.

After estimating the level of effort, the rate of \$4,000 per professional staff week should be multiplied by the number of staff weeks to determine the total cost estimate. The amount of \$4,000 includes an average of all cost factors [i.e., direct labor, overhead, G&A (general and administrative), travel, etc]. If the contract or task order requires unusually extensive travel or extraordinary purchase of materials or equipment, estimates for these costs should be added to the budget estimate.

#### 3.2.4 Developing the Division Financial Plan

During the June technical assistance progress review meeting (see Section 6.3 and Appendix J), division directors will obtain updated information on the progress of their branches' technical assistance work. Supporting information will be provided by TAMS to the individual branches. On the basis of this information and their goals and objectives for the upcoming fiscal year (as contained in the Five-Year Plan), division directors will allocate their budget allotments to their branches. This should be done by the latter part of June. Branch chiefs will prepare the PIDSs and submit them to their division directors by the middle of July. Division directors should plan to review the PIDSs and have their staff finalize them for their approval for submittal to TAMS by the end of July.

### 3.2.5 Review of Project Identification Summaries by Associate Directors

The Planning, Program, and Management Support Branch (PMSB) will analyze and compile the PIDSs for review by the associate directors in early August.

PMSB will review the PIDSs for

- consistency with the Five-Year Plan and directives issued by the Director, NRR, and the executive team that supports the Five-Year Plan
- deviations among the program areas from those that were originally included in the NRR budget
- financial correctness and completeness in accordance with the allocation provided to the divisions

TAMS will compile the PIDSs for each division as follows:

*By Program Area:*

<u>PIDS Title (by program element)</u>	<u>Amount</u>	<u>Branch</u>	<u>Contractor</u>
Subtotal (program area)	_____	_____	_____
Division Total			

*Summary (Totals) by Contractor:*

<u>Contractor</u>	<u>Total Funds</u>
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Associate directors will review their divisions' PIDSs and make necessary adjustments with the divisions so that each division's financial plan will be completed by the middle of August.

### 3.2.6 Office-Level Review

The NRR goal is to have an approved financial plan (i.e., a summary of each approved PIDS by program area and program element and project) by the end of August. The NRR Deputy Director will approve and issue the NRR Financial Plan, which shows the apportionment to each division.

This schedule should allow sufficient time for developing the statements of work on approved contracts and task orders, issuing requests for proposals, evaluating and negotiating the proposals, and preparing the funding documents and other contract documents before the beginning of the new fiscal year. Drafting of the statements of work should begin after approval of the PIDS by the division director, with due consideration given to when the work must begin to meet mission requirements.

This schedule is also consistent with the requirement in NRC Manual Chapter 5101 that program offices develop and submit an advance procurement plan by August 1 of each year. The EDO has emphasized this requirement in his memorandum of May 20, 1991 (see Appendix A).

Large competitive commercial contracts take 6 to 9 months to complete, that is, to award the contract from the time the statement of work is developed. Therefore, because of the lead time required, prior procurement planning is essential. (Appendix B contains a flow chart of the major steps for processing a competitive commercial contract over \$25,000). Such a requirement should be coordinated with TAMS as soon as the need for such a contract is identified.

### **3.3 Technical Assistance in Support of the Regions**

#### **3.3.1 General**

Regional offices depend on NRR for all technical assistance. Typically, this involves requests for support of inspections, but it may extend to other program areas.

##### **Scope of Regional Support**

A region that requires resource support from NRR to assist in accomplishing a particular assignment or project must contact the NRR division that has programmatic responsibility [independent of the purpose of the effort (e.g., inspection, allegation, or event followup)] and the one the region believes would provide the most support if more than one division has programmatic oversight.

The following are examples. If a region requires Headquarters support in fire protection, it should contact the Division of Systems Technology. If a region requires Headquarters support to assist in addressing motor-operated valve (MOV) failures in the area of material degradation/corrosion (materials engineering/metallurgy) and in the area of motor actuation (electrical engineering), if part of the same effort, it should contact either the Division of Engineering Technology or the Division of Systems Technology.

Division managers must decide (1) if the support is essential; (2) if resources are available and, if so, which type [i.e., employees or funding for a contractor(s)]; and (3) if resources are available, the level of assistance that can be provided. Division managers must first consider the availability of employees because this is a consideration for contracting out as discussed in Section 3.1.4.

Although not required, divisions are strongly encouraged to designate a point of contact (at the division or branch level or both) to coordinate regional technical assistance budget requirements and the execution of specific technical assistance actions. Internal division procedures should be established for such coordination.

#### **3.3.2 Planning**

The NRR Deputy Director will not request the regional offices to submit PIDSs for NRR technical assistance funds. Accordingly, division and regional managers must coordinate among themselves to ensure that regional needs are included in the division's financial plan. Whether or not divisions receive technical assistance planning information from the regions, division managers should allocate, on the basis of experience, an appropriate level of funding for regional support in each of the program areas that may apply. That is, funding levels must be established for each applicable and relevant program area. Division managers may find it easier to have the regions use the PIDS to submit their budget request to them.

### 3.3.3 Execution

Although funding levels for regional technical assistance may be included in the divisions' financial plans, regions must request and coordinate specific technical assistance requirements with the appropriate division, as discussed in Section 3.3.1. TAMS is not responsible for coordinating and processing such requests directly from the regions. That is, TAMS will process only contract actions requested for the regions by division directors, following the procedures in Section 4.1.

Guidelines to assist the regions in developing input to or providing the draft statement of work are given in Appendix G. Regional personnel should be mindful of the timeframes required to process the procurement actions found in Appendix P.



## 4 THE EXECUTION PHASE

The processes described in Section 4.1 are implemented once the statement of work has been approved.

### 4.1 Initiation of Contract Actions

#### 4.1.1 General

As a general rule,\* contract actions are initiated by the division staff. These actions may consist of

- new DOE contract
- modification to a DOE contract
- new commercial contract
  - commercial contract over \$25,000
  - commercial contract modification
  - small and disadvantaged business [referred to as "Section 8.a. (of the Small Business Act) firm"] contract over \$25,000
  - commercial noncompetitive (e.g., sole source) contract\*\*
  - new purchase order (\$25,000 and less)
    - small and disadvantaged business (Section 8.a. firm)
    - other
- new task order
  - DOE
  - commercial
  - other Federal agency
- task order modification
- purchase order modification

The project manager may request the technical monitor or his or her management to initiate contract actions (e.g. modifications), but the division director must ultimately approve the contract action. The division director requests that a contract action be processed by sending a memorandum to the Chief, Technical Assistance Management Section (TAMS). The sample format in Appendix Q, or the equivalent, may be used. It is important that the following items are addressed:

- (1) **Type of Action:** If a modification, provide a brief description of what is to be modified and why.
- (2) **Timing:** When the contract action must be in place. There are three timing classifications:

\*Project managers may initiate a contract action during performance of work as a result of interactions with the contractor. Such action will normally be extension of the period of performance or increase in funding.

\*\*For policy guidance on the use of sole source procurements, see NRC Manual Chapter 5101 and the memorandum of May 20, 1991, from the Executive Director for Operations, which is given in Appendix A.

- **Urgent:** Actions that require immediate action—those that must be in place in less than five working days. The start date must be specified. The detailed justification must explain the urgency, which must be based on serious exigency with potential safety implications.
- **Prompt:** Actions that require some exigency but are not emergencies—those that must be in place within ten working days. The start date must be specified. The justification must explain the exception to the routine processing procedures. The lack of prior planning will not be considered an exception warranting delay in the processing of other planned actions. Requests for prompt actions cannot be processed as expeditiously as urgent actions (e.g., oral authorizations), but TAMS will take all other means available to expedite the processing of the action (e.g., immediate attention, faxing of documents).
- **Routine:** Actions that will be processed in the normal timeframe, with due consideration given to the workload of the project manager and other personnel that must be involved [e.g., certifying official, Division of Contracts and Property Management personnel (DCPM)]. Indicate the timeframe in which the contract or task order should be in place. This timeframe must be generally consistent with the typical timeframes provided for the three most frequently used procurement processes discussed in Section 4.6 and depicted in Appendix P. Actions to modify a contract or task order take approximately the same amount of time as the initial action. In addition to the typical timeframes for the contract actions presented in Section 4.6 and in Appendix P, the following information pertains to other types of contract award actions:
  - A small purchase will take an average of approximately 30 working days from receipt of a funded requisition (NRC Form 34).
  - A Section 8.a. contract will take about 60 to 90 working days from receipt by DCPM of a funded request for procurement action (RFPA) (NRC Form 400).
  - A noncompetitive contract will take approximately 60 to 75 working days from receipt by DCPM of a funded RFPA.

#### 4.1.2 Need for the Work

Other than for establishing task ordering type contracts, actual work requirements must be available before the authorization of work. The statement of work may be prepared in anticipation of the issuance of a contract or task order, but negotiations with the contractor should not be conducted and work authorization will not be given until actual work requirements exist. One indication that this requirement is met is satisfactory completion of the "NRC-Furnished Materials" section of the statement of work in accordance with the guidelines for preparing statements of work found in Appendix G. This section is properly completed when a date is given showing when the document, report, or other material was sent (or will be sent) to the contractor, or when the material is expected to arrive at the contractor's facilities.

### 4.1.3 Developing the Statement of Work

Once the project identification summary (PIDS) for a contract or task order has been approved, the statement of work (SOW) can be developed. Coordination, if applicable, outlined in Section 4.2, may be performed simultaneously or after the SOW is prepared. Formal coordination usually occurs after the SOW is prepared.

Ultimate responsibility for the contractual adequacy of the SOW rests with the project manager (PM); however, the PM and the technical monitor (TM) share responsibility for developing the SOW. The TM is responsible for the technical adequacy of the work requirements. He or she should draft input to the SOW using the guidance found in Appendix G, which contains the format, instructions, and guidelines for preparing the SOW for the following:

- task order for DOE National Laboratories or commercial contractors
- non-task ordering type contract
- task ordering type contract for DOE National Laboratories or commercial contractors

TMs should prepare as much input to the SOW as they can. However, on more complex efforts, the TM and the PM should work together so that both can come to an understanding of the work to be performed and each other's role in administering the contract or task order.

#### 4.1.3.1 Estimating the Level of Effort and Developing the Independent Cost Estimate

An independent cost estimate will be developed for each new contract, task order, or modification that involves a change or potential change in costs, regardless of the amount. The PM is responsible for developing and preparing an independent cost estimate; details are given in the *Technical Assistance Project Manager's Handbook*. However, the independent cost estimate is only as good as the assumptions used for developing the level of effort and other cost factors such as travel. At this stage, rough estimates used to develop the budget estimate for the PIDS need to be fine-tuned. Accordingly, a level of effort is to be developed for each task under the "Work Requirements and Schedule" section of the statement of work, and, if applicable and practicable, for each subtask. All travel must be succinctly identified, as well as any other factors that might affect costs.

Although the TM is primarily responsible for developing the level of effort and determining the amount of travel and other factors that pertain to costs, the PM should understand and support the bases and assumptions for these estimates.

#### 4.1.3.2 Processing Site Access Authorizations for Contractors

##### 4.1.3.2.1 General

The requirement for contractor employees to access facilities at nuclear power plant sites should be specified in the "Technical and Other Special Qualifications Required" section of the statement of work. The type of access, escorted or unescorted, should also be specified.

If the requirement for contractor access to the site arises after the contract or task order is in place, the requirements delineated below also apply.

Information and procedures pertinent to visits to reactor sites can be found in NRC Manual Chapter 0301, "Coordination of NRC Visits to Commercial Reactor Sites" and in NRR Office Letter No. 1200, "Involvement with Regions, Including Notification of Reactor Site Visits."

#### 4.1.3.2.2 Escorted Site Access for Contractors

If access to a nuclear power plant site will be required of the contractor, but unescorted access is not required, the TM will contact the licensing project manager (LPM) for the plant site to be accessed and provide the following information once the contractor employees are identified:

- names of contractor employees and Social Security numbers
- name of prime contractor or subcontractors
- nuclear power plant to be accessed
- dates access will be required
- name of the NRC staff member or other person if not an NRC staff member who will act as escort
- purpose of the access
- citizenship

The LPM will coordinate the processing of the site access authorization.

#### 4.1.3.2.3 Unescorted Site Access for Contractors

The requirements for processing and obtaining unescorted site access for contractor employees are significantly greater than those for escorted access and may require a longer lead time to process. The Director, Division of Reactor Inspection and Safeguards (DRIS), is responsible for determining whether contractor employees needing unescorted access meet the requirements for obtaining unescorted access and for certifying that fact in a memorandum to the region. The procedures for unescorted access for contractor employees can be found in Appendix D.

Additional information on the processing of unescorted site access can be found in NRR Office Letter No. 904, "Unescorted Access at Nuclear Power Sites." Questions in this area should be directed to the Director, DRIS.

#### 4.1.3.3 The Monthly Business Letter Report and the Requirement for a Monthly Spending Plan from the Contractor

Each contract contains the requirement that contractors must submit a monthly business letter report (MBLR), which is one of the most useful tools for monitoring and managing a contract. The guidance to the contractor for preparing the MBLR is part of the guidance for preparing a statement of work found in Appendix G. TMs and their management must be familiar with the requirements of the MBLR and must ensure that contractors comply with its requirements.

The MBLR requires that the contractor submit a spending plan, entitled "monthly expense forecast," for all non-task ordering type contracts and for task orders over \$100,000. The

format for the monthly expense forecast is part of the requirement for the MELR found in Appendix G. The initial spending plan is to be specified as part of the request for proposal, submitted by the contractor as part of the cost proposal, and kept up to date through the MBLR. The PM is responsible for ensuring this requirement exists as part of the request for proposal.

The monthly expense forecast is an important management tool to be used by the PM and the TM to monitor the contractor's performance and as an indicator of potential problems. The contractor's spending rate is to be compared not only against the planned rate of expenditure but also against the technical work progress. The contractor must explain and document expense deviations greater than 15 percent in the "Problem/Resolution" section of the MBLR. The PM and TM shall take immediate action to resolve any identified problem.

#### 4.1.3.4 License Fee Recoverable Work

Determining if the work to be contracted is license fee recoverable or not is a joint responsibility of the PM and the TM. This determination is usually made by the licensing project manager when a technical assignment control (TAC) number is obtained. However, the TMs and their management have ultimate responsibility for ensuring that the effort to be contracted has been assigned an appropriate TAC number and that its license fee recoverability applicability has been determined. This joint responsibility carries over to determining that the license fee recoverable costs when billed by the contractor are reasonable, appropriate, and correct.

#### 4.1.3.5 Approval by Office of Information Resources Management of Automatic Data Processing Equipment or Software

The Office of Information Resources Management (IRM) must approve NRC contractor purchase of computers or related automatic data processing (ADP) equipment with NRC funds. To avoid delays, the statements of work that involve the acquisition of computer or related ADP equipment should contain a provision that the contractor must comply with the policies in NRC Bulletins 0904-1, "Policy and Procedures for Acquiring Microcomputer Equipment, Software, and Support Services," and 0904-2, "ADP Responsibilities, Planning, Management, and Delivery of System Software Services."

Any contract requiring the development of software will state that such software will be developed in accordance with NRC software and hardware requirements. Therefore, statements of work that pertain to efforts related to computer software development, testing, maintenance, documentation, conversion to new platforms, or distribution must comply with NRC Bulletin 0904-4, "NRC Computer Software Policy." The quality controls for computer software development must comply with NUREG/BR-0161, "Software Quality Assurance Program and Guidelines."

The TM and the PM are jointly responsible for coordinating these approvals; however, the PM has ultimate responsibility for ensuring that NRC ADP requirements are incorporated into the statement of work.

#### 4.1.3.6 Federal Advisory Committee Act Requirement

The Federal Advisory Committee Act (FACA) applies when a group not composed entirely of Federal employees is organized to provide consensus advice\* to a Federal agency. This rule applies to peer reviews, workshops, and other organized efforts aimed at providing consensus advice to a Federal Agency, in this case the NRC.

Sometimes the question arises whether tasking a contractor to organize a group that will provide such advice also falls under the FACA. When a contractor is tasked to provide a report\*\* to the NRC based on advice provided to the contractor by a group that is independently constituted by the contractor, the FACA may not apply. However, the more involved the NRC becomes in constituting the group (e.g., by selecting its members), the more likely the FACA will be found to apply. In addition, the more active the NRC is in setting the agenda for the group and directing its meetings, the more likely the FACA will be held to apply. If an NRC employee attends a deliberative meeting of the group, even though the NRC employee observes the deliberations silently, there may be at least the appearance that the group is providing advice to the NRC, rather than the contractor.

This is not to say that the NRC may not task a contractor to constitute a group, or assist in constituting a group, to give consensus advice directly to the NRC. However, in this situation the group will be considered to be an advisory committee subject to the FACA.

These issues may arise when a peer review or workshop is requested of a contractor. In such instances, legal counsel should be sought when developing the statement of work or evaluating the contractor's proposal. Additional guidance can be found in NRR Office Letter No. 703, "Federal Advisory Committee Act (FACA) Requirements."

#### 4.1.3.7 Paperwork Reduction Act Requirement

If a contract or task order involves information-collection efforts that affect 10 or more respondents (e.g., licensees, vendors), the Paperwork Reduction Act applies. In this regard, the procedures in NRR Office Letter No. 502, "Procedures for Identifying the Need for and Obtaining and Using OMB Clearances," must be followed. For additional information on this subject, contact the Chief, Administrative Section, Planning, Program, and Management Support Branch (PMSB), Program Management, Policy Development, and Analysis Staff (PMAS).

## 4.2 Other Reviews and Approvals Before Procurement Actions Are Implemented

### 4.2.1 General

Before a procurement action is implemented, specific types of coordination, reviews, and approvals, as discussed in the following sections, may be necessary. A fully developed

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\*The FACA does not apply to the provision of individual advice, even when several persons provide such advice. It is the consensus aspect that brings the FACA into play.

\*\*Generally, such reports should be in writing because that provides a clearer record of the nature of the transaction.

statement of work, as discussed in Section 4.1.3, though preferable, is not necessary if sufficient information (such as the objective, the work requirements, and the deliverables) is available.

The reviews and approvals discussed in Sections 4.2.2 through 4.2.6 apply to all new contracts, as may be applicable. The reviews and approvals in Section 4.2.2 also apply to task orders.

#### 4.2.2 Intraoffice Reviews

After sufficiently detailed work requirements have been developed, the proposed contractor effort should be reviewed and coordinated by other branches that have an interest in the work so as to avoid unnecessary duplication of effort and to enhance efficiency.

In addition to this type of coordination, NRR review is mandated for the following two types of contractor efforts:

- (1) **Contractor Efforts Related to Inspection Plan Development:** All contractor efforts associated with the development of input to the inspection program, including training in the use of inspection guidance and procedures, must be reviewed and concurred in by the Chief, Inspection and Licensing Program Branch (ILPB), Program Management, Policy Development, and Analysis Staff (PMAS). Formal ILPB concurrence is required before a contract or task order may be issued for this type of effort. Accordingly, the name of the Chief, ILPB, will be placed on the concurrence page of the memorandum (commercial/DCPM) or letter (DOE work order) requesting a proposal. Appendix S contains guidance pertinent to this requirement.
- (2) **Contractor Efforts Related to the Standard Review Plan:** All contractor efforts associated with the development of input to new or updated regulatory requirements, including revisions or updates of the Standard Review Plan (SRP), must be reviewed and concurred in by the Chief, Policy Development and Technical Support Branch (PTSB), PMAS. Formal PTSB concurrence is required before a contract or task order may be issued involving the development of input to a new, revised, or updated SRP. The name of the Chief, PTSB, will be placed on the concurrence page of the memorandum (commercial/DCPM) or letter (DOE work order) requesting the proposal. Appendix S contains guidance pertinent to this requirement.

#### 4.2.3 Contractor Efforts Related to Plant-Specific Actions

Efforts associated with the review and evaluation of licensing actions, multiplant actions, and topical reports are assigned by or through the responsible licensing PM. When such efforts, or parts thereof, are contracted out, the licensing PM should be informed. Accordingly, the TAMS PM will include the appropriate licensing PM on the distribution list for any contract action that involves specifically named plants.

#### 4.2.4 Interoffice Reviews

In accordance with NRC policy (found in NRC Manual Chapters 1102 and 5101), all new contracts valued at \$100,000 or more for a fiscal year must be reviewed by and concurred

in by the other program offices (the Office of Nuclear Regulatory Research, the Office of Nuclear Operational Safety and Safeguards, the Office for Analysis and Evaluation of Operational Data, the Office of Information Resources Management, and the Office of Administration) to prevent unnecessary duplication of effort. (Task orders are not subject to this requirement.) This function is performed by the TAMS PM by means of a memorandum to the other program offices requesting their concurrence or comments or both. Prior coordination by the technical monitor or his or her management is advised when a potential exists for duplication of effort. The PM will place concurrences received from other program offices in the official contract file.

#### **4.2.5 Reviews by the Senior Contract Review Board**

In addition to the above reviews, new contracts and major modifications valued at more than \$750,000 annually or \$2 million or more over a 3-year period must be reviewed and approved by the Senior Contract Review Board (SCRB). The charter of the SCRB, which identifies the contents of the SCRB package, is contained in the *Technical Assistance Project Manager's Handbook*. The TAMS PM is responsible for preparing the SCRB package and for obtaining input from and concurrence of the TM and division management.

The division director responsible for the contract will make the presentation at the SCRB meeting. For contracts that involve more than one division under an associate director, the associate director, or a selected lead division director, will make the presentation. Attendance at the SCRB meeting should include all personnel who will be involved with the administration of the contract.

SCRB approval must be obtained before submitting the request for procurement action (NRC Form 400) for the project to the Division of Contracts and Property Management for processing. However, a request for proposal may be sent to DOE for preparation of a proposal by a National Laboratory, but no work may be authorized until SCRB approval is obtained.

#### **4.2.6 Chairman Approval**

Commercial procurement actions valued at \$3 million or more must be approved by the Chairman. However, any commercial procurement action that exceeds \$750,000 and involves a topic on the Commission's priority list or involves a topic that is not covered by the Five-Year Plan shall be submitted to the Chairman for approval. The required Commission paper will be prepared by the Division of Contracts and Property Management with technical input from NRR.

### **4.3 Approval of the Statement of Work and Other Contract Actions**

The division director is responsible for approving all contract actions including the statement of work. These actions may be approved using forms, memoranda, or letters, as follows:



Type of Action	Type of Document
Request for proposal for a new DOE contract or modification thereto	Letter to DOE—concurrence NRC Form 173—signature
Approval of DOE proposal (NRC Form 189)	Transmittal memorandum—concurrence NRC Form 173—signature
Incremental funding action	Transmittal memorandum—concurrence NRC Form 173—signature
Closeout of a DOE contract	Transmittal memorandum—concurrence NRC Form 173—signature
New DOE task order or modification to either	Transmittal memorandum—concurrence
Request for	
<ul style="list-style-type: none"> <li>• new commercial contract or new commercial task order or modification to either</li> </ul>	Transmittal memorandum—concurrence NRC Form 400 or NRC Form 34—signature
<ul style="list-style-type: none"> <li>• commercial sole source contract or modification thereto</li> </ul>	Transmittal memorandum—concurrence NRC Form 400 or NRC Form 34—signature
<ul style="list-style-type: none"> <li>• new purchase order or modification thereto</li> </ul>	Transmittal memorandum—concurrence NRC Form 400 or NRC Form 34—signature

Appendix T contains a matrix of all types of contract and related actions and the individuals signing and/or concurring in these actions.

#### 4.4 DOE Source Selection Documentation

In its study of NRC's use of program support funds at the DOE National Laboratories, the General Accounting Office ruled, in order to foster competition and economy, that NRC must justify and document the selection of the DOE National Laboratories when it places work at these facilities. (This is similar to the justification and documentation required for a noncompetitive contract.) NRC Bulletin 1401-1, "Criteria for Selecting the Department of Energy (DOE) as a Source for Obtaining Goods and Services Under the DOE/NRC Memorandum of Understanding," establishes the criteria under which NRC may select DOE as a contractor source. The justification is documented on NRC Form 367, "DOE Source Selection Justification" (Exhibit 1 to NRC Bulletin 1401-1, which is found in Appendix H).

NRC Form 367 is prepared by the PM with input from the TM and the TM's management. It has three signature blocks:

- Block 5, for the signature of the assigned PM
- Block 7, "Intermediate Approval," to be signed by the responsible branch chief
- Block 8, "Final Approval," to be signed by the responsible division director

## 4.5 Request for Proposal, Negotiations on the Proposal, and Evaluation of the Proposal

### 4.5.1 General

The discussion in this section pertains to the following types of contracting actions:

- new DOE work order, or modification thereto
- DOE task order, or modification thereto
- commercial task order, or modification thereto
- purchase order, or modification thereto
- interagency agreement, other than that with DOE, and modification thereto
- small and disadvantaged business contract (referred to as a "Section 8.a. contract"), or modification thereto
- noncompetitive contract, after the justification is approved, and modification thereto

The selection of a new commercial contractor is a long and involved process, taking from 6 to 9 months. This process is discussed in the *Technical Assistance Project Manager's Handbook* and is not pertinent to these procedures. However, a flow chart depicting the process for selecting a commercial contractor can be found in Appendix B.

For a commercial task order, it is not permissible for the TM (or the TM's management) to contact the potential contractor before the contractor receives the request for proposal. Even after the proposal is received by the contractor, the contact must be coordinated by the contract administrator in the Division of Contracts and Property Management (DCPM).

Such a restriction does not apply to the DOE National Laboratories as long as the contacts are limited to inquiries pertaining to the availability of personnel to perform the work in the timeframe required by the NRC. There are two reasons for having limited discussions with the DOE National Laboratory personnel: (1) not to bias the National Laboratory's proposal and (2) to avoid misunderstandings that could lead the National Laboratory to begin work without proper authorization.

### 4.5.2 Preparing the Request for Proposal

The PM is responsible for completing the request for proposal (RFP) package after the statement of work has been prepared. Among other variables, the forms and format will differ depending on whether the work will be assigned to a National Laboratory or to a commercial contractor, and whether the RFP is for a new contract or a task order under an existing contract. The *Technical Assistance Project Manager's Handbook* provides the detailed procedures for preparing the specific types of RFP packages.

For a request for proposal actions (NRC Form 189), the Chief, TAMS, will sign the letter to DOE or the memorandum addressed to the Director, DCPM, transmitting NRC Form 400 or NRC Form 34.

#### 4.5.3 Conduct of Negotiations

For task orders under an existing commercial contract or for work placed with the DOE National Laboratories, negotiations with the contractor may begin after the contractor receives the RFP. Both the PM and the TM should participate in these negotiations. For commercial contracts, the contract administrator will coordinate the negotiations.

Negotiations are conducted as necessary to clarify issues and develop an understanding between the NRC and the contractor in the following areas:

- the work to be accomplished and the technical method or approach to be used by the contractor
- the overall level of effort as well as the level of effort for each task and subtask, if appropriate
- the number, qualification, and type of contractor personnel to be assigned, including the contractor's principal investigator
- the period of performance and the scheduled milestones to be met within the projected period of performance
- travel, automatic data processing (ADP) equipment, and any other requirements

It is the responsibility of the NRC to set forth its requirements; specifically, the work the contractor will accomplish, the schedule by which the work will be completed, and the level of effort it should take to complete the work. The contractor either agrees with NRC's requirements or proposes alternatives along with bases for the alternatives. The NRC can accept the proposed changes, negotiate counteralternatives, or, as a last resort, cancel the RFP.

#### 4.5.4 Evaluation and Approval of the Proposal

Within an agreed-upon or specified period, the contractor submits a proposal. Evaluation of the proposal is a joint responsibility of the TM and the PM. For commercial contracts, it includes DCPM. The review of the proposal for most NRR contractor efforts primarily consists of the evaluation of the technical qualifications of the proposed personnel and the proposed costs, essentially based on the level of effort. The technical aspects are evaluated if the contractor also provides a technical proposal.

The proposal evaluation, which must be documented using the sample evaluation form given in Appendix U, is signed by both the TM and the PM. This form becomes part of the official contract file.

The division director must concur in the proposal evaluation in either of two instances: (1) when negotiations result in significantly new or revised technical requirements that are different from those the division director initially approved and/or (2) when the proposed costs exceed the independent cost estimate by more than 15 percent.

The procedures for processing financial plan changes discussed in Section 3.7 apply if funds beyond those budgeted are required.

It is not necessary to use the proposal evaluation form referenced above for DOE task orders. If it is not used, however, the TM, and ultimately the PM, must document the results of the negotiations, whether or not changes were made to the draft SOW and estimated costs. Such documentation should be made on the form "Communication Record" found in Appendix V, or the equivalent, and will become part of the NRR official contract file.

The PM is responsible for ensuring that a copy of the final contract or task order is provided to all personnel who are involved in the procurement action.

#### 4.5.4.1 Evaluating Proposed Subcontractors

A subcontractor(s) is usually approved as part of the original proposal and resultant contract. If a subcontractor(s) is required by the prime contractor after a contract is in place, the prime contractor must provide the following information for NRC review and approval as part of the task order proposal or contract modification proposal:

- identification of the subcontractor
- description of the specific services to be provided by the subcontractor
- proposed subcontractor costs (total)
- information required to evaluate the potential for organizational conflict of interest

#### 4.5.4.2 Organizational Conflict-of-Interest Considerations

The potential for organizational\* conflict of interest is reviewed and evaluated as part of the proposal evaluation process. The burden for identifying potential conflict of interest and supplying appropriate information rests with the contractor. NRR, in consultation with the Office of the General Counsel when necessary, determines if an organizational conflict of interest exists.

Organizational conflict-of-interest determinations cannot be made on generic bases but rather by applying sound judgment on a case-by-case basis. Two basic principles apply to organizational conflict-of-interest determinations:

- Is the contractor placed in a situation where its judgment may be biased? For example,
  - Is the contractor reviewing its own work?
  - Is the contractor doing the same or similar work for the industry (including DOE)?
- Is the contractor placed in a situation where it may have or gain a competitive advantage?

Organizational conflict-of-interest determinations are not always easy to make. It is not the intent of these procedures to discuss or explain the conflict-of-interest provisions.

\*Organizational pertains to NRR contracts with organizations and not with the employees of those organizations. Therefore, conflict of interest is identified as part of the organization and only indirectly the employees of that organization.

Rather, it is to sensitize the staff to its existence and raise it as an area that requires attention. Legal counsel should be sought if any potential for organizational conflict of interest exists. For additional information and examples, the NRC regulations governing organizational conflict of interest should be consulted.

If organizational conflict of interest exists, or appears to exist, provisions exist for obtaining a waiver if (1) the work needs to be done and no reasonable alternative exists, and (2) the conflict can be reasonably mitigated or managed. All waivers must be approved by the NRC Executive Director for Operations.

#### 4.5.5 Financial Management

The amount of funding obligated to each contract or task order will be guided by the following three criteria:

- (1) **Contracts and Task Orders Valued at \$100,000 or More That Can Be Completed Within the Fiscal Year They Are Initiated:** Generally, a contract or task order valued at \$100,000 or more that is started and completed within a single fiscal year will be funded, initially, at approximately 70 to 80 percent of the cost ceiling. The amount of initial funding will also depend on the contractor's proposed spending plan (see Section 4.1.3.3). A review of the spending rate will be conducted at mid-year, and the balance of funds will be authorized if the actual spending rate matches the projected spending rate. Funds will be deobligated if they are not commensurate with the projected spending rate.
- (2) **Contracts and Task Orders That Extend into the Next Fiscal Year:** For contracts and task orders that cross into fiscal years by more than 3 months, a 2- to 3-month carryover funding level is the targeted amount. This carryover eliminates the possibility of work stoppage resulting from complete exhaustion of current year funds at the end of the fiscal year. Yet, it obviates excessive carryover funds that may be underutilized or can lead to wasteful use of fiscal resources.
- (3) **Contracts and Task Orders Expected To Be Completed by the First Quarter of the Next Fiscal Year:** If the work extends into the next fiscal year, but is expected to be completed within the first quarter, the funds required to complete the work can be authorized from current year allocations, if there are sufficient budgeted funds to do so.

#### 4.6 Major Steps and Timeframes for Processing The Three Most Frequently Used Procurement Processes

Although seven methods for obtaining technical assistance are noted in Section 4.5.1, most of NRR technical assistance is obtained through three principal processes. These are listed below along with a brief explanation of the process. Appendix P provides a summary of the major steps and timeframes for these three processes. The corresponding flow charts that depict the detailed steps for each process can be found in Appendix B.

- (1) **New DOE Contract:** This process involves sending a statement of work (SOW) to DOE and requesting a proposal. The DOE National Laboratory prepares a proposal using NRC Form 189, "Project and Budget Proposal for NRC Work," which is then

submitted through DOE to the NRC for review and approval. A copy of NRC Form 189 can be found in Appendix C. The PM and the TM evaluate the proposal using the proposal evaluation form shown in Appendix U, or the equivalent, and conduct negotiations as necessary. Once negotiations are successfully completed and documented, and the proposal evaluation form is signed by the TM and PM, an NRC Form 173 is prepared by the PM to fund and authorize the work. A copy of NRC Form 173 is shown in Appendix C. This process requires

- an SOW with monthly business letter report (MBLR) and other pertinent requirements (e.g., ADP stipulations) (see Appendix G)
  - an independent cost estimate
  - an NRC Form 367 (see Appendix H)
  - a request for proposal (RFP) letter, which includes proposal content, from the Chief, TAMS, to DOE
  - a proposal (NRC Form 189) from DOE (see Appendix C)
  - a proposal evaluation form (see Appendix U)
  - an NRC Form 173 signed by the division director (see Appendix C)
  - a letter to DOE from the Chief, TAMS, transmitting NRC Form 173
- (2) **Task Order Under a DOE Work Order:** This process is used when a task ordering type contract is in place with a DOE National Laboratory. This process commences when the PM sends a draft SOW to the National Laboratory following the procedures established in the contract. Guidelines for preparing a task order SOW are provided in Appendix G. The contents of the SOW, especially the level of effort, are negotiated as necessary with the DOE National Laboratory program manager and/or principal investigator. After agreement is reached, the results must be documented.\* The SOW is finalized and the PM issues a letter, containing the authorized ceiling cost and the SOW, under his or her signature after concurrence by the division director, authorizing the National Laboratory to begin work. This letter is countersigned by the DOE National Laboratory program or project manager and returned to the PM. This process requires
- an SOW with any specific provisions not covered in the basic contract (see Appendix G)
  - an independent cost estimate
  - the form "Communication Record" (see Appendix V), or the proposal evaluation form (see Appendix U)
  - a transmittal letter to the National Laboratory from the PM
- (3) **Task Order Under a Commercial Contract:** This process is used when a task ordering type contract is in place with a commercial contractor or a Federal agency other

\*To document the results of these negotiations (and for any other discussion with contractors or with the staff within NRR, NRC, DOE, or elsewhere), the form "Communication Record," given in Appendix V, or the equivalent, can be used. Optionally, the proposal evaluation form found in Appendix U, or the equivalent, may be used to document these negotiations.

than DOE. This process commences when an NRC Form 400 is approved by the division director and transmitted to the Division of Contracts and Property Management (DCPM) along with a finalized statement of work and an independent cost estimate. DCPM sends an RFP to the contractor. The contractor then submits a proposal, which is evaluated and documented by the PM and the TM. Negotiations are conducted through DCPM as necessary. The proposal, or any revisions to it by the contractor as a result of negotiations, is approved\* by the TM and the PM using the form in Appendix U, or the equivalent. DCPM conducts final negotiations with the contractor on any open items and authorizes the contractor to begin work. This process requires

- an SOW (see Appendix G)
- an independent cost estimate
- an NRC Form 400 (see Appendix C) signed by the division director, with the Chief, Planning and Resource Analysis Section, certifying the availability of funds
- a transmittal letter from the Chief, TAMS, to DCPM
- a request for proposal from DCPM to the contractor
- a proposal from the contractor
- a proposal evaluation form (see Appendix U)
- a definitization letter from DCPM to the contractor

Note that having a task order in place, particularly with a commercial contractor, does not permit the staff to contact that contractor to discuss new work or expansion of ongoing work that may be out of scope, that is, beyond the objective(s) of the contract. In addition to the reasons given previously, discussions of new work may violate the Office of Federal Procurement Policy Act. Appendix N contains information pertaining to the applicability of this law when new proposed contracted efforts are being developed.

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\*If the cost proposal is more than 15 percent of NRR's independent cost estimate, the division director must concur in approval of the proposal.

## 5 THE CONTRACT MONITORING PHASE

### 5.1 General

There is a direct correlation between the success of a contract and task order and the amount of interaction between the NRC staff and the contractor's staff. While a well-written statement of work (SOW) significantly minimizes problems, close and frequent communication enhances the success rate and, ultimately, the usefulness of the products to the NRC.

In addition to oral communications with the contractor concerning the monitoring of the work and providing technical guidance, technical monitors (TMs) will be closely involved with reviewing the following contractor products:

- technical reports and other deliverables for quality, acceptability, and timeliness
- monthly business letter reports for information on the status of the work, the progress with respect to costs, resolution of identified problems, and quality to reflect proper documentation on the status and accomplishments
- vouchers for reasonableness, appropriateness, and correctness, including, as applicable, reportable licensee fee recoverable costs

### 5.2 Good Contract Monitoring Practices

The frequency of contact between the TM and the principal investigator (PI) and other contractor staff depends on the level of effort and amount of activity. On active contracts and task orders, TMs should typically contact their respective PIs concerning the status of the work no less than once a week. The greater the level of effort and activity, the more contact there should be.

If the TM will be out of the office for more than 1 week, the section chief (or the TM's immediate supervisor) will either perform the contract monitoring function or designate someone else in the TM's absence. Regardless of who is assigned, it is the responsibility of the section chief to ensure that the monitoring function is performed. For prolonged absences of the TM, the project manager (PM) and the PI should be told who will be performing the TM's monitoring function.

Sound contract monitoring practices include the following:

- Do not assume the contractor has full knowledge of the contract requirements; take the time necessary to ensure that the contractor understands the work in the same way that you do.
- Whenever possible, hold "kickoff" meetings to go over all aspects of the SOW.
- Check and verify what the contractor is saying; ask for samples or detailed description of work in progress.
- Read the contractor reports and provide timely feedback.
- Call the contractor's attention to contract requirements that are not being met and seek the contractor's voluntary commitment to remedy failure; document results and understandings reached using the form "Communication Record" shown in Appendix V.



- Recommend modification to the contract or task order to enhance efficiency or minimize losses. See Section 5.6.
- Keep the PM informed of significant discussions with the contractor, using the form "Communication Record" shown in Appendix V.
- Recommend that a stop-work order be issued if the contractor appears to be straying off course or costs are significantly disproportionate to expected progress; take the time to regroup and refocus the contractor's efforts. See Section 5.6.2.2.
- Recommend termination if the problem cannot be corrected or the work is no longer needed. See Section 5.6.2.3.

### 5.2.1 Transmittal of NRC-Furnished Materials to the Contractor

Part of the PM's role in overall management of the contract is to ensure that the work is performed in a manner and at a rate (level of effort/costs and schedule) commensurate with that set forth in the contract. This includes ensuring that the TM provides required information to the PI in a timely manner. Accordingly, the TM should include the PM in the distribution of any material forwarded to the PI. Unless otherwise requested, this should consist of the transmittal letter only. If a formal transmittal letter is not used, the TM should inform the PM either orally or by informal note for the official contract file. Use the form "Communication Record" found in Appendix V when no formal documentation exists.

### 5.2.2 Review of Contractor Deliverables and Transmittal of Comments to the Contractor

Timely staff review of the contractor deliverables is important to the success of the contract and task order and the effective use of technical assistance. This is especially true for intermediate products, such as requests for additional information (RAI) and draft reports. TMs should review and comment on RAI and draft reports within 2 weeks of their receipt. Exceptions beyond 2 weeks may be approved by the TM's section chief on the basis of workload priorities, absence, length or complexity of the report, or other reasons outside the TM's control (such as need for comments from outside the branch (see Section 2.2.1)). Exceptions beyond a 3-week period must be approved by the TM's branch chief.

TMs are to provide comments on contractor draft reports to the contractor in writing. If they are initially provided orally, they should be summarized and confirmed in writing. If the comments are minor and of an editorial nature, or no NRC comments are to be provided, the form "Communication Record" found in Appendix V should be used. A copy will be placed in the official contract file.

### 5.2.3 Receipt of Comments and Materials from Outside the Branch

This section pertains to situations where the contractor's continuation of work depends on comments, materials (such as a cracked pipe for analysis), documents, or other response from outside the branch (a licensee for example). In such cases, the TM should inform the section chief if after 1 week from when the required response was due, it had not been received. This notification should include (1) why the response was late and (2) the revised due date. Procedures for followup and notification of the revised due date by the

TM are the same as those for the original date. Depending on the circumstances, the section chief should take action to obtain the required response. If appropriate, the section chief should raise the concern with the branch chief or higher management.

The PM and the contractor must be kept informed orally or in writing or both of the status of responses required to complete a task.

Although there may not be an immediate programmatic need for timely followup, there may be a contractual need; that is, the delay may result in additional costs incurred by the contractor and billed to the NRC. The NRC will have to pay for these costs. During discussions with the contractor, the TM should be sensitive to any contractor comments concerning the potential for additional costs that might be incurred because of a delay in the delivery by the NRC of required information. The TM should notify the PM immediately if such concerns arise so that the PM can take appropriate action.

### 5.2 The Regulatory Environment

Contract monitoring plays an especially important role in NRC's regulatory and public-sensitive environment. Performing a technical analysis, calculation, audit, or inspection may not be as straightforward as simply performing the work. The contractor may not always be aware of or concerned with other considerations and sensitivities that must be accounted for. Unless a relationship has previously been established with a particular contractor, the TM must provide the contractor with an appreciation for and understanding of the NRC's regulatory environment. Excellent technical results not put in the right context, or not fully explained within the regulatory framework, can be of little value. Inattention to this aspect of the work may result in the receipt of products that cannot be used as intended. Close and frequent monitoring can prevent this costly mistake.

### 5.3 Publication of Contractor Reports and Presentation of Papers by Contractors

Rarely does NRR accept formal contractor reports—technical evaluation reports (TERs) and NUREG/CR reports—without first commenting on a draft. Normally, contractors incorporate NRR comments with little, if any, objection.

If agreement on changes to a technical report cannot be reached, the division director may request the contractor to prepare the report with the disclaimer that "the views expressed in this report are not necessarily those of the NRC" and to add a preface or footnotes at appropriate locations within the text setting forth the NRC opinion. If the division director's objections cannot be covered in this manner, the division director can refuse to publish the report. The contractor is then free to publish the report without the NRC being identified as the funding sponsor of the report and without the disclaimer. Appeals by the contractor may be made to the office director and ultimately to the Deputy Executive Director for Operations (EDO) (for Nuclear Reactor Regulation, Regional Operations and Research, in the case of NRR).

If the contractor requests permission to publish the results of work performed under NRC contract in the open literature, or to present the paper at a professional meeting or other forum, even though the contract or task order does not explicitly provide for this type of publication or presentation, the contract or task order can be modified to provide for such

publications or presentations. Modifications to accomplish this must be approved by the division director using the procedures in Section 5.6.

If the contractor requests permission to publish or present the paper, the division director shall take one of the following actions:

- approve the material as submitted
- approve it subject to the revisions suggested by the NRC
- disapprove it

In any event, the NRC may disapprove or delay publication or presentation of papers on information subject to Commission approval that has not been ruled on or that has been disapproved. However, once a contractor report or other deliverable is accepted by the NRC, the contractor is free to publish or present that information without expressed NRC approval, unless it contains proprietary or other restricted information. The cost for preparation, publication, and presentation is solely the responsibility of the contractor. Professional ethics would dictate, however, that the contractor acknowledge that funding support was provided by the NRC, but the contractor is not required to do so.

All papers and articles submitted for publication or presentation must include the following disclaimer:

This report was prepared as an account of work sponsored by an agency of the U.S. Government. Neither the U.S. Government nor any agency thereof, or any of its employees, makes any warranty, expressed or implied, or assumes any legal liability or responsibility for any information, apparatus, product, or process disclosed in this report, or represents that its use by such third party would not infringe privately owned rights. The views expressed in this paper are not necessarily those of the NRC.

When the contractor is granted NRC approval to submit articles and papers to an outside organization for publication in a copyrighted work, the article or paper must be accompanied by the following statement:

The submitted manuscript has been authored by a contractor of the U.S. Government under Contract No. \_\_\_\_\_ (use FIN for DOE work orders). Accordingly, the U.S. Government has a nonexclusive, royalty-free license to publish or reproduce the published form of this contribution, or allow others to do so, for the U.S. Government purposes.

Detailed NRC guidance and information on the publication of contractor reports are contained in Management Directive 3.8, "Unclassified Contractor and Grantee Publications in the NUREG Series."

As a general rule, final contractor reports are submitted to the project manager for placement in the official file (or NRC central files). If the report is to be published in the NUREG series as a NUREG/CR report, the camera-ready copy is to be submitted to the Director, Division of Freedom of Information and Publications Services, for printing and distribution. The NRC Form 426A submitted by the contractor is approved by the NRC Division Director by signing it: Block 8.b.

## 5.4 Contract Monitoring: Unacceptable Practices

Unacceptable practices include the following:

- Overmonitoring, which can become a serious problem:
  - TMs must not instruct, supervise, or attempt to control contractor efforts to the point where this results in contractor performance of work that is beyond that specifically authorized in the statement of work (SOW). Even the appearance of unauthorized direction to the contractor when none was intended can lead to contractor claims or other problems. Excessive involvement of the TM in the day-to-day conduct of the contract and task order, or comments on performance that are too strongly or improperly worded, can interfere with the contractor's performance.
  - Although NRR emphasizes frequent contact with the contractor, TMs must avoid excessively frequent contacts so as to preclude the appearance of a personal services contract or the actual use of the contractor to provide personal services.
- Assigning work outside the scope of the contract or task order such as
  - authorizing changes to the level of effort on specific tasks and subtasks
  - requesting more technical reports than are called for in the SOW
  - changing the type, amount, and distribution of technical reports or other deliverables specified in the SOW
  - approving additional travel at the request of either the contractor or management
  - changing the amount, type, and location of any travel specified in the SOW
  - changing schedules and milestones to the extent that the overall period of performance is extended.
- Requesting that contractor personnel be changed, added, or deleted from the contract or task order.
- Contacting of the contractor by unauthorized personnel within or outside the TM's supervisory chain of authority for the purpose of providing technical direction, or holding other unauthorized discussions.
- Approving contractor development of papers and articles, and the travel to a presentation of such at conferences, based on the contractor's work that has not been accepted by the NRC.

Oral requests by the TM (or the TM's management) for formal or informal reports including "quick-look" reports and any other preliminary reports not specified in the statement of work are prohibited. Similarly, requests for meetings with the contractor at any location not specified in the statement of work are prohibited. If they are required, these reports and these meetings as well as any other type of changes discussed above can be obtained or arranged for through a contract modification processed through and by the PM. See Section 5.6.

Though the contractor may indicate that such "minor" requests do not have a financial impact (immediately), they typically result in a cost overrun during the latter part of the contract or task order. When such requests are made, sufficient funds typically do exist, but not necessarily for the requested effort. An eager contractor (or TM) may simply be postponing an inevitable cost overrun.

## **5.5 Contract Monitoring: Communications with Contractors**

### **5.5.1 General**

Any communication between the TM and the contractor is limited to that authorized in the SOW (i.e., the scope of work, level of effort, and period of performance). Discussion of new or anticipated work is neither appropriate nor authorized. Discussions of this nature initiated by the contractor should be referred to the PM immediately.

All oral and written communications with the contractor must be within the specified scope of the statement of work that is either under negotiation or in place. Having a contract or task order in place with a commercial contractor does not allow the TM or the TM's management to have open communications with the contractor on any other subject. Preliminary discussions can be held with the DOE National Laboratory to determine available personnel, but such discussions cannot result in initiation of any work by the contractor. The project manager assigned to the contractor, or the Chief, Technical Assistance Management Section (TAMS), should be consulted before conducting these discussions.

During discussions with contractors concerning technical direction, misunderstandings or misinterpretations of the technical direction provided by the NRC can easily occur. This may lead to efforts that are beyond the authorized scope of work. (See Section 2.1 and the Glossary for a description of scope of work.) To protect against this type of error, the following paragraph must be included with any written correspondence, formal or informal, to the contractor:

The technical direction provided in this letter is considered to be within the scope of this contract (or task order). No changes are hereby implied or directed. Please contact the project manager (or the contracting officer, if commercial contract) immediately if you believe that this correspondence might result in additional costs or other changes to the contract (or task order).

Actions to the contrary are considered "unauthorized direction," and costs to the contractor may be disallowed. Additionally, if the contractor claims that the technical direction was properly authorized (even though it was not), the TM (or other unauthorized NRC personnel, e.g., TM's supervisor) may be held personally liable for incurred costs as a result of this direction. Only the division director for DOE work and only the contracting officer for work other than that assigned to DOE can authorize modifications to a contract or task order following the appropriate procedures.

### **5.5.2 Written Communications with Contractors**

Written communications with the contractor during the technical monitoring phase of contract administration (other than processing modifications to a contract or task order) will be signed as follows:

- The technical monitors will transmit under their signatures NRC-furnished materials and NRC comments on contractor draft technical reports.
- The project managers will transmit under their signatures technical direction to the contractor or confirmation of technical direction. (For commercial contracts and interagency agreements other than that with DOE, a copy will be provided to the Division of Contracts and Property Management, which maintains the official file for these contracts.)
- The division directors will transmit under their signatures any commendation or praise, constructive criticism of the contractor's performance, and approval or disapproval of papers and articles. The project manager must be on concurrence for all such written communications with the contractor. Appendix T provides a matrix of the persons signing and/or concurring in letters, memoranda, and forms.

## 5.6 Modifications to Contracts and Task Orders

### 5.6.1 General

Modifications sometimes take on an unwarranted negative connotation because they require changes to what has been planned and contracted. But, in fact, modifications better a project, correcting some unplanned deficiency. What is undesirable, however, is neglecting to process a modification when one is needed, hoping the problem or potential problem will somehow disappear. This is rarely the case; if not addressed the problem usually worsens.

Modifications are required whenever there is a change to the

- technical scope of work
- level of effort or other aspects affecting the overall cost ceiling
- period of performance
- key personnel, including the NRC project manager. (Note, however, a change in TM does not necessitate a formal change to the contract or task order; rather, it should be documented by the PM as a change in technical direction.)

The most serious of the above modifications is a change in scope that increases costs.

### 5.6.2 Procedures

#### 5.6.2.1 Initiating Modification Action

As a general rule, contract and task order modifications are initiated by the organization (contractor or NRC) that requires the modification. For example, if the contractor cannot complete the work within the period of performance stated in the contract or task order, the contractor should initiate action to extend the period of performance. This is the case even if NRC has caused the problem; for example, it has delayed in getting the required information or materials (e.g., additional information from the licensee, comments on a draft report) to the contractor. Another example may occur when the contractor cannot complete the work within the authorized cost ceiling, for instance, when the level of effort is underestimated, or the contractor believes new or revised effort is required to properly accomplish the desired results. The burden to initiate action rests on the contractor, even

though the contractor may have discussed the modification with NRC and had received a positive response.

For commercial contracts and interagency agreements other than that with DOE, the contractor must submit a letter to the contracting officer addressing all pertinent aspects of the modification, including the impact on costs, and providing an explanation of the reasons for the modification. Note that although the contractor may explain the modification and the reason for the modification in the monthly business letter report, this explanation is for notification and informational purposes only. The correct way to process a modification is by separate letter addressed to the contracting officer.

For modifications pertaining to DOE work orders, the National Laboratory should submit the same type of letter referenced above but should address it to the PM. The PM will coordinate the processing of the modification with the TM.

If NRC requires that a contract or task order be modified, the TM will normally initiate the request for modification following the procedures given in Sections 4.1 and 5.7. Modifications that change the work requirements, level of effort, or other factors that affect costs will normally result in the issuance of a request for proposal to the contractor, as described in Section 4.5. Extension of the period of performance that does not affect costs, for example, does not require a proposal from the contractor.

#### 5.6.2.2 Stop-Work Order

Occasionally, projects or task orders may go so awry that the modification required to correct the problem or issue cannot be identified easily. In these cases, the proper action is to issue a stop-work order. This order suspends contractor work efforts temporarily, and the contractor is to take all reasonable steps to stop or minimize the incurrence of costs.

Although stop-work orders may initially be issued orally (by the for PM for DOE work orders and by the contracting officer for commercial contracts and interagency agreements other than that with DOE), they are formal contract actions that must be issued in writing [by NRC Form 173 for DOE work orders or NRC Form 400 (or NRC Form 34) for commercial contracts and interagency agreements other than that with DOE].

#### 5.6.2.3 Termination

If a problem or issue pertaining to a contract or task order cannot be resolved, particularly after a stop-work order has been issued for a reasonable length of time, the only alternative may be to terminate the contract or task order. This should be an action of last resort. Termination is a formal contract action that requires the processing of NRC Form 173 for DOE work orders or NRC Form 400 (or NRC Form 34) for commercial contracts and interagency agreements other than that with DOE.

Aside from unresolvable problems that can result during performance of the work, there may be occasions when the product or service is no longer needed. In these cases, the contract or task order should be terminated immediately.

Note that termination may involve closeout costs that may have to be borne by NRC.

#### 5.6.2.4 Processing Modifications

The administrative processing of contract or task order modifications may be similar to starting a new contract or task order. Once the PM and the TM have agreed on the action required to modify the contract or task order, the TM will initiate the memorandum requesting the processing of a contract action (referenced in Section 4.1 and found in Appendix Q). The justification contained in the memorandum transmitting the modification, or as an enclosure thereto, should sufficiently detail the need and basis for the modification. The major steps and schedules referenced in Section 4.6 and found in Appendix P apply.

### 5.7 Modifications to a Division's Financial Plan: Processing Modifications That Require Additional Funding; Adding New, Unanticipated Contracts or Task Orders to the Financial Plan

#### 5.7.1 General

If the TM, in consultation with the PM, believes that additional funds are warranted, the TM will prepare a revised or annotated project identification summary (PIDS) indicating the changes. In some cases, the contractor's proposed modification includes the cost proposal. In other cases, the TM will develop the level of effort using the procedures in Section 4.1.3.1.

Major reasons for cost increases include the following:

- The contractor may recommend revised or additional work requirements needed to successfully complete the contract or task order.
- The original level of effort may have been underestimated by the NRC and the contractor.
- Additional work may be required by the NRC.

The NRC and the contractor must take two actions when a modification involves additional funds:

- (1) Recognize the situation before a cost overrun occurs (that is, when spending rates exceed planned spending rates or when the percent of costs against all obligated funds is in the 80- to 90-percent range).
- (2) Take action to preclude the cost overrun (that is, detail the changes, get a proposal, establish a schedule, negotiate the changes, and document).

Division management must make a decision concerning the requested modification. If division management decides to approve the funds, the TM will prepare the transmittal memorandum requesting the processing of a contract action (found in Appendix Q) indicating the source of funds. This may involve the markup of one or more PIDSs if other projects are affected. There are four possible scenarios for changing or adding funds to contracts or task orders. These are discussed in the following sections.

The following procedures also apply to new, unplanned contracts and task orders that were not identified in the financial plan.



### 5.7.2 Actions Requiring the Redirection of Funds

Division directors may approve the redirection of funds, that is, the transfer of funds between or among program elements of the same program area. This can be accomplished by transmitting the new or revised PIDS(s) (pen-and-ink changes) under cover of a memorandum (see Appendix Q) to the Chief, TAMS.

### 5.7.3 Actions Requiring the Reprogramming of Funds

For modifications and procurement actions that change a division's financial plan and require the reprogramming of funds, that is, the transfer of funds between or among program areas, division directors, in addition to changing, adding, or deleting PIDSs, must justify the need for reprogramming the funds. The justification must address what specific planned accomplishments are being deleted from which program area(s) and what planned accomplishments are to be revised or added to another program area(s). The justification must also address the impact on both the Five-Year Plan and each program area. The memorandum containing this information is sent to the Chief, TAMS, for processing through the associate director.

### 5.7.4 Actions Requiring the Transfer of Funds Between Divisions

After two (or more) divisions agree that it is appropriate to transfer funds between (or among) them, the division director receiving the funds will sign a memorandum, addressed through the associate director to the Chief, TAMS, explaining the reasons for the changes including the benefits to be attained. New or annotated PIDSs or both are to be enclosed. If the transfer involves the reprogramming of funds, the explanation required in Section 5.7.3 applies.

### 5.7.5 Actions Requiring Additional Funds Above the Division's Approved Financial Plan

If a division director determines that no funds are available from the division's approved financial plan to fund a modification or new, unplanned contract or task order, the TM will prepare a memorandum addressed to the Chief, TAMS, through the associate director, that describes the basis for the determination, the need for the additional funds, and the consequences if the funds are not made available. If appropriate, the memorandum should contain an explanation of why the effort cannot be postponed, and why other lesser priority projects cannot be canceled or deferred.

## 5.8 Voucher Processing

### 5.8.1 Responsibilities

In his memorandum of May 20, 1991 (see Appendix A), the EDO stressed the importance of increased diligence in the analysis and processing of contractor vouchers received for payment. The TM and the PM share the responsibility for reviewing vouchers for payment, although the ultimate responsibility rests with the PM. This joint review ensures adequate checks and balances.

### 5.8.2 Voucher Review Requirements

Vouchers must be reviewed for **reasonableness** to ensure that work performed and progress are commensurate with the costs being billed. An ancillary responsibility is to review the composite items of the voucher for **appropriateness** and **correctness**. These terms are defined below.

- **Reasonableness:** For a cost to be reasonable, it must be of a type that is generally recognized as ordinary and necessary for the conduct of business or the performance of the contract. It must also be in an amount that would reflect the judgment of a reasonably prudent person in the conduct of a competitive business. In the context of the review of vouchers, reasonableness is judged in terms of progress of the work for the costs being charged.
- **Appropriateness:** For a cost to be appropriate and allowable, it must be either a direct cost specifically incurred for performance of the work or an indirect cost that benefits several aspects of the operation or is necessary for the overall conduct of the business. For example, travel costs should appear only when approved travel has been taken by the contractor.
- **Correctness:** The costs should add up to the amount claimed, subtotal and total.

### 5.8.3 License Fee Recoverable Costs

Certifying to the reasonableness of vouchers takes on an even greater significance when the vouchers concern collection of fees for licensing services pursuant to Parts 170 and 171 of Title 10 of the *Code of Federal Regulations*. For technical assistance, these costs are collected by technical assignment control (TAC) and inspection report numbers. Thus, the importance of using these numbers on each contract action to which license fee recoverable costs apply.

### 5.8.4 DOE Voucher Processing

Unlike commercial contractors, the DOE National Laboratories do not submit a detailed, itemized voucher. Rather, the detailed backup for the DOE voucher is the monthly business letter report (MLR). The actual voucher, submitted at the FIN (financial identification number) level, is sent to TAMS approximately 2 to 3 months, sometimes longer, after the month in which the costs were incurred.

Since the MLR for the DOE National Laboratories represents the equivalent, in detail, of the commercial contractor's voucher, it plays an even more important role than simply providing status and financial information. Consequently, it is essential that the MLR be thoroughly reviewed for reasonableness, appropriateness, and correctness.

The MLR will be distributed to management and staff as specified in the "Distribution" section of the MLR. Shortly after its receipt, the PM will generate a transmittal memorandum to the responsible TM similar to the one shown in Appendix W. The transmittal memorandum may contain general review guidance that is pertinent to a particular contractor's voucher processing practices. In general, though, not all costs are billed in the month they were incurred. This is typically the case for travel, materials, and subcontractor costs. Therefore, it is advisable to keep the MLRs in chronological order in one location for easy reference from month to month.

The referenced memorandum will transmit the "DOE Work Order Cost Approval Report" also found in Appendix W. The PM will complete the top portion when the transmittal memorandum is prepared, signed, and forwarded to the TM for review and approval.

Note: Certification of payment of the voucher also attests to the reasonableness, appropriateness, and correctness of any license fee recoverable costs that may be part of the MBLR.

#### **5.8.5 Processing Vouchers Received from the Division of Contracts and Property Management**

The review procedures for vouchers sent from the Division of Contracts and Property Management (DCPM) for commercial contractors and Federal agencies other than DOE are similar to those for DOE described in the previous section. In addition to the MBLR, which is distributed to management and staff as specified in the "Distribution" section of the MBLR, vouchers for commercial contractors contain a detailed breakdown of all costs being billed for the period indicated. Therefore, two sources of costs, in addition to technical progress, are available from commercial contracts. However, these costs are not always incongruent, as explained below.

The PM will forward to the responsible TM a memorandum transmitting a copy of the voucher along with the project officer's suspense copy of NRC Form 292, "Voucher Transmittal for Review and Approval Prior to Payment," which appears in Appendix X. The transmittal memorandum, a sample of which also appears in Appendix X, may contain general review guidance that is pertinent to a particular contractor. Typically, not all costs are billed in the month they were incurred, as in the case of travel, materials, and subcontractor costs. Therefore, it is advisable to keep the MBLRs and the vouchers in chronological order in one location for easy reference. It is further suggested that a cumulative total of the MBLR costs be maintained and compared with the voucher cumulative costs. If the voucher cumulative costs are at or below the MBLR cumulative costs, which have been found reasonable, the voucher costs are most likely reasonable. If the voucher cumulative costs are higher than the MBLR cumulative costs, that voucher should be questioned, because the MBLR usually contains more up-to-date information.

The top portion of NRC Form 292 is completed by DCPM. The TM completes items 1 through 7 of Part I of this form and either checks the "payment in the amount of \$\_\_\_\_\_" block and indicates the amount to be paid, or checks the "Withholding payment pending clarification of the above concerns" block. **However, if any problems or discrepancies are found on the voucher, the TM should contact the PM immediately.** The TM signs and provides the date in the block titled "Division or Other Authorized Representative." If the amount to be paid is less than the amount claimed by the contractor, an explanation should be provided in the comments block or on a separate sheet of paper. **The PM should be contacted before contacting the contractor if any discrepancies are found.**

Note: Certification of payment of the voucher also attests to the reasonableness, appropriateness, and correctness of any license fee recoverable costs that may be part of the MBLR.

It is NRR's intent, in keeping with a recommendation by the Office of the Inspector General, that all future NRR commercial contracts contain the following two specifications with respect to contractor vouchers:

- The billing period will be the same as that for the MBLR.
- License fee recoverable costs will be an attachment to and made part of the voucher rather than the MBLR.

#### 5.8.6 Timely Review of Vouchers

The transmittal memorandum for both DOE National Laboratory vouchers and vouchers processed through DCPM will contain a requirement for **review within five working days from the date on the memorandum requesting review.**

For commercial contracts, vouchers that are correct must be paid within 30 days, or NRC may have to pay an interest penalty. To ensure sufficient time for processing by TAMS, DCPM, and the Office of the Controller, the **turnaround time of five working days must be adhered to.** Further, to ensure compliance with the Prompt Payment Act (see instructions on NRC Form 292, contained in Appendix X), the contract administrator should be notified of a problem or deficiency within two calendar days.

Branch chiefs will be notified of delays that are more than five working days beyond the expected due date.

## 6 THE CONTRACTOR EVALUATION PHASE

### 6.1 General

Although contractor performance is evaluated continually during the contract monitoring phase, the following sections address the more formal evaluation processes.

### 6.2 Evaluation of Contractor Performance and Deliverables

#### 6.2.1 Purpose

It is sound management practice to evaluate the contractor's performance at the completion of a contract or task order. This practice provides for the following:

- Informing higher levels of management of the contractor's performance and the disposition and use of the products or services.
- Management control by ensuring that the products or services received meet an objective as originally planned.
- Checks and balances in the management of the contract or task order. One form of checks and balances occurs because of the joint responsibility of the project manager (PM) and the technical monitor (TM). Another occurs when the TM and the TM's supervisor and higher management evaluate the products or services received against the funds expended.
- An auditable paper trail for review by persons or organizations, such as the Inspector General, charged with that responsibility.
- Keeping track of a contractor's overall performance for future reference in placing work with that contractor.

#### 6.2.2 Procedures

Normally between 2 and 4 months after a contract or task order is completed, and usually after all costs have been billed, the PM will initiate a request for the TM's evaluation of the contractor's performance and disposition of the products or services. Appendix Y contains a sample memorandum requesting the TM's evaluation. Appendix Y also contains the contractor evaluation form to be completed by the TM and a sample transmittal memorandum by which the evaluation form is returned to the PM.

The evaluation factors listed on the contractor evaluation form are defined as follows:

- **Availability of Qualified Personnel:** The ability of the contractor to provide the number and type of qualified personnel specified in the statement of work (SOW) and resulting proposal; the ability of the contractor to make these personnel available when required to successfully meet the objectives of the SOW.
- **Reliability and Responsiveness:** The reliability and dependability of the contractor to comply and follow through with the requirements of the SOW, technical direction provided during performance of the work, and other terms and conditions of the contract; the responsiveness of the contractor in regard to interpreting the work requirements correctly and staying within the bounds of the contract or task order; the

ability of the contractor to make adjustments when changes were required with minimum impact on performance and accomplishments.

- **Timeliness:** The ability of the contractor to meet scheduled milestones and to make adjustments to schedules when changes out of its control were required; the ability of the contractor to perform the work and attain the objectives of the SOW within the original period of performance (excluding extensions beyond the contractor's control).
- **Cost Effectiveness:** The ability of the contractor to manage the work, materials (including travel and automatic data processing requirements), and its staff (direct and indirect labor) to the extent that the work is performed and the objectives of the contract or task order are met within obligated funds or overall cost ceiling of the contract or task order. (This excludes any changes and modifications that are beyond the contractor's control.) The ability to keep costs to a minimum when a cost increase was required.
- **Quality of the Deliverables:** The acceptability and usefulness of the reports or other deliverables (e.g., software) as a direct result of the quality of the contractor's efforts; the ability of the contractor to meet or exceed the specifications of the deliverables required in the SOW in terms of type of report and its content, style, format, distribution, and any other requirements specified in the SOW.

The transmittal memorandum and the evaluation form should be completed and returned to the PM through the TM's section chief and branch chief within 30 working days from the date of the memorandum. A copy is to be provided to the division director and the deputy division director.

The *Technical Assistance Project Manager's Handbook* provides detailed procedures on contractor closeout after receipt of the TM's evaluation.

## 6.3 Division Technical Assistance Progress Review Meetings

### 6.3.1 Purpose

The division quarterly progress review meeting is a management tool for use by higher management to assess the progress, status, and use of technical assistance, and to make course corrections as appropriate. Quarterly progress reviews provide for the following:

- an opportunity for higher management involvement in the contract process to assess the effective use of resources and make changes when necessary
- checks and balances between the director and other levels of management to evaluate the value of the products and services being obtained for the funds expended
- evaluation of management and staff performance in contract administration

### 6.3.2 Procedures

The division director will conduct quarterly meetings to review division progress and use of technical assistance resources. For planning purposes, these meetings will be scheduled during the latter part of the following months:

- December: Regular progress review.
- March: In addition to the progress review, this meeting will involve developing input to NRR's midyear technical assistance review.
- June: In addition to the progress review, this meeting will focus on contract actions required until the end of the fiscal year and on funding allocations for the upcoming fiscal year.
- September: In addition to the progress review, this meeting will focus on a review of actions required for the beginning of the upcoming fiscal year.

The latter part of the month should allow sufficient time for the staff to receive and digest the latest status information from the contractors' monthly business letter reports. Presentations should be made by the branch chief and should follow the outline contained in Appendix J. TMs and their section chiefs will attend the meetings. The lead PM for the division will be responsible for coordinating the meetings and providing information not readily available from sources other than the Technical Assistance Management Section (TAMS). The lead PM will attend the meetings, take notes on major items of discussion and decisions made, and issue a meeting summary to the division director that contains a summary of the results and the outstanding action items: what is to be done, by whom, and when. The Chief, TAMS, and the Chief, Planning, Program, and Management Support Branch (PMSB), will be informed of the meetings and one or both will attend.

## 6.4 Midyear Review

### 6.4.1 Purpose

The NRR midyear review of technical assistance affords yet another opportunity for management involvement at a higher organizational level. It provides for another level of checks and balances and management control at the office level.

### 6.4.2 Procedures

A memorandum calling for the midyear review will be issued by the associate directors in the middle of March in each fiscal year. This memorandum will be prepared by the Chief, TAMS.

For planning purposes, the review of each division's status and use of technical assistance will be conducted during the middle of April. These reviews will be coordinated by the Chief, TAMS, with assistance from the lead PMs for their divisions. The outline for conducting the review will be part of the call for the midyear review; it will generally cover the areas shown in Appendix Z.

Division directors will present the midyear review to the associate director. The Chief, PMSB, the Chief, TAMS, the Chief, Planning and Resource Analysis Section (PRAS), the lead PMs for their divisions, and other PMSB staff, as appropriate, will attend. The lead PMs will take notes of major items of discussion and decisions for their divisions and issue a meeting summary to the associate director that contains a summary of the results and the outstanding action items: what is to be done, by whom, and when.

Each associate director is to provide an overall assessment of the results of the midyear review to the executive team.

## 6.5 Contractor Program Reviews

### 6.5.1 Purpose

A contractor program review is another management control tool to assess the value and use of technical assistance and provides another opportunity for higher management involvement.

### 6.5.2 Procedures

As a sound management practice, division directors, branch chiefs and their staff, as appropriate, along with the assigned TAMS PM (to the contractor) will perform a program review of the contractor's performance as follows:

- For division contracts valued at \$1.5 million or more, an annual program review of the contractor's performance should be conducted by the division director.
- For branch contracts valued at \$750,000 or more, an annual program review of the contractor's performance should be conducted by the branch chief.

These program reviews are best accomplished at the contractor's site, but it may be more practical for the contractor to travel to NRC Headquarters.

Program reviews will be coordinated and arranged by the TAMS PM assigned to that contractor. To document the results of the review and to ensure that open action items are known and followed up, the PM will prepare a trip report and issue it to the branch chief or division director, depending on the level of attendance, within 2 weeks after the program review is completed. A copy will be provided to the associate director, the Chief, PMSB, the Chief, TAMS, the contractor's program manager, and others as appropriate.

In addition to these reviews, PMs conduct, as their goal, quarterly program reviews of their assigned contractors.



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

May 20, 1991

MEMORANDUM FOR: Those on Attached List

FROM: James M. Taylor  
Executive Director  
for Operations

SUBJECT: CONTRACT MANAGEMENT

The Office of Management and Budget recently instructed federal agencies to place greater emphasis on contract administration. Additionally, recent internal reviews of our contracting practices indicate a need for NRC managers and staff to exercise renewed vigor in carrying out their contract management responsibilities. To that end, I encourage each of you to take a personal interest in the way commercial contracts and DOE laboratory agreements are managed within your organization, particularly the role of the Project Officer. I am convinced that we can effect needed improvements in our contracting program by focusing on the following areas:

Procurement Planning and Control

Sound contract management begins with development of well-conceived advance procurement plans and milestone schedules. To assure the success of our contracting program, we must devote greater management attention to these two areas.

All Advance Procurement Plans (APP) should forecast procurement activity for 12-month periods, i.e., contract actions that you plan to initiate over the next twelve months. To avoid unnecessary noncompetitive extensions to existing contracts, particular attention should be given to early submission of contract requests for recurring contract needs. You should plan to submit requests for competitive awards at least 6 months before the existing contract is due to expire. You should also encourage your staff to establish early contact with the Division of Contracts and Property Management (DCPM) to discuss your specific program needs and to establish a firm date for submission of each procurement action. Once the procurement action is received in DCPM, the assigned contract negotiator will meet with your staff to jointly develop a detailed milestone schedule. You should instruct your staff to give priority to this process and to adhere to established procurement milestone schedules.

To ensure that contract actions receive appropriate management review, you should not establish the Designating Official (DO) for procurement actions below the level of Division Director. In addition, you should ensure that the DO signs all Requests for Procurement Actions (NRC Form 400's) including any requests to issue Task Orders under individual contracts.

Competition

In July of last year, I instructed the Competition Advocate to begin reviewing all justifications for proposed sole source procurements over \$2,500 for technical and consulting services. In addition to this review, program offices are required to make a technical certification as part of the justification for using other than full and open competitive procedures for proposed noncompetitive actions over \$10,000. Effective immediately, these technical certifications are to be made by the DO.

Personal Services

A personal services contract is characterized by the employee-employer relationship it creates between Government and contractor personnel. Use of commercial contracts to acquire such services is prohibited by the Federal Acquisition Regulation. Personal services relationships oftentimes are created not by the express terms of a contract but by the way the contract is administered. These types of relationships can impair a Project Officer's ability to make independent assessments of contractor performance and may lead to improper release of procurement information. Therefore, you should ensure that staff interaction with contractor personnel is in compliance with contract terms, and does not create a personal services relationship.

Invoice Analysis and Payment

Recent reviews of the payment process within NRC indicate a need for increased diligence in the analysis and processing of contractor invoices received for payment. Project Officers must review contractor invoices to provide reasonable assurance to the Contracting Officer that costs billed are commensurate with work performed. Project Officers oftentimes wait until an invoice is received before initiating their review of contractor performance. In other instances, Project Officers have felt compelled to recommend payment based on very limited information in order to comply with the time frames prescribed by the Prompt Payment Act. Neither of these practices is appropriate. To avoid unnecessary delays in the payment process, Project Officers should routinely employ rigorous contract surveillance and enforcement mechanisms so that performance problems can be identified and addressed well in advance of invoice receipt. Project Officers should be familiar with contract performance requirements, and should utilize monthly progress reports, spending plans and technical review meetings as tools to assess technical performance and costs.

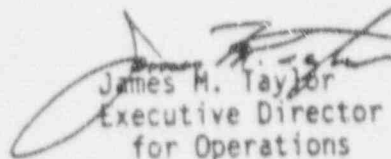
May 20, 1991

Procurement Training

Of course, the key to competent contract management is formal acquisition training for Project Officers and their supervisors. DCPM, through the Office of Personnel, offers two acquisition courses. These courses are mandatory for individuals with contract management responsibilities within your organization. Therefore, you should assure that all project officers attend the course, "Acquisition for Project Officers," and that their supervisors attend the course, "Acquisition for Supervisors and Managers of Project Officers." Each course is presented approximately seven times each year.

I have asked the Director, DCPM, to keep me informed of any problems encountered as a result of poor procurement planning or improper actions by Project Officers in the management of contracts and DOE laboratory agreements. When the situation warrants, I will suspend or terminate projects which are mismanaged.

If you have any questions, please contact Edward L. Halman, Director, DCPM, at 492-4347.

  
James M. Taylor  
Executive Director  
for Operations



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555

AUG 19 1991

MEMORANDUM FOR: NRR Division Directors

FROM: Frank P. Gillespie, Director  
Program Management, Policy Development  
and Analysis Staff  
Office of Nuclear Reactor Regulation

SUBJECT: COGNIZANT DIVISION DIRECTOR SIGNATURE ON  
PROCUREMENT ACTIONS

The enclosed EDO's memorandum of May 20, 1991, requires that procurement actions for either commercial contracts or DOE National Laboratory work, including task orders, be signed by the Designating Official (no lower than the Division Director) cognizant for the action. To date, the Chief TAMS/PMAS has signed these actions.

On August 8, 1991, a meeting was held with the Director, ADM and the Director DCPM/ADM to discuss alternative ways to satisfy the EDO's directive that would result in having each NRR Division Director sign the procurement forms. Proposed alternatives were not found to be acceptable to the Director DCPM/ADM. Consequently, effective immediately, all contract actions, i.e. the NRC Form 400 for commercial contracts and Interagency Agreements (other than for DOE), the NRC Form 173 for DOE work, and task order requests for these contractor sources require the cognizant NRR Division Director's signature. TAMS will continue to prepare the appropriate paperwork and will forward it to you through your management channel. The Chief, TAMS/PMAS will concur on all contract actions prior to your signature. TAMS will be responsible for assuring that reasonable and consistent contracting procedures are followed. Office procedures will be issued in the next few weeks, which will further delineate the process.

Questions concerning this matter should be referred to Walt Schwink on X21262.

Frank P. Gillespie, Director  
Program Management, Policy Development  
and Analysis Staff  
Office of Nuclear Reactor Regulation

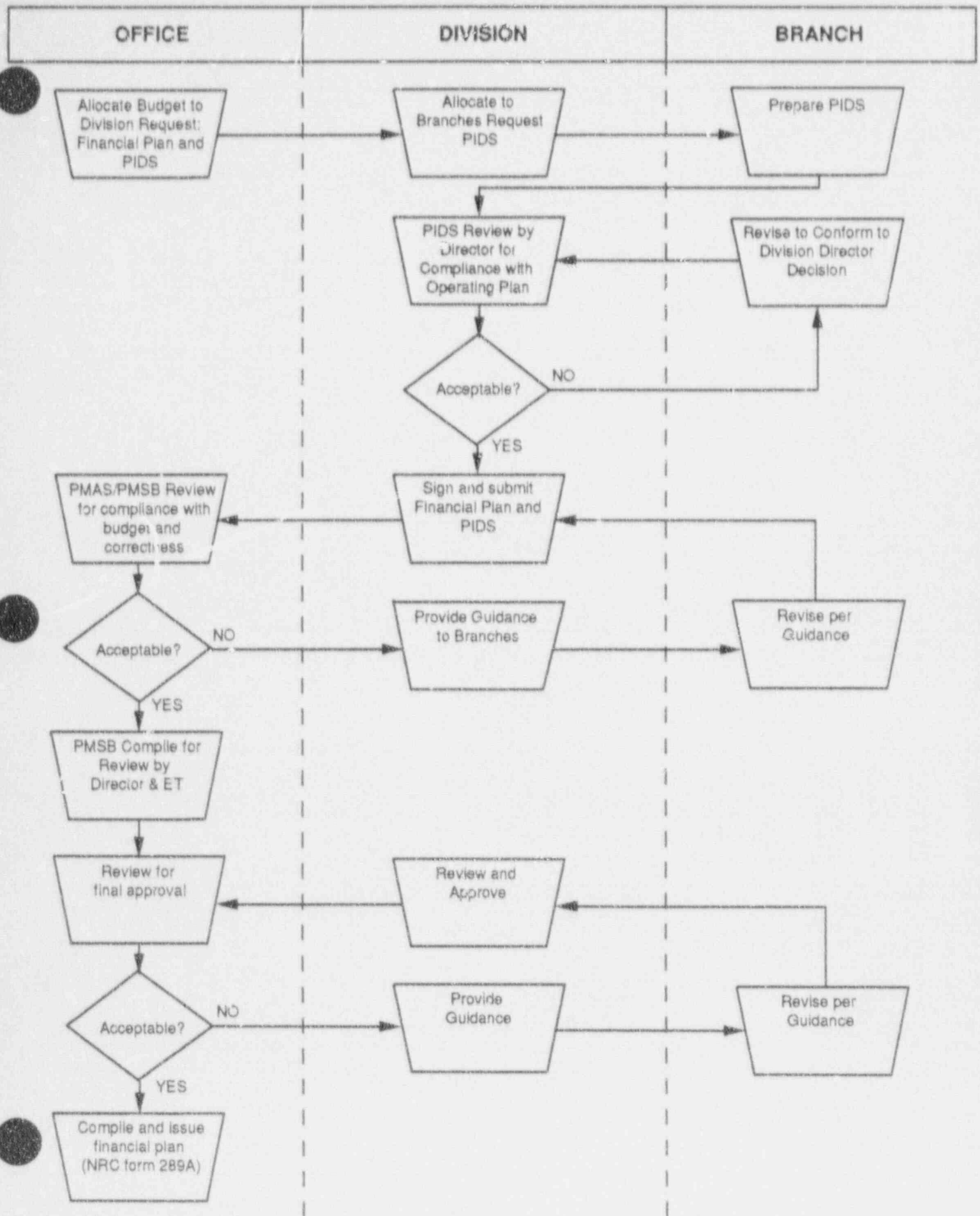
Enclosure:  
As stated

cc: T. Murley  
W. Russell

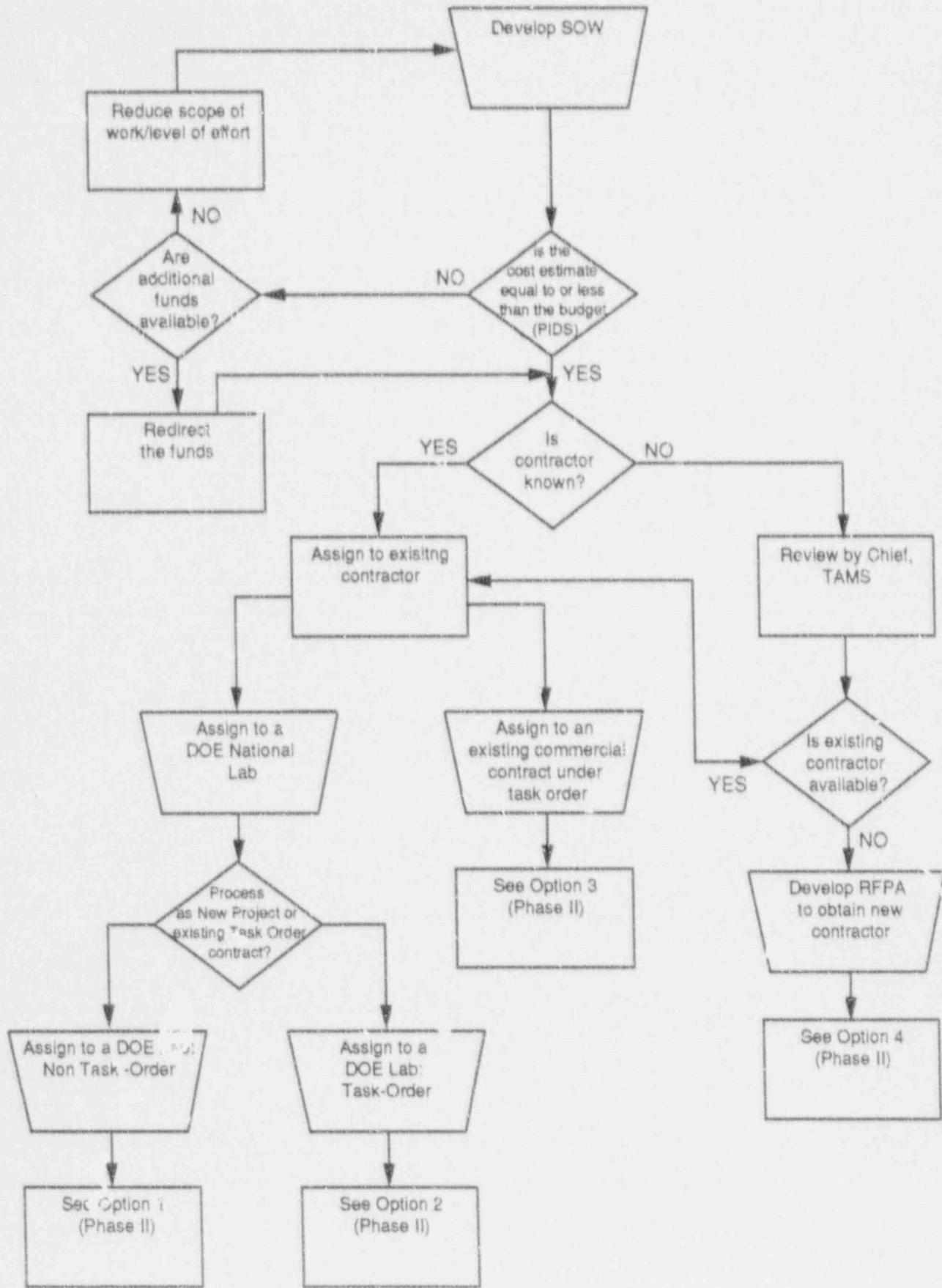
F. Miraglia  
J. Partlow



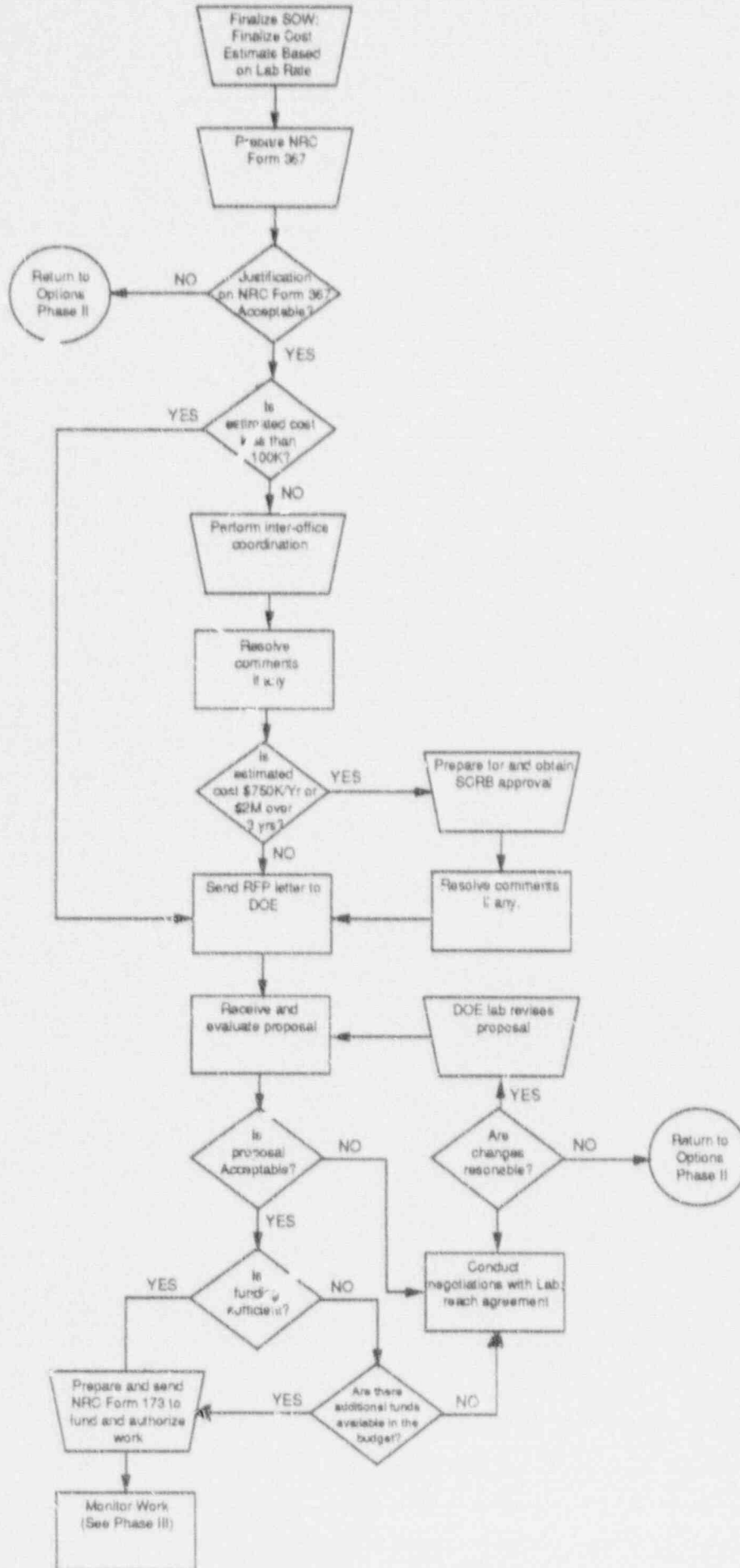
# PHASE 1: PLANNING – DEVELOPMENT OF THE FINANCIAL PLAN



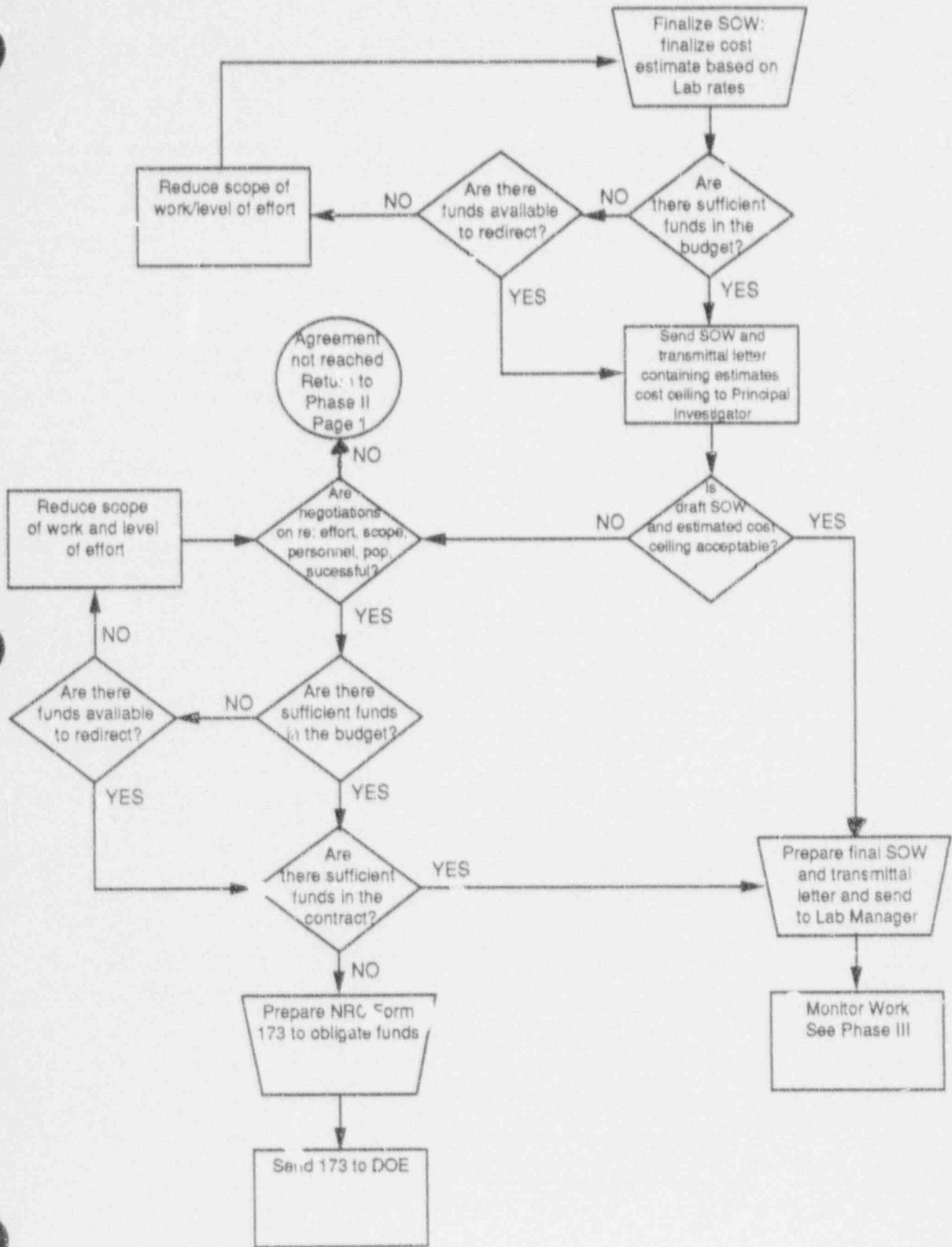
# PHASE II: EXECUTION - AUTHORIZATION OF WORK



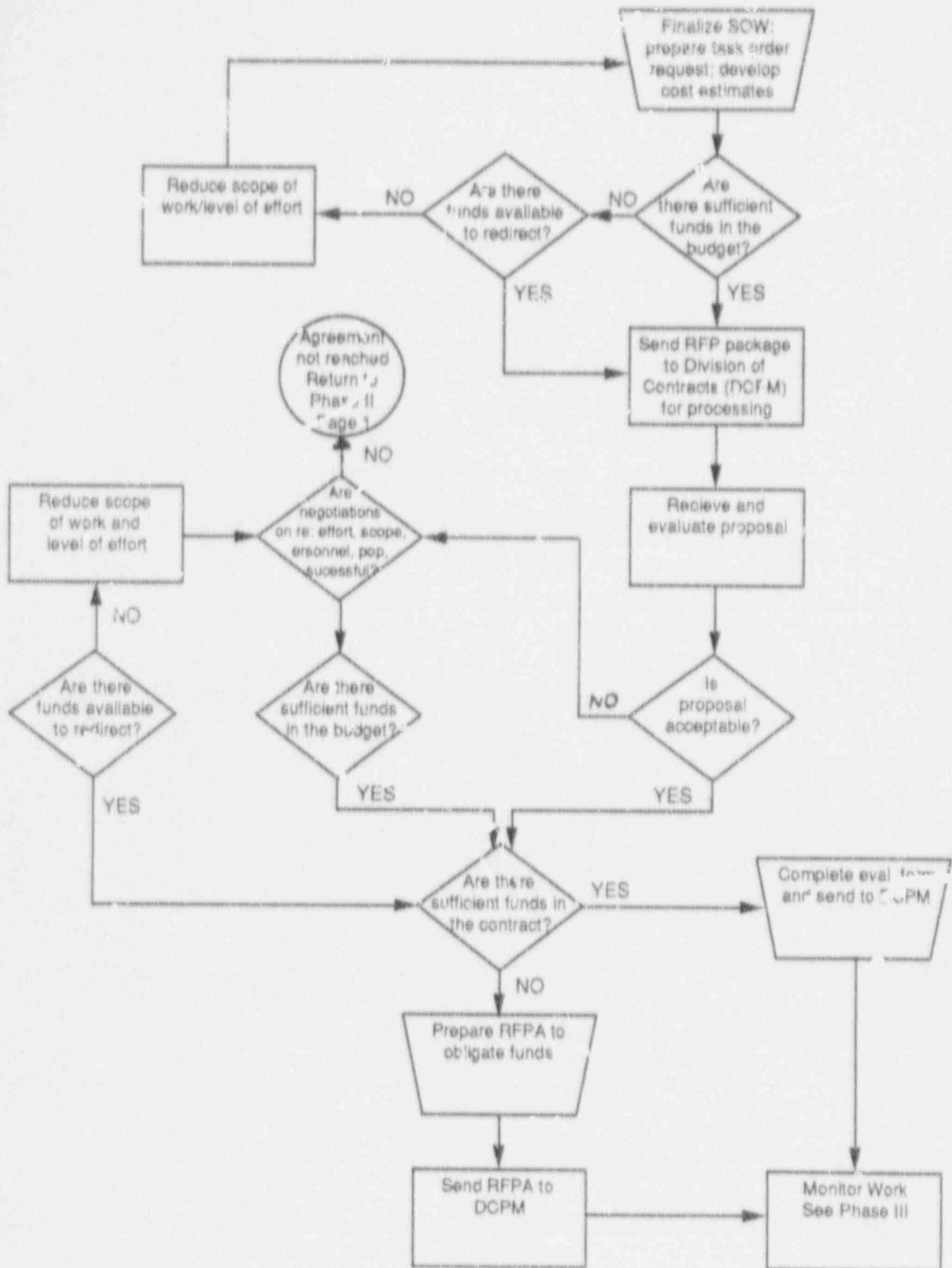
PHASE II. OPTION 1. ASSIGN WORK TO DOE LAB - NEW CONTRACT



PHASE II OPTION 2. ASSIGNMENT TO A DOE LAB UNDER TASK ORDER

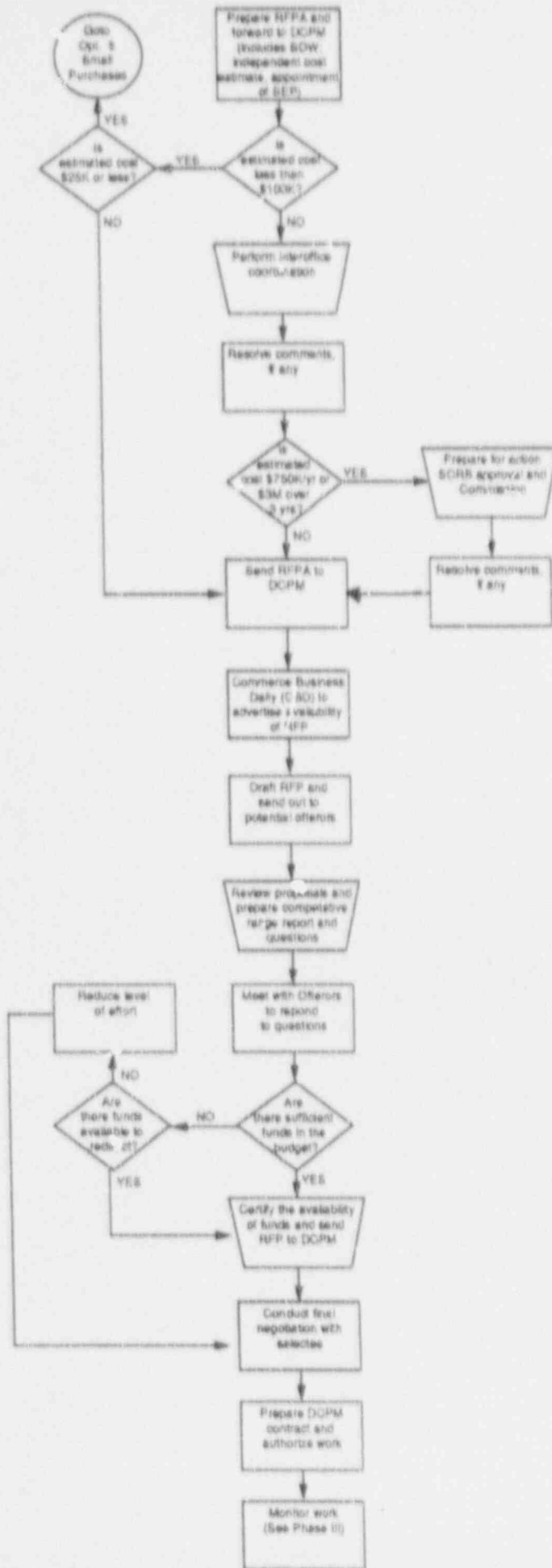


# PHASE II: OPTION 3. ASSIGN WORK TO A COMMERCIAL CONTRACTOR UNDER A TASK ORDER

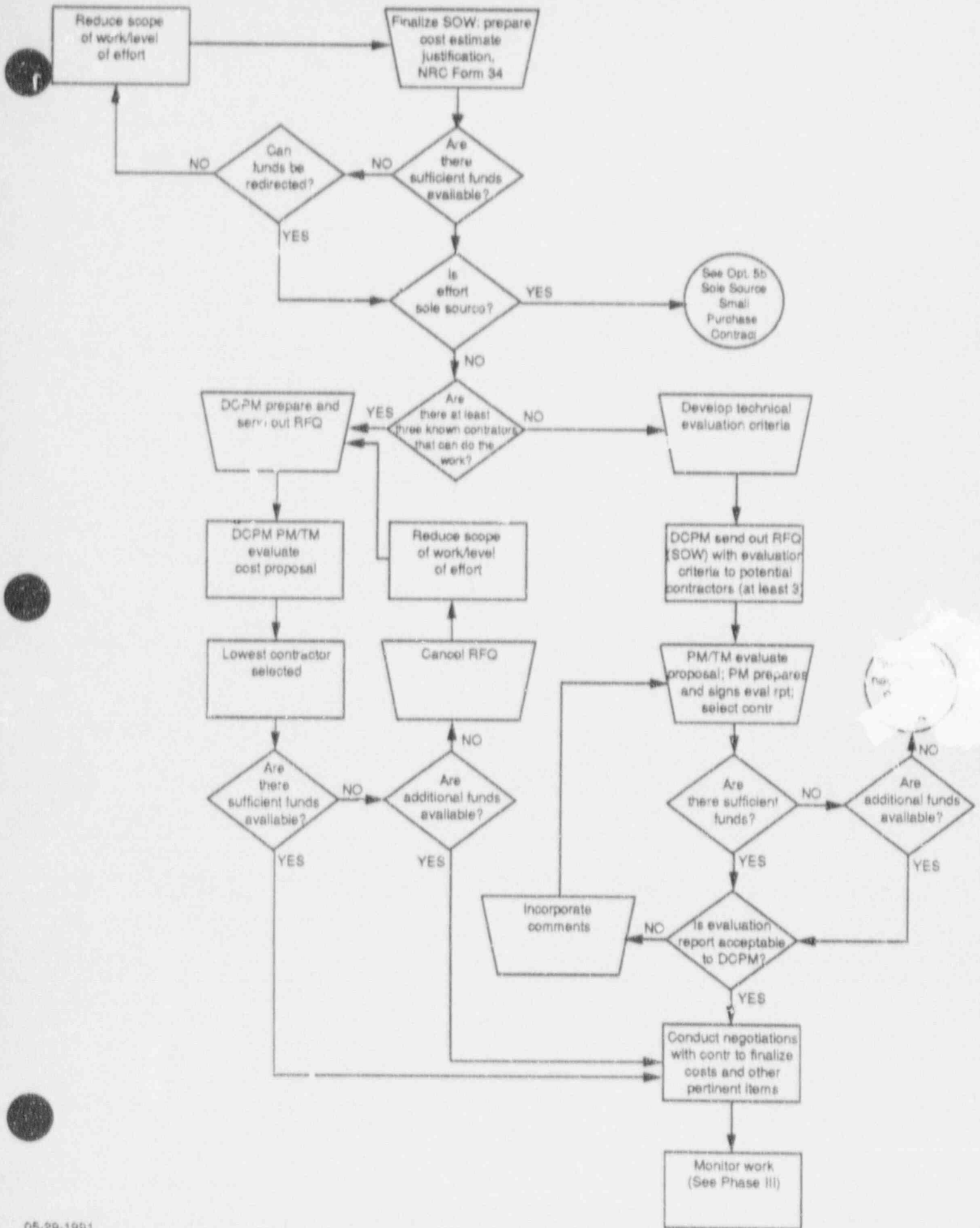


# PHASE II OPTION 4. OBTAIN A NEW COMMERCIAL CONTRACTOR

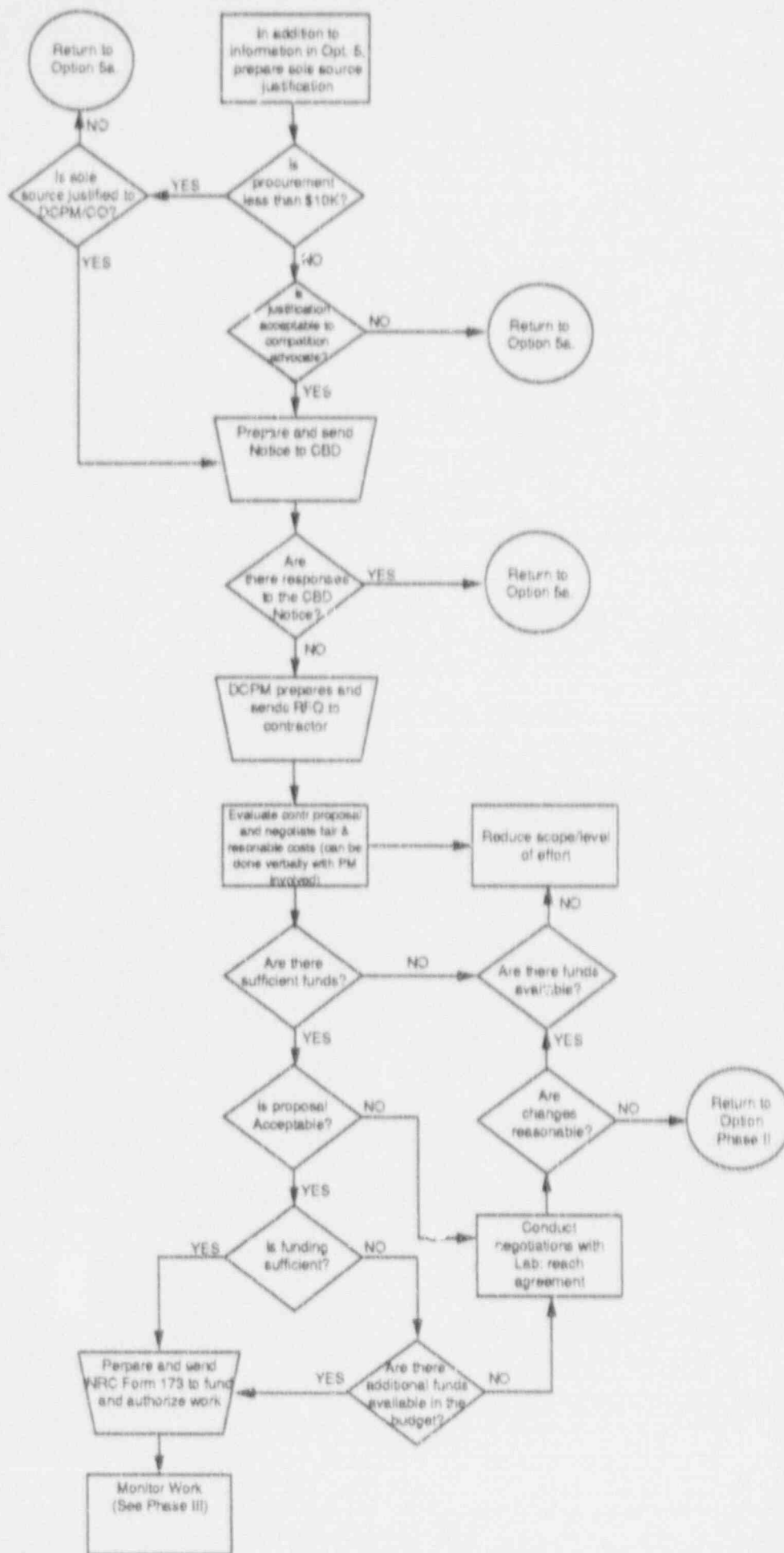
## Development of an RFP to obtain new commercial contractor



# PHASE II: OPTION 5a. SMALL PURCHASE CONTRACT

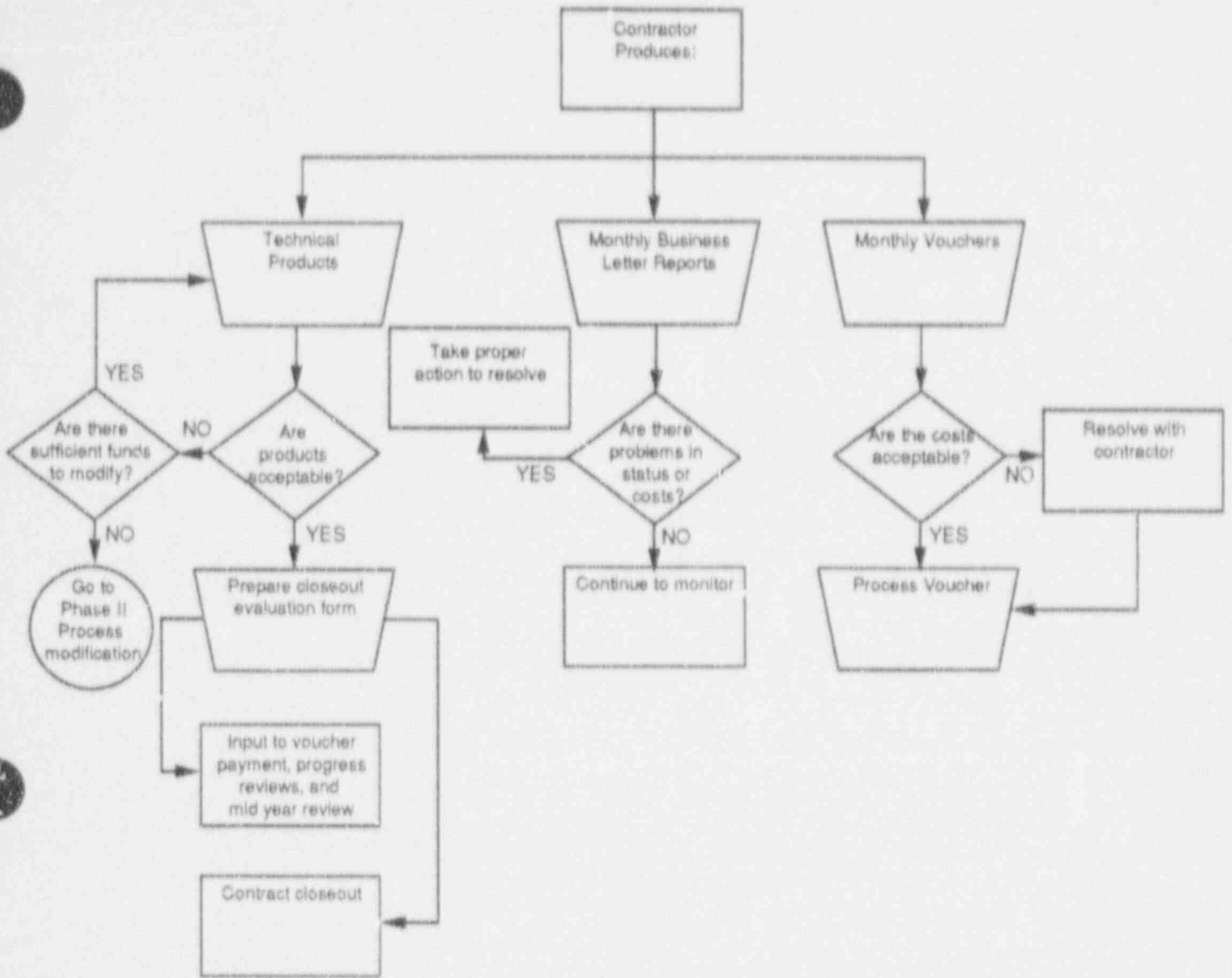


# PHASE II. OPTION 5b SOLE SOURCE SMALL PURCHASE CONTRACT





# PHASE III: MANAGEMENT CONTROL - CONTRACT MONITORING



STANDARD ORDER FOR DOE WORK

DATE

ISSUED TO: (DOE Office)

ISSUED BY: (NRC Office)

ACCOUNTING CITATION

OFFICE OF NUCLEAR REACTOR REGULATION

APPROPRIATION SYMBOL

31X0200.20

B&R NUMBER

PERFORMING ORGANIZATION AND LOCATION

FIN NUMBER

FIN TITLE

WORK PERIOD - THIS ORDER

FIXED  ESTIMATED

FROM TO

OB. 01 017 AVAILABILITY PROVIDED BY:

A THIS ORDER

\$

B TOTAL OF ORDERS PLACED PRIOR TO THIS DATE WITH THE PERFORMING ORGANIZATION UNDER THE SAME "APPROPRIATION SYMBOL" AND THE FIRST FOUR DIGITS OF THE "B&R NUMBER" CITED ABOVE

\$

C TOTAL ORDERS TO DATE

(TOTAL A & B)

\$

D AMOUNT INCLUDED IN "C" APPLICABLE TO THE "FIN NUMBER" CITED IN THIS ORDER

\$

FINANCIAL FLEXIBILITY

- FUNDS WILL NOT BE REPROGRAMMED BETWEEN FINs. LINE C CONSTITUTES A LIMITATION ON OBLIGATIONS AUTHORIZED
- FUNDS MAY BE REPROGRAMMED NOT TO EXCEED ±10% OF FIN LEVEL UP TO \$50K. LINE C CONSTITUTES A LIMITATION ON OBLIGATIONS AUTHORIZED

STANDARD TERMS AND CONDITIONS (see NRC Manual Chapter 1102, Appendix Part 4) ARE PART OF THIS ORDER UNLESS OTHERWISE NOTED

ATTACHMENTS

THE FOLLOWING ATTACHMENTS ARE HEREBY MADE A PART OF THIS ORDER

- STATEMENT OF WORK
- ADDITIONAL TERMS AND CONDITIONS
- OTHER

- FEE RECOVERABLE WORK
- NON-FEE RECOVERABLE WORK

SECURITY:

- WORK ON THIS ORDER INVOLVES CLASSIFIED INFORMATION. NRC FORM 187 IS ATTACHED
- WORK ON THIS ORDER INVOLVES UNCLASSIFIED SAFEGUARDED, PROPRIETARY, OR OTHER SENSITIVE INFORMATION
- WORK ON THIS ORDER IS UNCLASSIFIED AND NOT SENSITIVE

REMARKS (Reference the proposal by number and date, and indicate if the attached statement of work modifies the DOE proposal)

After acceptance, please send the original copy to the NRC, Office of the Controller, ATTN: T. Stevenson, MBB-11104 and send copies to the NRC, Office of the Nuclear Reactor Regulation, ATTN: Walter S. Schwink, 12-H-26 and W. Rosenthal, 12-H-7.

ISSUING AUTHORITY

ACCEPTING ORGANIZATION

SIGNATURE

SIGNATURE

TITLE

TITLE

DATE



REQUEST FOR PROCUREMENT ACTION (RPPA)

1 RPPA NUMBER

2 RPPA REVISION NUMBER

3 DATE OF REQUEST

**INSTRUCTIONS:** This form is to be used for various types of procurement requests, including sole-source actions, competitive solicitations and modifications.

Inapplicable items or those for which information has not been developed, should be left blank. In such cases, the project officer should contact the Division of Contracts for specific guidance.

Submit the completed form to:  
 Director  
 Division of Contracts  
 Office of Administration

4 TYPE OF ACTION REQUESTED (Circle and complete as appropriate)

ADMINISTRATIVE ACTION INITIATED BY DIVISION OF CONTRACTS

ISSUE A COMPETITIVE SOLICITATION

AWARD A CONTRACT ON THE BASIS OF AN UNSOLICITED PROPOSAL (Give contractor's name)

EXECUTE A MODIFICATION TO A CONTRACT

CONTRACT NUMBER: \_\_\_\_\_ CONTRACTOR: \_\_\_\_\_

AWARD A NONCOMPETITIVE CONTRACT (Give contractor's name)

EMPLOY A BASIC ORDERING AGREEMENT (BOA)

BOA NUMBER: \_\_\_\_\_ TITLE OF BOA: \_\_\_\_\_

ISSUE AN INTERAGENCY AGREEMENT (Give agency's name)

4a PERIOD OF PER (REAL AC)

FROM: \_\_\_\_\_ TO: \_\_\_\_\_

5 DELIVERY SCHEDULE

6 SECURITY CLASSIFIED INFORMATION ANTICIPATED

YES (Attach NRC Form 187)

NO

7 PRIOR PROPOSAL CONFERENCE CONTEMPLATED

YES

NO

8 DECISION UNIT TITLE

9 TITLE OF PROJECT AND BRIEF DESCRIPTION OF WORK (50 word summary)

10 PROGRAM OFFICE RECOMMENDATION REGARDING SOCIO-ECONOMIC SET-ASIDES (Complete where action requested in 4. Above is for a competitive solicitation, a basic ordering agreement, or a non-competitive contract.)

100% SET-ASIDE FOR SMALL BUSINESS

JOINT SMALL BUSINESS -- LABOR SURPLUS AREA SET-ASIDE

NONCOMPETITIVE CONTRACT PROCESSED UNDER THE PROCEDURES OF SECTION 814 OF THE SMALL BUSINESS ACT FOR AWARD TO A SMALL DISADVANTAGED BUSINESS

PARTIAL SET-ASIDE FOR SMALL BUSINESS

100% LABOR SURPLUS AREA SET-ASIDE

RESTRICTED ACTION

11 MANAGEMENT DIRECTIVES APPLICABILITY

DESCRIPTION	APPLICABLE	INAPPLICABLE	EXEMPTION NUMBER
OMB CIRCULAR A-76 (See NRC Bulletin 5105-1)			
AUTOMATIC DATA PROCESSING COORDINATION (See NRCM 0904 and NRC Bulletin 2101-15)			
APPROVAL FOR ACQUISITION OF CONSULTANT SERVICES (See NRCM 4139)			

# REQUISITION FOR SUPPLIES, EQUIPMENT, OR LABOR SERVICES

**FOLLOW INSTRUCTIONS ON REVERSE OF FORM SET**

Retain "Requester's Pending Copy" for record and a copy is returned.  
**SUBMIT THE FORM SET TO: PROCUREMENT AND PROPERTY BRANCH**

**B. PROCESSING OFFICES**

**A. REQUISITIONING ORGANIZATION**

1. REQUESTER | 2. PHONE NO. | 3. DATE OF REQ.

4. ORGANIZATION (Office Division Branch) | 5. BUILDING AND ROOM | 6. MAIL STOP

7. SHIP TO (Consignee and Destination, Complete Mailing Address)

1. REQUISITION NUMBER

2. FUNCTIONAL CODE

3. REQUIREMENT APPROVED (Signature)

4. REQUISITIONING OFFICER (Signature)

5. ACTION	SIGNATURE	DATE
6. POSTED		
6. P.O. ENTRY		
6. FILLED		
6. DELIVERED		
6. COMPLETED		

8. APPROVALS (Items identified under Groups 2 through 8 on the reverse of this form must be approved by the Property Custodian and Office Division or Designee.)

I certify that personal property assets within the Office Division have been carefully screened for excess, are currently fully utilized, and the additional requested items are absolutely essential to work performance and will be used only for essential, official purposes.

9. PROPERTY CUSTODIAN (Signature)

10. OFFICE DIVISION DIRECTOR OR DESIGNEE (Signature)

**C. CERTIFICATION OF FUNDS**

FUNDS AVAILABLE | ALLOTMENT SYMBOL J1K0200

7. IN NUMBER	B & R NUMBER	AMOUNT FUNDED
		\$

CERTIFIED BY (Signature) | DATE

**D. REQUESTED ITEMS (Please Type or Print and Double Space Between Items)**

1. ITEM OR STOCK NUMBER	2. DESCRIPTION <i>(INCLUDE JUSTIFICATION for items identified under Groups 2 - 8)</i>	3. QUANTITY	4. UNIT	LEAVE COLUMN BLANK

The material and/or services itemized above have been received in the quantity and quality specified, except as otherwise noted.

7. RECIPIENT (Signature)

DATE



**PROJECT AND BUDGET PROPOSAL FOR NRC WORK**


New  
Revision No.

Project Title		FIN						
NRC Office		NRC B&R Number						
DOE Contractor		Contractor Account Number						
Site IDAHO NATIONAL ENGINEERING LABORATORY (INEL)		DOE B&R Number						
<b>COGNIZANT PERSONNEL</b>	<b>ORGANIZATION</b>	<b>FTS PHONE NUMBER</b>	<b>PERIOD OF PERFORMANCE</b>					
NRC Project Manager			Starting Date					
Other NRC Technical Staff			Completion Date					
DOE Project Manager								
Contractor Project Manager								
Principal Investigator(s)								
<b>STAFF YEARS OF EFFORT</b> (Round to nearest tenth of a year)	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>			
Direct Scientific/Technical								
Other Direct (Graded)								
<b>TOTAL DIRECT STAFF YEARS</b>								
<b>COST PROPOSAL (\$000)</b>								
Direct Salaries								
Material and Services (Excluding ADP)								
ADP Support								
Subcontracts								
Travel Expenses	Foreign							
	Domestic							
Indirect Labor Costs	Direct Labor Overhead							
	Common Support							
Other (Specify)	(carryover)							
Other (Specify)								
General and Administrative (%)								
<b>TOTAL OPERATING COST</b>								
Capital Equipment								
<b>TOTAL PROJECT COST</b>								
FY 19 _____	<b>MONTHLY FORECAST EXPENSE</b>		October	November	December	January	February	March
			April	May	June	July	August	September
Total Forecast Expense \$ _____								
APPROVAL AUTHORITY-SIGNATURE							Date	

PROJECT AND BUDGET PROPOSAL FOR NRC WORK

Project Title

DOE Proposing Organization IDAHO OPERATIONS OFFICE (ID)

FORECAST MILESTONE CHART: Scheduled to Start -  - Completed (Shown in Quarter Year)  
PROVIDE ESTIMATED DOLLAR COST FOR EACH TASK FOR EACH FISCAL YEAR

TASK	FY				FY				FY				FY			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
Schedule																
	Cost															
Schedule																
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	Cost															
Schedule																
	Cost															
SUBTOTAL																
CARRYOVER																
TOTAL ESTIMATED PROJECT COST																

POLICIES AND PRACTICES GOVERNING  
 NRC LONG-RANGE PLANNING, BUDGET  
 FORMULATION, AND RESOURCE MANAGEMENT  
 HANDBOOK 4.2. PART III

OFFICE OF NUCLEAR REACTOR REGULATION

SUMMARY

XXX	XX	XX	XX	X	
220					Office of Nuclear Reactor Regulation
	19				Program Support
		11			Reactor Licensing - Application
			01		Reviews and Inspections
				01	Power Reactor Applications and
					Inspection
			03		Review of Standardized Reactor
					Design Applications
			04		Review of Other-Than-Power-Reactors
					Applications
			05		Review of Reactor License Renewal
					Applications
			06		Improvements to Regulations
		12			Reactor Operations and Accident
					Management Reviews
			01		Reactor Performance Evaluation
			03		Evaluation of Licensee Performance
					and Maintenance
			04		Reactor Accident Management
					Evaluation
		13			Human Performance in Reactor Safety
			01		Human Performance Evaluation
			02		Licensing and Examination of Reactor
					Operators
		14			Reactor Operations and Safeguards
					Inspections
			02		Region-Based Inspections
			03		Specialized Inspections
		15			Operating Reactor License Maintenance
					and Regulatory Improvements
			03		Licensing Activities Safety
					Evaluations
			04		Regulatory Improvements
	21	10			Travel (Persons-Regular)
	60				Reimbursable Work
			01		Reimbursable Work (Federal Agencies)
			02		Reimbursable Work (Non-Federal
					Parties)



POLICIES AND PRACTICES GOVERNING  
NRC LONG-RANGE PLANNING, BUDGET  
FORMULATION, AND RESOURCE MANAGEMENT  
HANDBOOK 4.2 PART III

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220 00 00 00 0 OFFICE OF NUCLEAR REACTOR REGULATION

The Office of Nuclear Reactor Regulation (NRR) implements regulations, and develops and implements policies, programs and procedures for all aspects of reactor licensing and inspection.

220 19 00 00 0 PROGRAM SUPPORT

Includes all obligations, payments and costs incurred by other Federal agencies, contractors, and other organizations in direct support of the programs in NRR as follows:

220 19 11 00 0 REACTOR LICENSING - APPLICATION REVIEWS  
AND INSPECTIONS

Includes technical assistance for activities to ensure that nuclear power plants and nonpower reactors are designed and constructed properly and are ready for safe operation. Also includes technical assistance related to the preparation of future licensing activities.

220 19 11 01 0 POWER REACTOR APPLICATIONS AND INSPECTIONS

Includes technical assistance for accomplishing reviews of power reactor construction permit and operating license applications. Also includes: effort that may have generic applicability but is directly referenced or directly used in a Safety Evaluation Report(s) (SER) or Supplemental SER such that the need for the effort is "driven by" the SER milestone(s) requirement for an application(s) currently under active review; technical assistance related to evaluating a utility's readiness to proceed to the next major milestone in the construction and pre-operational testing processes; and analytical services for environmental monitoring, and contractor technical support to NRC Regional Offices for inspection activities. In addition, includes technical assistance related to TMI-related activities.

220 19 11 03 0 REVIEW OF STANDARDIZED REACTOR DESIGN  
APPLICATIONS

Includes technical assistance for design certification reviews, reviews of applications for standardized reactor designs, and review of standardized requirements or concepts.

POLICIES AND PRACTICES GOVERNING  
NRC LONG-RANGE PLANNING, BUDGET  
FORMULATION, AND RESOURCE MANAGEMENT  
HANDBOOK 4.2, PART III

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220 19 11 04 0 REVIEW OF OTHER-THAN-POWER-REACTOR  
APPLICATIONS

Includes technical assistance for the accomplishment of all other license reviews such as nonpower reactor licensing and license renewals, work in support of Department of Defense (DOD) and Department of Energy (DOE) reactor projects, and in support of cancellation and decommissioning efforts.

220 19 11 05 0 REVIEW OF REACTOR LICENSE RENEWAL  
APPLICATIONS

Includes technical assistance for accomplishing review of applications for reactor license renewal to evaluate the safety, environmental, and safeguards aspects of such submittals.

220 19 11 06 0 IMPROVEMENTS TO REGULATIONS

Includes technical assistance for updating and revising safety and environmental regulations, standard review plans, and other regulatory guidance associated with review of applications for new operating power reactors and renewal of the license term for currently operating reactors.

220 19 12 00 0 REACTOR OPERATIONS AND ACCIDENT MANAGEMENT  
REVIEWS

Includes technical assistance for activities to evaluate reactor and licensee performance with its principal focus on operational safety. Also includes technical assistance for activities designed to ensure that adequate protective measures can and will be taken in the event of a radiological emergency, and that licensee personnel are adequately prepared to respond to reactor accidents.

220 19 12 01 0 REACTOR PERFORMANCE EVALUATION

Includes technical assistance for power reactor activities associated with the initial response to unanticipated events, follow-up safety reviews associated with facilities that have experienced problems, design investigations, generic safety assessment studies, and operating experience evaluation.

POLICIES AND PRACTICES GOVERNING  
NRC LONG-RANGE PLANNING, BUDGET  
FORMULATION, AND RESOURCE MANAGEMENT  
HANDBOOK 4.2 PART III

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220 19 12 03 0 EVALUATION OF LICENSEE PERFORMANCE  
AND MAINTENANCE

Includes technical assistance related to Systematic Assessment of Licensee Performance (SALP) reviews, evaluation of plant procedures, and quality assurance programs. Also includes technical assistance for assessing the effectiveness of existing maintenance practices and proposed industry initiatives.

220 19 12 01 0 REACTOR ACCIDENT MANAGEMENT EVALUATION

Includes technical assistance for the development of guidance on conducting operations under severe accident conditions.

220 19 13 00 0 HUMAN PERFORMANCE IN REACTOR SAFETY

Includes technical assistance for activities to ensure that trained and qualified operating personnel interact in an environment that ensures that their ability to prevent or respond to accidents is not compromised.

220 19 13 01 0 HUMAN PERFORMANCE EVALUATION

Includes technical assistance in the monitoring and evaluation of industry initiatives in the training area as well as the technical resolution of identified man-machine interface issues associated with control rooms.

220 19 13 02 0 LICENSING AND EXAMINATION OF REACTOR  
OPERATORS

Includes technical assistance for: the development and administration of written, oral, and simulator testing for licensing of Reactor Operators and Senior Reactor Operators; certification of training facility personnel; and requalification of Reactor and Senior Reactor Operators.

220 19 14 00 0 REACTOR OPERATIONS AND SAFEGUARDS  
INSPECTIONS

Includes technical assistance for activities to ensure that licensees operate nuclear power plants safely in accordance with NRC regulations. Also includes technical assistance to evaluate activities designed to deter, detect and protect against threats, radiological sabotage and theft or diversion of special nuclear materials. The primary focus of this support is on plant operations and maintenance.

POLICIES AND PRACTICES GOVERNING  
NRC LONG-RANGE PLANNING, BUDGET  
FORMULATION, AND RESOURCE MANAGEMENT  
HANDBOOK 4.2, PART III

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220 19 14 02 0 REGION-BASED INSPECTIONS

Includes technical assistance for specialized expertise in areas such as electrical and mechanical engineering, metallurgy, and instrumentation in support of inspection of power reactors, aerial radiological surveys, environmental monitoring at reactor sites, and other independent confirmatory analyses and measurements. Also includes technical assistance to inspect and evaluate the implementation of emergency preparedness regulations at power reactors; and to conduct regulatory effectiveness reviews and reactor safeguards inspections.

220 19 14 03 0 SPECIALIZED INSPECTIONS

Includes technical assistance for several types of specialized inspections such as Safety System Functional Inspections, Safety System Outage Modification Inspections, Operational Safety Team Inspections, and Vendor Inspections.

220 19 15 00 0 OPERATING REACTOR LICENSE MAINTENANCE  
AND REGULATORY IMPROVEMENTS

Includes technical assistance for activities to ensure that operating facilities maintain adequate levels of protection of public health and safety by completing the regulatory actions necessary to correct inadequacies in plant design and operation that are identified from: evaluation of operating experience and unanticipated events, resolution of safety issues, inspection findings, and NRC-sponsored safety research.

220 19 15 03 0 LICENSING ACTIVITIES SAFETY EVALUATIONS

Includes technical assistance for evaluating licensing activities, both licensing actions and other licensing tasks that are plant-specific or that impact multiple operating reactors (amendments, exemptions, relief requests, license modifications, 2.206 petitions, and topical reports).

220 19 15 04 0 REGULATORY IMPROVEMENTS

Includes technical assistance for the integration of operating experience and implementation of NRC policies on technical specifications, severe accidents and safety goals in the regulatory base.

POLICIES AND PRACTICES GOVERNING  
NRC LONG-RANGE PLANNING, BUDGET  
FORMULATION, AND RESOURCE MANAGEMENT  
HANDBOOK 4.2 PART III

220 21 10 00 0 TRAVEL (PERSONS-REGULAR)

Includes all obligations, payments, and costs for domestic travel for transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with the Federal Travel Regulations and Appendix 1501. These costs are chargeable directly to NRC. Specifically, includes (a) commercial transportation charges, rental or charter from commercial sources of passenger-carrying motor vehicles, trains, buses, vessels, and airplanes for transportation of persons, and expenses incident to the operation of such rented or chartered conveyances (rentals of all passenger-carrying motor vehicles from commercial sources are included, even though they may be used incidentally for transportation of things); and (b) mileage allowances for use of privately-owned vehicles and related charges which are specifically authorized (such as ferry fares and tolls) and mass transportation and taxi fares (including tips) whether in connection with local travel or travel away from a designated post of duty. Excludes rental of passenger-carrying motor vehicles from Government motor pools.

Includes all obligations, payments, and costs incurred for foreign travel between permanent duty station and foreign destination and return. However, when temporary duty is performed at a U.S. stopover en route to or from a foreign destination, the pertinent one-way costs of the trip between the permanent duty station and the stopover are charged to domestic travel. Such temporary duty at a U.S. stopover must be shown on the Travel Authorization (NRC-279) under remarks (item 27) as necessary for and not just incidental to the foreign trip.

220 60 00 00 0 REIMBURSABLE WORK

Includes all obligations, payments, and costs incurred under reimbursable agreements with other Federal agencies and outside parties in which NRC provides such goods or services.

220 60 01 00 0 REIMBURSABLE WORK (FEDERAL AGENCIES)

220 60 02 00 0 REIMBURSABLE WORK (NON-FEDERAL PARTIES)



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

March 24, 1989

MEMORANDUM FOR: Frank J. Miraglia, Associate Director for  
Inspection and Technical Assessment

Dennis M. Crutchfield, Acting Associate Director  
for Special Projects

Steven A. Varga, Acting Associate Director  
for Projects

Frank P. Gillespie, Director  
Program Management, Policy Development  
and Analysis Staff

FROM: Thomas E. Murley, Director  
Office of Nuclear Reactor Regulation

SUBJECT: PRIORITY RANKING SYSTEM FOR REVIEW EFFORTS - REVISION 1

This revision, Revision 1, to the NRR work priority ranking system, which was issued originally on April 29, 1988, provides guidance on how work requests from other Offices should be prioritized for action. Comments on the proposed Revision 1 were solicited from the NRR Divisions as well as NMSS, RES, AEOD and OSP--the primary Offices from which NRR receives work requests. The comments received were integrated into this revision. Substantive changes to the previous version are delineated by vertical lines in the right margins.

To allow more effective management of our technical resources, a uniform work priority ranking scheme is being used through NRR. This ranking system uses a priority hierarchy which will be used by management to establish completion schedules and staff assignments. While the priority ranking system was developed primarily for use in the licensing action process, it encompasses most expected activities, so that work requests are considered within the broad scope of all resource demands.

Both Projects (ADP) and Technical (ADT) will apply the enclosed priority system. Projects will indicate the appropriate priority on all work requests transmitting new work to the technical branches. Although work maintained for review within Projects normally does not require a work request, the PM shall prioritize all work efforts. The Project Manager Report (PMR) will be modified so that the PM can indicate the appropriate priority code for all licensing actions. This new prioritization scheme is required for all work in NRR.

Work originating in Offices other than NRR will be received by the responsible NRR interface organization (see External Interfaces Section, "NRR Management and Operations Policies" and Table 1 below). The priority of the work will be determined by the interface organization using the examples provided in Enclosure 1.

In those cases in which the NRR interface organization is the Program Management, Policy Development and Analysis Staff (PMAS), the work will be performed within PMAS to the extent practicable (notwithstanding the priority examples given in Enclosure 1) in order to minimize the adverse resource impact on the NRR line organizations. Iterations with the line organizations will be limited to only those that are necessary to complete the work. PMAS will obtain the concurrence of the line organization as appropriate for work originating in Offices other than NRR which it performs.

If it is impractical or inappropriate for the work to be performed in PMAS, PMAS will work with the appropriate line organization in delineating the scope of work to be completed by that organization and, using the examples provided in Enclosure 1, its priority.

TABLE 1

## EXAMPLES OF NRR WORK ORIGINATING IN OTHER OFFICES

Subject	Originating Office	NRR Interfacing Organization
Events assessments	AEOD	DOEA
Diagnostic inspections	AEOD	DRIS
Performance indicator program	AEOD	DLPQ
Overall coordination	RES	PTSB
Advanced LWRs	RES	DRSP
Safeguards	NMSS	DRIS
Waste issues	NMSS	PTSB
Dry spent fuel storage	NMSS	PTSB
Power reactor decommissioning	NMSS	DRSP

The NRR Allegation Review Board will also utilize the priority ranking system. In accordance with NRR Office Letter 1003, "Management of Allegations," dated July 1, 1988, the Board is responsible for the assignment of allegations to NRR organizations and for approval of specific allegation resolution plans to be implemented by those organizations.

#### Basis for Ranking Scheme

The prioritization scheme utilizes safety significance, operational impact and Commission statutory responsibilities in assigning priority. The ranking scheme defines four categories which are described generally below, along with a corresponding resource allocation. Enclosure 1 delineates specific examples of work which fall into each category. It should be noted that the examples contained in Enclosure 1 are part of a living document. The Executive Team will periodically provide direction, either verbally or in writing, to the Division Directors concerning relative work priorities which will supersede the examples in Enclosure 1. Additionally, management may declare a set priority for actions on a single plant, if desired, due to unusual circumstances at the plant.

Also, low priority work may temporarily be assigned a higher priority at management's discretion to ensure schedules are achieved. For example, management's initiative to reduce the backlog of licensing actions focuses attention on lower priority issues and effectively raises their priority to a higher level. Finally, in establishing priorities, consideration should be given to the licensees' assessment of their needs for their various requested actions and the resident inspectors'/regional offices' views on those needs. For example, clarification of the intent of technical specifications could be important in ensuring the exact intent or meaning of the technical specification is met.

PRIORITY 1: Significant safety concerns which require immediate action or response to issues which have demonstrated very high risk significance.

Actions needed to prevent plant shutdown, allow restart or prevent significant derate, when required action could not have been anticipated in a more timely manner by utility or vendor.

Issues where immediate actions needed for compliance with statutory and judicial requirements or Commission directives. Includes such activities as response to court orders, EDO/Congressional tickets, support for hearings, and response to 2.206 petitions.

Resource Allocation for Priority 1

Immediate resources will be allocated. Short response jobs will be accommodated as rapidly as possible.

PRIORITY 2: Significant safety issues which require near-term staff evaluation.

Activities needed to determine the safety significance/generic significance of an operating event.

Actions needed to support continued plant operation or evaluation of necessary modifications or enhancements.

Plant-specific resolution of very significant generic topics which have been identified as matters of high risk significance.

Topical Report reviews which will have extensive application in the short-to-mid term, and whose application results in a significant safety benefit.

Licensing reviews where SER preparation is needed within 6 months to prevent impact on CP, OL, PDA, or FDA issuance.



Resource Allocation for Priority 2

The assignments will receive sufficient resources of ADT personnel and contractors to complete the issue in a timely manner, consistent with the demands of priority 1 assignments. Generally, the review schedule will result in a review period from 3 to 6 months, though longer schedules may be necessary for tasks involving significant licensee/vendor interaction.

PRIORITY 2: Important issues (potentially of moderate safety significance) which require staff action over the long term.

Support for generic issue resolution and multiplant actions.

Topical report reviews which will have wide referenceability in the short-to-mid term and for which an application offers operational or economic benefit.

Technical Specification changes not needed to correct a safety problem or support continued plant operation or prevent derate.

Long-term license reviews, including naval and non-power reactor evaluations.

Resource Allocations for Priority 3

Technical resources will be allocated consistent with the demands of priority 1 and 2 tasks. Schedule slippages may occur due to development of higher priority assignments, but will be minimized via use of contractors and Regional resources. The review schedule typically will be 4 months or longer.

PRIORITY 4: Issues not directly impacting plant safety.

Administrative tech spec changes.

Topical report reviews with limited referenceability or safety benefit.

Actions on generic and confirmatory items with relatively low safety impact.

Resource Allocation for Priority 4

ADT technical branches will schedule resources as available from the demands of priority 1, 2, and 3 assignments. Review schedules by technical branches will typically be 6 months or longer on priority 4 assignments as the work will be utilized to accommodate available slots of reviewer time. Schedule slippages will likely occur on priority 4 assignments due to requirements of higher priority work, but repeated rescheduling should be minimized to the extent practical. It is envisioned that because of the little safety significance associated with priority 4 items, the scope and depth of review effort should be minimized. Periodically management will review priority 4 items to determine if the work effort should be continued or eliminated.

## Multiple Addressees

### Use of Risk Assessment Insights in Determination of Safety Importance

As a general rule, the safety significance of an issue should be guided by an assessment of its risk significance. Issues which affect components or systems that are involved with major accident scenarios should be considered as an appropriate high safety priority. A prime example would be problems associated with the station batteries or diesel generators, since station blackout accidents have been identified as major contributors to public risk at a number of sites. In a similar sense, issues related to containment integrity would be likely candidates for high priority since containment bypass accidents also contribute significantly to public risk.

Identification of components and systems involved as safety or nonsafety is not alone sufficient justification for assignment of priorities, as is clearly evidenced by the problems of the ICS (nonsafety) at B&W plants. Effects on important support systems must be carefully considered. Significant contributors to initiating events that may result in challenges to the plant need to have an appropriate high priority. In the future, guidance will be provided on the determination of risk significance based on past PRA studies. Prior to this, necessary guidance should be obtained from the responsible ADT Branch Chief or Assistant Director.

### Implementation of Program

Each new work request being transmitted to the technical branches will have the appropriate prioritization category identified by the PM and concurred in by the Project Director as indicated by appropriate initials on the work request form (Enclosure 2). While the above priority descriptions are meant to provide a general framework, Enclosure 1 identifies examples of specific actions which fall within each category. Enclosure 2 is to be the new standard Work Request form. It has been modified to allow a space to indicate the priority being requested as well as the basis for the priority. Each assignment should be given a priority designation, and this should be indicated on the assignment form. In justifying priority assignments, the specific example from Enclosure 1 should be cited, if feasible. The more general guidance above can be of assistance where an issue is not explicitly indicated in Enclosure 1.

The technical review branch management will retain a copy and return the original work request form within 5 working days either agreeing to the proposed completion date, or for cases where the technical review Branch Chief disagrees with the priority assignment or schedule, the appropriate Project Director will be contacted to discuss the issue. If resolution of priority and schedule cannot be reached, the issue should be elevated to the Assistant Director level.

For work assignments which are completed by multiple branches, the PM will coordinate the assignment to assure that a uniform priority determination is agreed upon by all review branches. Branch-specific schedules will, of course, be controlled by competing workloads within the branch.

For review of multiplant actions (MPAs), priorities and review schedules will be determined by the designated lead reviewer and lead Project Manager. The use of work request forms is not necessary for individual plants within an MPA. The lead reviewer will ensure that a uniform priority is established when multiple review branches are necessary for a given MPA. The lead Project Manager will work with the individual plant Project Managers to insure that the appropriate review priority is entered for all plants in the RITS/PMR data base for their assigned MPAs. Unique design features or special circumstances at certain plants may result in non-uniform review priorities within a specific MPA.

The prioritization scheme is not meant to be a rigid framework. Some assignments may not fall within the categories described. Allocation of resources, however, will be guided by the principles inherent in our prioritization process. That is, issues of greatest safety significance and operational impact will be prioritized high, as well as those areas which the Commission has identified as of importance. In the near future, our computerized licensing action tracking systems will be modified to include the prioritization scheme to allow management monitoring of the program.

#### Modifications to Schedules

The following procedure will be used to document modifications to schedules or priorities for all plant-specific work requests under review by the technical branches. This includes the backlog of work in process before this program was implemented. The plant PM is to be kept informed of any necessary scheduler or priority adjustments prior to the expiration of the original negotiated schedule. If the changes are due to competing priorities of other work assigned to the technical review branch, the reviewer will route a revised work request through his/her management to the PM. Before the request is routed for concurrence, the PM and the reviewer should informally negotiate the schedule. If an acceptable alternative cannot be negotiated, the issue shall be elevated for higher level management review. If the changes are due to reasons under control of the PM or licensee, the PM will initiate the transmittal of a revised work request to document the change. For minor schedule slippages of no more than approximately 1 month, the PM may determine that transmittal of a revised work request is unnecessary if he/she has received timely notification of an acceptable schedule change from the assigned reviewer and reviewer's management. Project Managers and ADT staff should make all possible efforts to establish realistic schedules so that multiple schedule changes are avoided.

For multiplant issues, schedule and priority discussions should be held between the lead PM and lead reviewer. The lead PM is responsible for informing plant-specific project managers of schedule or priority changes in a timely manner so they can update their PMR appropriately. Quarterly, the lead PM and lead reviewer will issue a summary report of their multiplant activities.

#### ADP Review

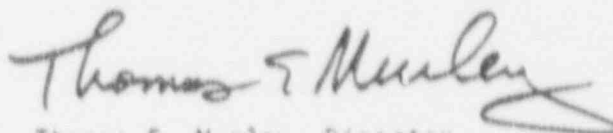
Projects has assumed review responsibility for some amendment applications and other action items requiring review. Depending upon the issue and the

expertise of the individual, review by a PM may be appropriate for issues of all priorities. However, if a review branch has a considerable workload of priority 1 and 2 items, it should re-evaluate its priority 3 and 4 commitments to determine if they can now be adequately reviewed by Projects.

The procedure for determining if Projects will conduct a review is provided in a memorandum dated September 4, 1987 from Frank J. Miraglia and Richard W. Starostecki. Before a PM commences a review, he/she should receive concurrence from technical branch management that Projects can conduct the review. To properly support this program, the review Branch Chief will normally provide concurrence and/or comments within 10 working days of receipt of the amendment package.

#### Regional Resources

Where feasible, technical reviews will be considered for assignment to the Regions. Either the PM or technical branch can request a regional review. However, the letter transmitting the work request to the Region will be signed by the appropriate ADP Assistant Director (who will be responsible for coordinating the total work assigned to the Region) and have the concurrence of the associated technical Branch Chief. If it is initially decided that the PM will conduct a particular review and then later the PM decides to transmit the work to the Region, concurrence by the technical Branch Chief on the transmittal letter is not required but the Branch Chief is to receive a copy of the transmittal letter for information purposes. However, all final amendment packages or safety evaluations sent to the licensee, where the review was not conducted by the NRR technical branches, will include the appropriate technical Branch Chief on concurrence. The purpose of this procedure is to ensure that the technical branches are cognizant of all efforts in their area of technical expertise.



Thomas E. Murley, Director  
Office of Nuclear Reactor Regulation

#### Enclosures:

1. Examples of Actions/Issues
2. Work Request Form

cc: All NRR Staff

ENCLOSURE 1

EXAMPLES OF ACTIONS/ISSUES

WITHIN EACH PRIORITIZATION CATEGORY

Priority 1 - HIGH PRIORITY, IMMEDIATE ACTIONS/ISSUES

1. Operating plant safety assessments of very high significance including:
  - a. event analysis of a serious operating incident
  - b. B&W plant reassessment
  - c. Part 21 reports of high safety significance
2. Bulletin development
3. 10 CFR 50.54(f) letter development
4. Team inspection (AIT/IIT/OSTI/Special Inspection) support
5. Activities directly related to problem plant restart decisions
6. Emergency Technical Specification reviews where necessity could not have been anticipated in a more timely manner
7. Equipment modifications required to ensure continued safe operation if there is a significant safety concern, such as ATWS modifications
8. Exemption requests necessary to allow restart or to prevent unnecessary reactor shutdown or significant derating of operating plants
9. EDO/Congressional ticket items
10. Support for court and Licensing Board hearing and response to interrogatories and 2.206 petitions
11. Incident Response Center Support
12. Technical support for Temporary Waivers of Compliance or Safety Evaluations Reports for license amendments for actions to prevent unnecessary reactor shutdowns or startup delays or significant derating of the plant, if such action would potentially have a safety impact
13. ACRS/Commission Briefings
14. Technical Support for orders or 50.54(f) letters consistent with safety significance
15. Resolution of inspection or RER team findings with high safety or safeguards significance

Note: Items such as 2, 4, 9, 11, 13, and 15 do not necessarily involve ADP assignment or tracking, but are included for perspective on work priority.

Priority 2 - HIGH PRIORITY, SHORT-TERM ACTIONS/ISSUES

1. Safety Evaluation Reports and Technical Specifications for NTOL activities
2. Safety evaluations necessary for restart support event assessment
3. Evaluation of changes required as a result of operating events, inspection findings, and significant Part 21 reports
4. Reviews of responses to 10 CFR 50.54(f) letters/bulletins, if potentially safety significant
5. Assistance to Regions (if safety significant) including:
  - a. Inspection team support
  - b. Consultation
  - c. Task Interface Agreements
6. BWR piping degradation and repair reviews and evaluations
7. Erosion/corrosion evaluations
8. Major safety, emergency planning, or safeguards issues
9. Radiological reviews for new or unique major modifications or equipment repairs
10. Technical Specification Improvement Program
11. Standard plant reviews
12. Reload reviews which result in Technical Specification changes, which are necessary to assure no reduction in safety margins
13. Multiplant issues of high safety significance
14. Emergency Operating Procedure Reviews from a plant-specific perspective
15. Support for enforcement action other than orders
16. Emergency Operating Procedure Reviews from a vendor perspective
17. Review of proposed resolution (prioritization) of USIs and GSIs

Priority 3 - MODERATE PRIORITY, LONG-TERM ACTIONS/ISSUES

1. Licensee Qualification to perform Plant Safety Analyses
2. GDC-4 leak-before-break reviews
3. Multiplant actions not priority 2
4. Surveillance program review
5. BWR IGSCC long-term program review
6. BWR feedwater nozzle cracking, long-term program revisions
7. Vent and purge valve operability
8. Non-power reactor issues, if safety significant
9. Vital equipment and vital area reviews
10. Changes necessary to satisfy orders, license conditions or regulations affecting numerous plants if change has moderate safety significance
11. Spent fuel pool expansion reviews not meeting priority 1 or 2 requirements
12. Piping as-built/design non-conformance reviews
13. Participation in ASME, ANSI, and IEEE Code and Standards activities
14. Code Topical Report reviews which are required to demonstrate compliance with the regulations, or provide operating flexibility/economic benefit and are expected to have wide reference ability

## Examples:

- a. Codes necessary to support cross-vendor reload
  - b. Haddam Neck conversion to zircaloy clad fuel
  - c. LOCA models for UPI plants
15. Safety-significant problems with Offsite Dose Calculation Manual (ODCM) or Radiological Effluent Technical Specifications (RETS)
  16. Decommissioning efforts
  17. Regulatory Guide 1.97 Reviews
  18. Steam generator replacement
  19. Waste issues
  20. FTOL Conversions
  21. Long term follow up of events which are not of high safety significance

22. Support on high priority generic issues
23. Severe accident policy implementation
24. Proposed regulatory changes
25. Review and evaluation of containment integrity issues
26. Pressurized Thermal Shock review and evaluation
27. Significant control room habitability issues
28. Seismic hazard characterization
29. Advanced reactor plant reviews
30. Inservice inspection and testing program implementation and relief requests not affecting continued operations or restart
31. Hydrogen Control Reviews
32. Plant license renewal effort related to lead plant reviews

#### Priority 4 - LOW PRIORITY ACTIONS/ISSUES

Issues not included above, including

1. Technical Specification relief requests that are in essence "relief" from current requirements (excluding those that involve unnecessary reactor shutdowns or plant derating)
2. B&W thermal hydraulics testing
3. Power upgrade proposals
4. Plant license renewals
5. Changes in core operating limits only to increase margin and not associated with the Technical Specification Improvement Program
6. Increased surveillance intervals, unless safety benefit
7. Larger acceptable operating bands for equipment needed only to provide operational flexibility
8. Code reviews which are needed only to improve operating flexibility
9. Turbine missile reviews
10. ASME Code case reviews for ORs
11. Review of effluent reports



Date Prepared \_\_\_\_\_  
Requested Target Date \_\_\_\_\_

WORK REQUEST

TO: \_\_\_\_\_, Branch Chief, \_\_\_\_\_ Branch \_\_\_\_\_  
THRU: \_\_\_\_\_, Director, PD \_\_\_\_\_  
FROM: \_\_\_\_\_, Project Manager, PD \_\_\_\_\_ Mail Stop \_\_\_\_\_  
TAC/TITLE: \_\_\_\_\_

Description of Review Requested \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Priority:\* \_\_\_\_\_ Rases for Priority: \_\_\_\_\_

Please indicate your acceptance of the Work Request and Target Date by Signature and Assignment of Reviewer(s). Work Package should be retained by reviewer(s).

Priority Determination Acceptable: Yes \_\_\_\_\_ No \_\_\_\_\_ Alternative Priority \_\_\_\_\_

Target Date Acceptable:\* Yes \_\_\_\_\_ No \_\_\_\_\_ Alternative Target Date: \_\_\_\_\_

Assigned Reviewer(s) \_\_\_\_\_ Phone \_\_\_\_\_  
\_\_\_\_\_ Phone \_\_\_\_\_

Section Chief Signature \_\_\_\_\_ Date \_\_\_\_\_

Branch Chief Signature \_\_\_\_\_ Date \_\_\_\_\_

Return to plant PM within 5 working days of receipt

If a revision to previously approved schedule:

New completion date \_\_\_\_\_ or New priority \_\_\_\_\_

Reason for revision \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Section Chief Approval: \_\_\_\_\_ Branch Chief Approval: \_\_\_\_\_

\*Review schedules for the 4 priority categories are normally:

- Priority 1 Immediate assignment of resources
- Priority 2 Near term action
- Priority 3 Long term action
- Priority 4 Resource dependent action

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File and retain in Manual until superseded.

UNITED STATES NUCLEAR REGULATORY COMMISSION  
NRC MANUAL

BULLETIN

NO. 5101-8

DATE: April 30, 1990

**SUBJECT:** JUSTIFICATION OF THE USE OF CONTRACTOR  
EMPLOYEES UNDER TASK ORDER CONTRACTS

Purpose:

This bulletin establishes procedures for requesting contractor assistance through task order contracts. These procedures implement the Executive Director for Operations' December 1, 1989, commitment to revise NRC Manual Chapter 5101, "NRC Acquisition of Supplies and Services" in accordance with the Inspector General's recommendation. The following procedures do not replace any other applicable procedures.

Scope:

This bulletin applies to all Offices that issue task order contracts.

Procedures:

1. Before issuing any request for a task order contract, the Designating Official shall ensure that the use of contractor employees rather than NRC personnel is justified in writing.

The document entitled, "Justification for Use of a Task Order Contract," will note whether funds for activities included in the proposed contract were approved in the Five-Year Plan or other management documents and summarize the basis of that approval. In addition, the document should indicate which of the following are the basis for contracting and describe the specific circumstances:

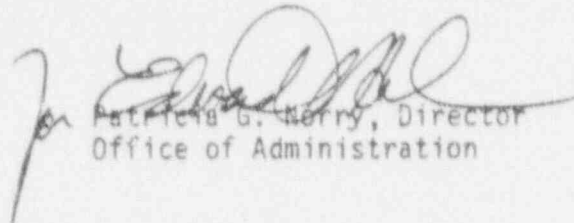
- a. Combination of professional skills and highly specialized experience is needed and is not available in the NRC staff.

- b. Work to be performed is for a one-time investigation or emergency which could not be anticipated and staff are not available to complete the work within desired time frame.
- c. Intentional duplication is necessary to draw upon independent, impartial expertise to verify results previously obtained.
- d. Unique facilities are needed but not available to NRC staff.

The justification shall be attached to the Form NRC 400, "Request for Procurement Action," and submitted to the Division of Contracts and Property Management, Office of Administration.

2. Before issuing any request for a task order, the Designating Official shall ensure that the use of a contractor is necessary and consistent with the justification developed for the basic contract. This will be accomplished by the following written statement, signed by the Designating Official, and submitted with the request to issue a task order:

"I have reviewed the 'Justification for a Task Order Contract' that was prepared for the basic contract and have ensured that acquiring contractor support for this task is consistent with that justification."

  
Patricia G. Barry, Director  
Office of Administration

GUIDELINES FOR PREPARING STATEMENTS OF WORK  
FOR NRR TASK ORDERS

GUIDELINES FOR PREPARING STATEMENTS OF WORK  
FOR NRR TASK ORDERS

Follow the format of the statement of work (SOW) in terms of the sequence of sections and paragraphs provided below.

(Items that appear in **bold** are actual parts of a statement of work; other information constitutes instruction.)

**Statement of Work For**  
**Task Order No. XX Under FIN L-XXXX**  
(Include Contract No. for commercial contracts)

Title: } Be succinct but descriptive

Project Manager: } Name and telephone number  
Technical Monitor(s): } Name(s) and telephone number(s)

TAC or Inspection Report Number: } Must be on each SOW  
NRR Priority Number: } Must be on each SOW

BACKGROUND

Summarize the matters or issues for which the work is to be contracted. Provide sufficient information to allow a disinterested third party to gain a basic knowledge of the matters or issues to be addressed and the reasons the matter or issue needs to be addressed. Identify or reference reports to be reviewed (such as licensee submittals and topical reports). If applicable, describe how the product(s) will be used in the regulatory process. The background paragraph should flow naturally and logically into the objective.

OBJECTIVE

Clearly and concisely describe the end results to be obtained from the contractor that will be used by the staff to address the matters or issues described in the background statement. The objective is what products the contractor will deliver, not what the staff will do with the product. Complete the following sentence:

The objective of this task order is to obtain the technical expertise of (insert contractor name) to assist the staff...

For example, "...in performing an inspection of XXXXX facility and documenting the results," or "...in reviewing the licensee's submittal with respect to ... recommending whether or not the licensee's position is acceptable."

TECHNICAL AND OTHER SPECIAL QUALIFICATIONS REQUIRED

State the number and types of specialists required keeping in mind that the contractor is responsible for selecting and proposing its employees, not NRC. If applicable, state the need for availability of the contractor's personnel such as full-time, part-time, or intermittent. Be as descriptive as possible concerning any specialized experience required to complete the work. Specify whether site access or unescorted site access will be required.

Insert the following paragraph:

It is the responsibility of the contractor to assign technical staff, employees, subcontractors, or specialists who have the required educational background, experience, or combination thereof to meet both the technical and regulatory objectives of the work specified in this SOW. The NRC will rely on representations made by the contractor concerning the qualifications of the personnel assigned to this task order including assurance that all information contained in the technical and cost proposals, including resumes, is accurate and truthful.

#### WORK REQUIREMENTS AND SCHEDULE

Describe the tasks and subtasks to be performed in a clear and succinct manner and at a level that lends itself to a development of a reasonable schedule. As a general rule, a reasonable schedule is one in which there is at least one milestone per month, and not less than one milestone in a two-month period.

A milestone does not have to be a deliverable, although such milestones are the easiest to monitor. Milestones can be established based on

- time (e.g., after XX weeks),
- quantity (e.g., after completing three site audits), or
- percent completion (e.g., after completion of each 25% of the task)

Technical progress reports (interim reports), which provide more detailed technical information than the monthly business letter reports, should be used to monitor tasks for which no deliverables are due for an extended period (that is, two months or more). For work that involves travel, use trip reports as milestones.

Unless a specific scheduled date is essential to the completion of a specific task or subtask, establish scheduled timeframes rather than specific due dates, as follows:

- two weeks from initiation of work on this task order
- three weeks after completion of Task 1
- one week after the trip or meeting
- two weeks after receipt of NRC comments on the draft report.

As a general rule, write the tasks and subtasks in a columnar format with the tasks and subtasks in the first column and the corresponding schedule in the second column, as shown below:

<u>Task</u>	<u>Completion Schedule</u>
-------------	----------------------------

- |           |  |
|-----------|--|
| 1.        |  |
| 2. , etc. |  |

Describe the work requirements in a manner that will provide a third party (e.g. DCPM contract administrator) with a basic knowledge of what will be done

and how it will be accomplished within the level of effort and schedule established.

Although separate SOW sections address deliverables, including reporting requirements and travel, the "Work Requirements and Schedule" section must address preparation of the deliverables (such as reports) and travel associated with a task or subtask, as follows:

<u>Task</u>	<u>Completion Schedule</u>
3. Prepare a technical evaluation report (TER)	
a. Prepare report.	Four weeks after receipt of licensee's responses to request for additional information
b. Travel to NRC Headquarters to discuss the draft.	Within one week after completion of Task 3.a
c. Incorporate NRC comments and prepare the final TER.	Three weeks after the meeting (Task 3.b)

If the work requirements cannot be described to the level stated above, or if a schedule cannot be established, the work is not ready for contracting. In this case, do not prepare the task order until these elements can be established.

LEVEL OF EFFORT

The following section should be completed:

The level of effort is estimated at \_\_\_\_\_ professional staff (hours, days, weeks), apportioned among the tasks (between, if only two) for planning purposes:

<u>Task</u>	<u>Level of Effort (hrs, days, wks)</u>
1.	
2.	
3.	
Total	_____ (hrs, days, wks.)

PERIOD OF PERFORMANCE (Optional for DOE task orders)

For task orders placed at the DOE National Laboratories, a formal period of performance for a task order is optional; the period of performance in the basic contract governs.

For commercial task ordering type contracts, complete the sentence:

The period of performance is projected to be \_\_\_\_\_ (days, weeks, months) from initiation of work.

Specific dates, particularly the ending date, can also be used. Use of dates, however, is often difficult because of the time lag involved in the processing of the task order. The contractor must specify the period of performance in the proposal.

### DELIVERABLES

State all required products to be produced and delivered by the contractor.

#### Monthly Business Letter Report

The basic contract includes a requirement for monthly business letter reports, and it is redundant to repeat the requirement in the task order. If new requirements are needed, the basic contract should be modified.

#### Technical Reporting Requirements

While reports and other deliverables are specified along with the schedule in the "Work Requirements and Schedule" section of the SOW, the "Technical Reporting Requirements" section summarizes all required reports and when they are due. In addition, the following information should be provided:

- Specify to whom the report is to be addressed, who should be on the distribution list, and how many copies each addressee should receive.
- Identify the type of report to be prepared:
  - Technical Evaluation Report (TER): This type of report is requested when a formal report is required, but the distribution is limited. In NRR, a TER is usually associated with "licensing actions" where the staff's safety evaluation report (SER) will incorporate the TER by reference.
  - NUREG/CR Report: The most formal contractor report, a NUREG/CR report is requested when there is a significant and important compilation of information, when wide distribution of the report as a stand alone document is required, and when the staff believes the document will be referenced frequently.  
  
NUREG/CR reports require the completion and execution of NRC Form 426A. The Form 426A is to be completed by the contractor and sent to the project manager for processing. For further information, refer to Management Directive 3.8 (formerly NRC Manual Chapter 3202). State that NUREG/CR reports must be prepared in accordance with NUREG-0650, "Publishing Documents in the NUREG Series."
  - Trip Report: In general, every trip for which results are not directly incorporated into either of the above reports, except for inspections and operator licensing examinations (see paragraph below), should be documented in a short, concise trip report.
  - Technical Letter Report: All other reports, documents, and other information including requests for additional information (RAI), computer software, and inspection or operator licensing examination inputs to be delivered by the contractor that do not fall under the



other types of reports listed above are transmitted as or under the cover of a technical letter report.

- Specify the format and content of each report, as well as related sections such as the Abstract, Executive Summary, References, and any appendices. Reference the contract number (for commercial contracts), financial identification number (FIN), task order number, and technical assignment control (TAC) or inspection report number.
- If draft reports are required, state how many iterations are expected.
- If the report will include proprietary or other sensitive information, indicate how this information will be handled.

NOTE: Unless otherwise specified, address all reports to the project manager. The project manager is responsible for ensuring appropriate distribution. For example, a copy may have to be sent to the Document Control Desk for incorporation into NUDOCS, unless it contains information exempted from public disclosure.

Presentation or publication in the open literature of papers or data based on reports already approved by the NRC for publication as final reports do not require NRC approval. Conversely, the NRC must approve any document containing predisciplinary or draft material before it may be released. Management Directive 3.8 (formerly NRC Manual Chapter 3202) provides further information. Requests for NRC approval of such reports are to be forwarded to the project manager for coordination and NRC approval.

#### MEETINGS AND TRAVEL

For any required travel, state the expected number of contractor trips, the destinations and durations (number of days), and how many people are expected to travel. Any foreign travel requirements must be similarly described. (Procedures on the processing of foreign travel are discussed in the Technical Assistance Project Manager's Handbook.)

Travel required to perform the work should be stated in the "Work Requirements and Schedule" section of the SOW. The details, however, are to be provided in this section.

List each trip separately.

If no travel is anticipated or required to accomplish the stated work requirements, state "None" under this paragraph.

#### NRC-FURNISHED MATERIALS

Specify any reports or other documents, equipment, and other items that the contractor will require to perform the work stated in the "Work Requirements and Schedule" section.

The ideal is to send these materials along with the SOW when the request for proposal is issued and before discussions or negotiations are conducted. If this is the case, so state in this section. Otherwise, state when the materials will be sent, or when they were sent if already forwarded under separate

cover. Also, state to whom the materials are to be addressed (the principal investigator, for example).

If no NRC-furnished materials are required, state "None."

OTHER APPLICABLE INFORMATION

License Fee Recovery

State whether the work contained in the SOW is license fee recoverable by completing the following sentence:

The work specified in this SOW is (is not) license fee recoverable.

Specify any other information, understanding(s), or assumptions of which the contractor should be aware for successful performance of work.

GUIDELINES FOR PREPARING STATEMENTS OF WORK

FOR NRR TECHNICAL ASSISTANCE CONTRACTS

(NON-TASK ORDERING TYPE)

GUIDELINES FOR PREPARING STATEMENTS OF WORK  
FOR NRR TECHNICAL ASSISTANCE CONTRACTS  
(Non-Task Ordering Type)

Follow the format of the statement of work (SOW) in terms of the sequence of sections and paragraphs provided below.

(Items that appear in **bold** are actual parts of a statement of work; other information constitutes instruction.)

**Statement of Work**

Title: } Be as descriptive as possible.

FIN: } Obtained by the project manager

B&R Number: } Obtained from the project identification summary

Project Manager: } Name and telephone number

Technical Monitor(s): } Name(s) and telephone number(s)

TAC Number: } Must be on each SOW

NRR Priority Number: } Must be on each SOW

**BACKGROUND**

Summarize the matters or issues for which the work is to be contracted. Provide sufficient information to allow a disinterested third party to gain a basic knowledge of the matters or issues to be addressed under the contract and the reasons why technical assistance is needed. Identify or reference reports to be reviewed if applicable. Also, if applicable, describe how the product(s) will be used in the regulatory process. The background paragraph should flow naturally and logically into the objective.

**OBJECTIVE**

Clearly and concisely describe the type of end products that are expected to be obtained from the contracted services. The objective is what products the contractor will deliver, not what the staff will do with the products. Complete the following sentence:

The objective of this contract is to obtain technical expertise from (the specific DOE National Laboratory) to assist the staff...

For example, "... in developing inspection guidance that will help NRC inspectors evaluate a nuclear power plant's Software Quality Assurance Program and determine its compliance with NRC requirements found in Appendixes A and B to Title 10, Part 50, of the Code of Federal Regulations (10 CFR 50)."

**TECHNICAL AND OTHER SPECIAL QUALIFICATIONS REQUIRED**

State the type of specialists and any expertise desired, keeping in mind that the contractor is responsible for selecting and proposing the number and type of personnel that will best meet contract requirements. If applicable, specify whether site access or unescorted site access will be required.

Insert the following paragraph:

It is the responsibility of the contractor to assign technical staff, employees, subcontractors, or specialists who have the required educational background, experience, or combination thereof to meet both technical and regulatory objectives of the work specified in this SOW. The NRC will rely on representations made by the contractor concerning the qualifications of the personnel assigned to this contract including assurance that all information contained in the technical and cost proposals, including resumes, is accurate and truthful.

#### WORK REQUIREMENTS AND SCHEDULE

Describe the tasks and subtasks to be performed in a clear and succinct manner and at a level that lends itself to development of a reasonable schedule. As a general rule, a reasonable schedule is one in which there is at least one milestone per month, and not less than one milestone in a two-month period.

A milestone does not have to be a deliverable, although such milestones are the easiest to monitor. Milestones can be established based on:

- time (e.g., after XX weeks)
- quantity (e.g., after completing three site audits)
- percent completion (e.g., after completion of each 25% of the task)

Technical progress reports (interim reports), which provide more detailed technical information than the monthly business letter reports, should be used to monitor tasks for which no deliverables are due for an extended period (that is, two months or more). For work that involves travel, use trip reports as milestones.

Unless a specific scheduled date is essential to the completion of a specific task or subtask, establish scheduled timeframes rather than specific due dates, as follows:

- two weeks from initiation of work on this contract
- three weeks after completion of Task 1
- one week after the trip or meeting
- two weeks after receipt of NRC comments on the draft report

As a general rule, write the task and subtasks in a columnar format with the tasks and subtasks in the first column and the corresponding schedule in the second column, as shown below:

<u>Task</u>	<u>Completion Schedule</u>
1.	
2.	

Describe the work requirements in a manner that will provide a third party with a basic knowledge of what will be done and how it will be accomplished within the level of effort and schedule established.

Although separate SOW sections address deliverables, including reporting requirements and travel, the "Work Requirements and Schedule" section must

address preparation of the deliverables (such as reports) and travel associated with a task or subtask, as follows:

TASK

Completion Schedule

- 3. Prepare a technical evaluation report (TER)
  - a. Prepare draft report. Four weeks after receipt of licensee's responses to the request for additional information
  - b. Travel to NRC Headquarters to discuss the draft. Within one week after completion of Task 3.a
  - c. Incorporate NRC comments and prepare the final TER. Three weeks after meeting (Task 3.b)

If the work requirements cannot be described to the level stated above, or if a schedule cannot be established, the proposed work is not ready for contracting. In this case, postpone preparation of the contract until these elements can be established.

LEVEL OF EFFORT AND PERIOD OF PERFORMANCE

Complete the following sentences and accompanying table:

The level of effort is estimated at \_\_\_\_\_ professional staff (months, years) over a \_\_\_\_\_ period (specify period).

The following estimates are provided for a proposal preparation (insert estimates):

<u>FY-XXXX</u>	<u>FY-XXXX</u>	<u>FY-XXXX</u>	<u>Total</u>
----------------	----------------	----------------	--------------

Keep in mind that the contractor may propose a different level of effort or a different distribution by fiscal year.

DELIVERABLES

State all required products to be purchased and delivered by the contractor.

Monthly Business Letter Report

See attachment.

Technical Reporting Requirements

While reports and other deliverables are specified along with the schedule in the "Work Requirements and Schedule" section of the SOW, the "Technical Reporting Requirements" section summarizes all required reports and when they are due. In addition, the following information should be provided:

- Specify to whom the report is to be addressed, who should be on the distribution list, and how many copies each addressee should receive.

- Identify the type of report to be prepared:
  - Technical Evaluation Report (TER): This type of report is requested when a formal report is required, but the distribution is limited. In NRR, the TER is usually associated with "licensing actions" where the staff's safety evaluation report (SER) will incorporate the TER by reference.
  - NUREG/CR Report: The most formal contractor report, a NUREG/CR report is requested when there is a significant and important compilation of information, when wide distribution of the report as a standalone document is required, and when the staff believes the document will be referenced frequently.

NUREG/CR reports require the completion and execution of NRC Form 26A. NRC Form 426A is to be completed by the contractor and sent to the project manager for processing. For further information, refer to Management Directive 3.8 (formerly Manual Chapter 3202). State that NUREG/CR reports must be prepared in accordance with NUREG-0650, "Publishing Documents in the NUREG Series."
  - Trip Report: In general, every trip for which results are not directly incorporated into either of the above reports, except for inspections and operator licensing examinations (see paragraphs below), should be documented in a short, concise trip report.
  - Technical Letter Report: All other reports, documents, and other information including requests for additional information (RAI), computer software, and inspection or operator license examination inputs to be delivered by the contractor that do not fall under the other types of reports listed above are transmitted as or under the cover of a technical letter report.
- Specify the format and general content of each report, as well as sections such as the Abstract, Executive Summary, References, and any appendices.
- Ensure that the transmittal letter and cover page of each report or other deliverable (as appropriate) contain the financial identification number (FIN), NRC technical assignment control (TAC) number or inspection report number, and facility name and docket number as applicable.
- If draft reports are required, state how many iterations are expected.
- If the report will include proprietary or other sensitive information, indicate how this information will be handled.

NOTE: Unless otherwise specified, address all reports to the project manager. The project manager is responsible for ensuring appropriate distribution. For example, a copy may have to be sent to the Document Control Desk for incorporation into NUDOCS, unless it contains information exempted from public disclosure.

Presentation or publication in the open literature of papers or data based on reports already approved by the NRC for publication as final reports do not require NRC approval. Conversely, the NRC approves any document containing predecisional or draft material before it may be released. Management Direc-

tive 3.8 (formerly NRC Manual Chapter 3202) provides further information. Requests for NRC approval of such reports are to be forwarded to the project manager for coordination and NRC approval.

#### MEETINGS AND TRAVEL

For any required travel, state the expected number of contractor trips, the destination and durations (number of days), and how many people are expected to travel. Any foreign travel requirements must be similarly described. (Procedures on the processing of foreign travel are discussed in the Technical Assistance Project Manager's Handbook.)

Travel required to perform the work should be stated in the "Work Requirements and Schedule" section of the SOW. The details, however, are to be provided in this section. List each trip separately.

If no travel is anticipated or required to accomplish the stated work requirements, state "None" under this paragraph.

#### NRC-FURNISHED MATERIALS

Specify any reports or other documents, equipment, and other items that the contractor will require to perform the work stated in the "Work Requirements and Schedule" section.

The ideal is to send these materials along with the SOW when the request for proposal is issued and before discussions or negotiations are conducted. If this is the case, so state in this section. Otherwise, state when the materials will be sent, or when they were sent if already forwarded under separate cover. Also, state to whom the materials are to be addressed (the principal investigator, for example).

If no NRC-furnished materials are required, state "None."

#### OTHER APPLICABLE INFORMATION

##### License Fee Recovery

State whether the work expected to be placed under the contract is license fee recoverable by completing the following sentence:

The work specified in this SOW is (is not) license fee recoverable.

##### Other Provisions

Specify any other information, understanding(s), or assumptions of which the contractor should be aware for successful performance of work.

##### Property Management

(Use contractor or DOE National Laboratory, as applicable.)



## 1. Utilization Management

It is not expected that (insert DOE National Laboratory) will be required to purchase any equipment, including computer hardware or software, to perform the work contemplated under this contract. However, if equipment is required, DOE or (insert DOE National Laboratory) shall conduct a utilization review of DOE and other appropriate sources of not required, excess, and surplus property before purchasing the equipment with NRC funds.

Property identified during this review that meets NRC contract needs shall be transferred to this contract in lieu of purchasing new equipment.

## 2. Reports

The DOE shall monitor property assigned to this contract on a regular basis to identify property that was not required that was purchased by the NRC under the terms of the DOE/NRC Memorandum of Understanding (MOU). Property not required shall be reported to NRC for utilization screening in accordance with established procedures.

Before the closeout of this contract, a reconciliation report shall be prepared by DOE or the DOE National Laboratory to identify available equipment and material purchased with NRC funds. The report shall contain MOU property description or nomenclature, manufacturer, model number, serial number, quantity, acquisition cost, receipt date, conditions code, and property identification number. The report shall also identify any active or contemplated NRR (or NRC) projects on which the MOU property could be used. If no MOU property is assigned to the contract, DOE shall provide a negative report. Any MOU property requiring special handling for security, health, safety, or other reasons shall be noted as part of the report. This report shall be submitted as soon as possible after a decision regarding contract completion or termination has been made, but not later than 60 days after the expiration of the period of performance. The report shall be submitted to the NRC project manager.

## MONTHLY BUSINESS LETTER REPORT REQUIREMENTS

A monthly business letter report (MBLR) will be submitted by the 15th of each month to the Technical Assistance Project Manager, Technical Assistance Management Section, NRR and the technical monitor.

Each report will contain four sections as described below.

### I. WORK PROGRESS STATUS

#### 1.a Identification Information

- The FIN
- The principal investigator(s) and telephone number(s)
- The NRC technical monitor(s) and telephone number(s)

#### 1.b Financial Summary

- The authorized ceiling amount for the contract
- The total amount of funds obligated to date
- The total cost for the period and cumulative to date
- Percent of funds expended against obligated funds
- The balance of funds required to complete work based on the agreed-upon amount of the contract

### 2. Schedule/Milestone Information in the following format:

<u>Tasks</u>	<u>Planned Completion Date</u>	<u>Revised Completion Date</u>	<u>Actual Date</u>
Provide a <u>brief</u> summary of the work; include any reports or travel.	The day, month and year scheduled for completion, or time-frame if a date is not known or projected.	The revised day, month and year based on a change. The reason for the change must be given in the "Problem/Resolution" section below.	The day, month and year <u>all</u> of the work is actually completed.

3. Work Performed During the Period

This section should contain a clear, succinct discussion of the work performed on each task order during the period. As a minimum, these discussions should support the costs reported for the period. Wording such as "worked on all tasks," or "continued to work on Task 1.a." is not particularly useful and reduces the effectiveness of the monthly report as a management tool and for historical documentation.

Any travel taken during the reporting period should also be summarized in this section of the report. Each travel summary should identify the persons traveling, the duration of the travel, the purpose of the travel, and any work/accomplishments not reflected elsewhere.

4. Problem/Resolution

- All problems encountered during the period should be clearly and succinctly identified and stated. Then, the resolution or the proposed solution should be briefly described. It should be clearly evident, from a reading of the description, who is responsible for solving the problem, should it still exist at the time the report is written.
- Notwithstanding the status of the problem at the time the MBLR is written, all problems should be recorded in the "Problem/Resolution" section of the MBLR for documentation/historical purposes. If the problem still exists in a subsequent month, in whole or in part, it should be described as it currently exists; otherwise, it should be deleted from the report.
- Problem or circumstances that require a change in the level of effort/costs, scope, or travel requirements are to be described in the MBLRs for documentation purposes but are to be dealt with separately in a letter addressed and sent to the NRR project manager.

5. Plans for Next Period

Provide a brief description of the work to be performed/accomplished during the next reporting period. If a milestone is expected to be completed during the next report period, so state.

## II. FINANCIAL STATUS

Provide the total direct staff use and the amount of funds expended (costed) during the period and total cumulative year to date in the following categories:

	<u>Current</u> <u>Month</u>	<u>To</u> <u>Date</u>
a. <u>Direct Labor (hours)</u>		
(1) Management	XX	XX
(2) Technical	XX	XX
(3) Support	XX	XX
Total	XX	XX
Subcontractor hours	XX	XX
b. <u>Labor Costs</u>		
(1) Direct Labor Costs	XX	XX
(2) Indirect Labor Costs	XX	XX
(3) Project Management Cost		
Subtotal	XX	XX
c. <u>Other Direct Costs</u>		
(1) Subcontractor/ Consultant Cost	XX	XX
(2) Material and Services Costs	XX	XX
(3) Computer Usage Costs	XX	XX
(4) Travel		
(a) Domestic	XX	XX
(b) Foreign	XX	XX
Total Travel	XX	XX
Subtotal Other Direct Costs	XX	XX
d. <u>G&amp;A Costs</u>	XX	XX
Total Reimbursable Costs	XX	XX
e. <u>Fee</u>	XX	XX
Total Costs	XX	XX

### III. LICENSE FEE RECOVERY COST STATUS

Pursuant to the provisions of 10 CFR Parts 170 and 171 on fees, provide the total amount of funds costed during the period and fiscal year to date for each task or task assignment by facility or topical report. The license fee recovery status report shall be on a separate page as part of the MBLR for the FIN, and shall be in the format provided on Attachment 1.

There should be only one license fee recovery cost status table per FIN; unit numbers, e.g., Beaver Valley 2, should be identified for each facility included in each table; the facilities should be sorted by docket number; and costs should be reported as whole numbers rounded to the nearest dollar. For work that involves more than one unit at the same site, each unit should be listed separately and the costs should be split appropriately between the units. Common costs, as defined below, shall be identified as a separate line item in the license fee recovery cost status table each month. The total of the period costs reported in the license fee recovery cost status table should equal the total of the period costs reported in the "Financial Status" section. In the event the totals of the costs reported in these two tables are not equal, an explanation for the variance should be given as a footnote to the license fee recovery cost status table.

Common costs are those costs associated with the performance of an overall program that benefit all similar licensees covered under that program or that are required to satisfactorily carry out the program. Common costs include costs associated with the following: preparatory or startup efforts to interpret and reach agreement on methodology, approach, acceptance criteria, regulatory position, or technical reporting requirements; efforts associated with the "lead plant" concept that might be involved during the first one or two plant reviews; meetings and discussions involving the above efforts to provide orientation, background knowledge, or guidance during the course of a program; any technical effort applied to a category of plants; and project management. At task completion or at the end of a fiscal year, whichever occurs first, the cumulative common costs for the current fiscal year shall be apportioned by the contractor to the affected plants using either of the following methods: (1) equally to all plants worked on under the program during the fiscal year, or (2) in proportion to the costs incurred during the fiscal year for each of the plants worked on. The specific method to be applied will be determined by the NRC project manager.

### IV. MONTHLY EXPENSE FORECAST

A monthly expense forecast will be prepared and included in the first MBLR and updated as applicable, e.g., on a fiscal year basis or when there is a change in funding authorization. The information is to be provided in a chart similar to that shown on Attachment 2 and will include: the period, the planned monthly spending rate, the actual monthly costs, the planned cumulative spending rate, and the actual cumulative spending rate. The cumulative planned monthly expenses rate and the cumulative actual monthly expenses will be graphically plotted.

An expense variance greater than 15 percent must be explained in the "Problem/Resolution" section.

LICENSE FEE RECOVERY COSTS STATUS

FIN:

TITLE:

PERIOD:

TAC NO.	PERIOD NO.	INSPECTION REPORT NO.	FACILITY NAME	DOCKET NO.	REPORT TITLE	COSTS	
						CUMULATIVE	FISCAL YR.

Common Costs  
  . Task 1  
  .  
  . Task n



GUIDELINES FOR PREPARING STATEMENTS OF WORK  
FOR ESTABLISHING NRR TECHNICAL ASSISTANCE  
TASK ORDERING TYPE CONTRACTS



GUIDELINES FOR PREPARING STATEMENTS OF WORK  
FOR ESTABLISHING NRR TECHNICAL ASSISTANCE TASK ORDERING TYPE CONTRACTS

Follow the format of the statement of work (SOW) in terms of the sequence of sections and paragraphs provided below.

(Items that appear in bold are actual parts of a statement of work; other information constitutes instruction.)

**Statement of Work**

Title: } Be as descriptive as possible.

FIN: } Obtained by the project manager  
B&R Number: } Obtained from the project identification summary

Project Manager: } Name and telephone number  
Technical Monitor(s): } Name(s) and telephone number(s)

TAC Number: } N/A; will be assigned to each task order  
NRR Priority Number: } N/A; will be assigned to each task order

**BACKGROUND**

Summarize the matters or issues for which the work is to be contracted. Provide sufficient information to allow a disinterested third party to gain a basic knowledge of the matters or issues to be addressed under the contract and the reasons technical assistance is needed. The background paragraph should flow naturally and logically into the objective.

Because of the nature of task-ordering type contracts, the matters, issues, and need should be discussed in broad terms.

**OBJECTIVE**

Clearly and concisely describe the end products to be obtained from the contract services. The objective is what products the contractor will deliver, not what the staff will do with the products. Complete the following sentence:

The objective of this project is to obtain technical expertise from (the specific DOE National Laboratory) on a task ordering basis to assist the staff ...

For example, "...in the review and evaluation of a broad range of plant-specific and generic licensing actions (and related issues), as specified in the following work requirements."

### TECHNICAL AND OTHER SPECIAL QUALIFICATIONS REQUIRED

State the types of specialists required, keeping in mind that task orders will specify the number and type of expertise required. Specify whether site access or unescorted site access will be required.

Insert the following paragraph:

It is the responsibility of the contractor to assign technical staff, employees, subcontractors, or specialists who have the required educational background, experience, or combination thereof to meet both technical and regulatory objectives of the work specified in this SOW. The NRC will rely on representations made by the contractor concerning the qualifications of the personnel assigned to this task order including assurance that all information contained in the technical and cost proposals, including resumes, is accurate and truthful.

### WORK REQUIREMENTS

In a broad and scoping manner, describe the work to be performed in the technical areas and disciplines or the NRR organizational responsibility areas. Include the following sentence:

On an "as required" tasking basis, (specify the National Laboratory, if DOE) will provide personnel with technical expertise in the areas of (state broad, scoping technical areas, such as nuclear performance/reactor systems, materials technology, structural and mechanical engineering, safety and risk evaluation, or systems engineering technology) to perform the following type(s) of work.

Describe typical tasks in a general, scoping manner. However, state them in a way that will provide a third party with basic knowledge of the type of work that is to be done and the general way it will be accomplished.

If practical, use scheduled timeframes to make the contractor aware of the type of schedules that are likely to be placed in the task orders. For example, typical tasks for a licensing action task ordering type contract could be scheduled as follows:

<u>Tasks</u>	<u>Schedule Completion</u>
1. Review and evaluate the licensee submittal and prepare a request for additional information (RAI).	Four weeks after initiation of work
2. Review and evaluate the licensee's RAI and prepare a technical evaluation report (TER).	
a. Prepare the draft report.	Three weeks after receipt of the RAI
b. Incorporate NRC comments and prepare the final TER.	Two weeks after receipt of comments

Include the following sentence:

Work requirements and schedules will be specified in the individual task orders issued in accordance with the procedures established in the following section of this statement of work.

#### PROCEDURES FOR PLACING TASK ORDERS

Use the following procedures to place task orders with the DOE National Laboratories:

- (1) When the need for a task assignment arises, the NRC project manager and the technical monitor will contact the laboratory's principal investigator (or program manager) to discuss the work requirements and determine the availability of the personnel recommended by the laboratory. If qualified personnel are available to perform the work, the parties will reach agreement, in principle, on the level of effort and schedule required to complete the proposed task order. The NRC project manager will provide a draft task order statement of work for discussion purposes. In unique cases of long-term or complex task orders, a written cost or technical proposal may be requested to facilitate discussion and negotiation of the proposed task order.
- (2) After reaching an agreement with the laboratory's principal investigator or program manager, the NRC project manager, will issue the task order in writing to the (specific DOE National Laboratory) program manager. The task order will include the agreed-upon statement of work and will state the cost ceiling established to complete the task order.
- (3) Task orders will be numbered consecutively. Each task order will include the NRC technical assignment control (TAC) or inspection report number and NRR priority number.
- (4) Within ten working days after receipt of the task order, the DOE National Laboratory program manager shall acknowledge receipt and acceptance of the task order by signing the task order transmittal letter in the space provided, and returning the original of the letter to the NRC project manager. In the event that (insert the DOE National Laboratory) requests a change in the agreed-upon scope, level of effort, cost, or schedule, the (insert DOE National Laboratory) program manager shall initiate discussions with the NRC project manager to reach a mutual agreement on the change. The (insert DOE National Laboratory) program manager shall make pen-and-ink changes to the task order transmittal letter, the statement of work, or attachment thereto, to document any agreed-upon changes before returning them to the NRC project manager.
- (5) In the event that a work scope or cost ceiling modification is required after acceptance of the task order, the individual NRC project manager or (DOE National Laboratory) principal investigator or project manager requesting the change shall initiate contact with the other to reach agreement. Any resulting modification will be confirmed in writing by the person initiating the modification.
- (6) If it becomes necessary to stop work or terminate a task order, the NRC project manager will orally notify the (DOE National Laboratory) principal investigator or project manager. All stop work orders or terminations will be confirmed in writing by the NRC project manager within ten working days of the oral notification.

- (7) In urgent situations, the NRC may require (insert DOE National Laboratory) to start work before receipt of the written task order. In such cases, the (insert DOE National Laboratory) shall begin work on the task order (assuming availability of personnel and agreement on the statement of work) subject to the monetary limitation established for the task order by the NRC project manager and agreed to by the (insert DOE National Laboratory) principal investigator or program manager. When this accelerated procedure is used, the (insert DOE National Laboratory) will begin negotiating the term of a definitive task order with the NRC project manager by the target date mutually agreed upon. The written task assignment will be issued by the NRC project manager within ten days of completion of the negotiations. The other terms of this section will apply.
- (8) Funds will be obligated incrementally commensurate with the number of task orders issued, the level of effort required to complete the task orders for the fiscal year, plus a reasonable carryover.

Use the following procedures for commercial contracts:

Task orders for services under this contract shall be ordered at the sole option of the NRC. NRC reserves the right to withdraw a proposed task order at any time prior to its formal award. Only contracting officers of the NRC may authorize the initiation of work under this contract. The provisions of this contract shall govern all task orders issued hereunder.

I. Task Order Request for Proposal

For each task order, the contracting officer will transmit to the contractor a written task order request for proposal that will specify all pertinent information regarding the work to be performed including the following, as applicable:

1. Background
2. Objective
3. Technical and Other Special Qualifications Required
4. Work Requirements and Schedule
5. Estimated Level of Effort
6. Period of Performance
7. Deliverables, e.g., Technical Reporting Requirements
8. Meetings and Travel
9. NRC-Furnished Materials
10. Applicable Special Provisions

II. Contractor's Task Order Proposal

1. Technical Proposal Content

A technical proposal is not required unless specified in the task order request for proposal. If requested, the contractor shall provide a written task order proposal that provides the following:

- (a) A discussion of the scope of work requirements to substantiate the contractor's understanding of the requirements of the task order and the proposed method or approach to meet the objectives of the order.

- (b) If applicable, how any special provisions will be accommodated.

The contractor shall explicitly identify any deviations from the task order statement of work whether or not a technical proposal is requested.

2. Key Personnel

For each task order request for proposal, the contractor shall identify all key personnel and the number of staff hours that will be committed to complete the work specified in the task order.

The contractor shall include the resumes for all professional personnel proposed to be utilized in the performance of any resulting task order, unless otherwise available as part of the basic contract.

3. Conflict of Interest Certification and Previous NRC Employees

The contractor shall provide a description of any former or current contractual and/or organizational relationships of the contractor, its employees, consultants or subcontractor(s) with industries regulated by the NRC that might give rise to an apparent or actual organizational or personal conflict of interest on each particular task order.

The contractor shall also identify any current or former NRC employees who have been or will be involved in performing work on any given task order.

4. Cost Proposal

For each task order request for proposal, the contractor shall submit a cost proposal by the date specified in the request utilizing Standard Form 1411, "Contract Pricing Proposal."

5. The contractor shall submit the proposal to the contracting officer and provide a copy to the project officer.

LEVEL OF EFFORT AND PERIOD OF PERFORMANCE

Complete the following:

The level of effort is estimated at \_\_\_\_\_ professional staff (months, years) over a three-year period. The following estimates are provided for proposal preparation (insert estimates):

<u>FY-XXXX</u>	<u>FY-XXXX</u>	<u>FY-XXXX</u>	<u>Total</u>
----------------	----------------	----------------	--------------

The level of effort to perform each task assignment will be specified in the individual task order statement of work.

## DELIVERABLES

### Monthly Business Letter Report

See attachment.

### Technical Reporting Requirements

The types, quantities, and distribution of the reports will be specified in each task order. Typically, the reports will involve:

Indicate the type of reports (or other deliverables) the contractor is expected to produce, such as

- technical letter reports that request additional or clarifying information
- draft and final technical evaluation reports (TERs), as appropriate, summarizing the work performed, results attained, findings and conclusion(s), and a recommendation as to the acceptability of the licensee's methodology

The transmittal letter and cover page of each report, or other deliverable as appropriate, shall contain the financial identification number (FIN), task order number and title, NRC technical assignment control (TAC) number or inspection report number, and facility name and docket number, as applicable.

## MEETINGS AND TRAVEL

Specific meeting and travel requirements will be identified in the specific task order statement of work. For purposes of preparing a proposal, assume the following meeting and travel requirements:

For example:

- Six one-person, two-day trips to NRC Headquarters for each fiscal year of the contract
- Two two-person, four-day trips to each of the five NRC regional offices for each fiscal year of the contract
- Five two-person, three-day trips to plant sites in the eastern part of the U.S.

## NRC-FURNISHED MATERIALS

Any reports, documents, equipment, and other materials that the contractor will require to perform the work will be stated in the "Work Requirements" section of the task order statement of work.

OTHER APPLICABLE INFORMATION

License Fee Recovery

State whether or not the work expected to be placed under the contract is license fee recoverable by completing the following sentence:

The work specified in this SOW is (is not) license fee recoverable.

Property Management

(1) Utilization Review

It is not expected that (insert DOE National Laboratory) will be required to purchase any equipment, including computer hardware or software, to perform the work contemplated under this contract. However, if equipment is required, DOE or the (insert DOE National Laboratory) shall conduct a utilization review of DOE and other appropriate sources of not required, excess, and surplus property before purchasing the required equipment with NRC funds. Property identified during this review that meets NRC project needs shall be transferred to this project in lieu of purchasing new equipment.

(2) Reports

DOE shall monitor property assigned to this contract on a regular basis to identify property that was not required that was purchased by the NRC under the terms of the DOE/NRC Memorandum of Understanding (MOU). Property not required shall be reported to the NRC for utilization screening in accordance with established procedures.

Before the close-out of this contract, a reconciliation report shall be prepared by the DOE or (insert DOE National Laboratory) to identify available equipment and material purchased with NRC funds. The report shall contain the MOU property description or nomenclature, manufacturer, model number, serial number, quantity, acquisition cost, receipt date, condition code, and property identification number. The report also shall identify any active or contemplated NRR (or NRC) projects on which the MOU property could be used. If no MOU property is assigned to the contract, DOE shall provide a negative report. Any MOU property requiring special handling for security, health, safety, or other reasons shall be noted as part of the report. This report shall be submitted as soon as possible after a decision regarding contract completion or termination has been made, but not later than 60 days after the expiration of the period of performance. The report shall be submitted to the NRC project manager.

Other Provisions

Specify any other information, understanding(s), or assumptions of which the contractor should be aware for successful performance of work.

## MONTHLY BUSINESS LETTER REPORT REQUIREMENTS

A monthly business letter report (MBLR) will be submitted by the 15th of each month to the Technical Assistance Project Manager, Technical Assistance Management Section, NRK. (For commercial contractors, a copy is to be provided to the Contract Administrator, Division of Contracts and Property Management, NRC) Other distribution will be specified once the contract is in place and may change from time to time as task orders are initiated and completed. For example, a copy is to be provided to each technical monitor for which a report is prepared.

Each report will include five\* sections as described below. Information in Section I, Section II, and, as applicable, Section IV, will be provided for each task order.

### I. WORK PROGRESS STATUS

#### 1a. Task Order Identification Information

- The FIN, the task order number and title
- The principal investigator(s) and telephone number(s)
- The NRC technical monitor(s) and telephone number(s)

#### 1b. Financial Summary

- The authorized ceiling amount for the task order
- The total amount of funds obligated to date for the task order
- The total cost for the period and cumulative to date
- Percent of funds expended against obligated funds

#### 2. Schedule/Milestone Information in the following format:

<u>Tasks</u>	<u>Planned Completion Date</u>	<u>Revised Completion Date</u>	<u>Actual Date</u>
Provide a <u>brief</u> summary of the work; include any report or travel.	The day, month and year scheduled for completion, or time-frame if a date is not known or projected.	The revised day, month and year based on a change. The reason for the change must be given in the "Problem/Resolution" section below.	The day, month and year all of the work is actually completed.

\*For commercial contracts, there will only be four sections. Section III, "License Fee Recovery Cost Status," will be deleted from the MBLR and incorporated as part of the voucher and billing requirements of the contract.



3. Work Performed During the Period

This section should contain a clear, succinct discussion of the work performed on each task order during the period. As a minimum, these discussions should support the costs reported for the period. Wording such as "worked on all tasks," or "continued to work on Task 1.a." is not particularly useful and reduces the effectiveness of the monthly report as a management tool and for historical documentation.

Any travel taken during the reporting period should also be summarized in this section of the report. Each travel summary should identify the persons traveling, the duration of the travel, the purpose of the travel, and any work/accomplishments not reflected elsewhere.

4. Problem/Resolution

- All problems encountered during the period should be clearly and succinctly identified and stated. Then, the resolution or the proposed solution should be briefly described. It should be clearly evident, from a reading of the description, who is responsible for solving the problem, should it still exist at the time the report is written.
- Notwithstanding the status of the problem at the time the MBLR is written, all problems should be recorded in the "Problem/ Resolution" section of the MBLR for documentation/historical purposes. If the problem still exists in a subsequent month, in whole or in part, it should be described as it currently exists; otherwise, it should be deleted from the report.
- Problem or circumstances that require a change in the level of effort/costs, scope, or travel requirements are to be described in the MBLRs for documentation purposes but are to be dealt with separately in a letter addressed and sent to the NRR project manager.

5. Plans for Next Period

Provide a brief description of the work to be performed/accomplished during the next reporting period. If a milestone is expected to be completed during the next report period, so state.

II. FINANCIAL STATUS

1. Provide the total direct staff use and the amount of funds expended (costed) during the period and total cumulative year to date in the following categories for each task order:

	<u>Current</u> <u>Month</u>	<u>To</u> <u>Date</u>
a. <u>Direct Labor (hours)</u>		
(1) Management	XX	XX
(2) Technical	XX	XX
(3) Support	XX	XX
Total	XX	XX
Subcontractor hours	XX	XX
b. <u>Labor Costs</u>		
(1) Direct Labor Costs	XX	XX
(2) Indirect Labor Costs	XX	XX
(3) Project Management Cost		
Subtotal	XX	XX
c. <u>Other Direct Costs</u>		
(1) Subcontractor/Consultant Cost	XX	XX
(2) Material and Services Costs	XX	XX
(3) Computer Usage Costs	XX	XX
(4) Travel		
(a) Domestic	XX	XX
(b) Foreign	XX	XX
Total Travel	XX	XX
Subtotal Other Direct Costs	XX	XX
d. G&A Costs	XX	XX
Total Reimbursable Costs	XX	XX
e. Fee	XX	XX
Total Costs	XX	XX

2. For each FIN, provide the following summary table:

FIN: X-XXXX

Total Obligations to Date	\$
Incremental Funding	\$
Total Costs to Date	\$
Balance	\$

<u>Tasks</u>	<u>Authorized Ceiling</u>	<u>Costs To Date</u>	<u>Balance</u>
XX	\$	\$	\$
XX	\$	\$	\$
	_____	_____	_____
Totals	\$	\$	\$

3. Provide the following information:

Total Contract <u>Ceiling</u>	Total Obligations <u>To Date</u>	Percent of Contract <u>Ceiling</u>
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### III. LICENSE FEE RECOVERY COST STATUS

Pursuant to the provisions of 10 CFR Parts 170 and 171 on fees, provide the total amount of funds costed during the period and fiscal year to date for each task or task assignment by facility or topical report. The license fee recovery status report shall be on a separate page as part of the MBLR for the FIN, and shall be in the format provided on Attachment 1.

There should be only one license fee recovery cost status table per FIN; unit numbers, e.g., Beaver Valley 2, should be identified for each facility included in each table; the facilities should be sorted by docket number; and costs should be reported as whole numbers rounded to the nearest dollar. For work that involves more than one unit at the same site, each unit should be listed separately and the costs should be split appropriately between the units. Common costs, as defined below, shall be identified as a separate line item in the license fee recovery cost status table each month. The total of the period costs reported in the license fee recovery cost status table should equal the total of the period costs reported in the "Financial Status" section. In the event the totals of the costs reported in these two tables are not equal, an explanation for the variance should be given as a footnote to the license fee recovery cost status table.

Common costs are those costs associated with the performance of an overall program that benefit all similar licensees covered under that program or that are required to satisfactorily carry out the program. Common costs include costs associated with the following: preparatory or startup efforts to interpret and reach agreement on methodology, approach, acceptance criteria, regulatory position, or technical reporting requirements; efforts associated with the "lead plant" concept that might be involved during the first one or two plant reviews; meetings and discussions involving the above efforts to provide orientation, background knowledge, or guidance during the course of a program; any technical effort applied to a category of plants; and project management. At task completion or at the end of a fiscal year, whichever occurs first, the cumulative common costs for the current fiscal year shall be apportioned by the contractor to the affected plants using either of the following methods: (1) equally to all plants worked on under the program during the fiscal year, or (2) in proportion to the costs incurred during the fiscal year for each of the plants worked on. The specific method to be applied will be determined by the NRC project manager.

IV. MONTHLY EXPENSE FORECAST

For task orders valued at \$100,000 or more, a monthly expense forecast will be prepared and included in the first MBLR and updated as applicable, e.g., on a fiscal year basis or when there is a change in funding authorization. The information is to be provided in a chart similar to that shown on Attachment 2\* and will include: the period, the planned monthly spending rate, the actual monthly costs, the planned cumulative spending rate, and the actual cumulative spending rate. The cumulative planned monthly expenses rate and the cumulative actual monthly expenses will be graphically plotted.

An expense variance greater than 15 percent must be explained in the "Problem/Resolution" section.

V. DELIVERABLES DURING PERIOD

A table that summarizes the deliverables submitted during the period in the following format:

<u>FIN</u>	<u>T.O. #</u>	<u>TAC/Inspect</u> <u>Report</u>	<u>Type of</u> <u>Report</u>	<u>Title of</u> <u>Submittal</u>	<u>Date</u>	<u>Div/Branch</u>
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\*Attachment 1 for commercial contracts since "License Fee Recovery Cost Status" section does not apply.

LICENSE FEE RECOVERY COSTS STATUS

FIN:

TITLE:

PERIOD:

TAC	PERIOD	INSPECTION	FACILITY	DOCKET	REPORT	<u>COSTS</u>	
<u>NO.</u>	<u>NO.</u>	<u>REPORT NO.</u>	<u>NAME</u>	<u>NO.</u>	<u>TITLE</u>	<u>CUMULATIVE</u>	<u>FISCAL YR.</u>

Common Costs  
  . Task 1  
  . Task n



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UNITED STATES NUCLEAR REGULATORY COMMISSION  
NRC MANUAL

BULLETIN

NO. 1401-1

DATE: October 29, 1980

SUBJECT: CRITERIA FOR SELECTING THE DEPARTMENT OF ENERGY (DOE) AS A  
SOURCE FOR OBTAINING GOODS AND SERVICES UNDER DOE/NRC  
MEMORANDUM OF UNDERSTANDING (MOU)

I. Purpose

This Bulletin establishes criteria for selecting the Department of Energy (DOE) as a source for obtaining goods and services under the DOE/NRC Memorandum of Understanding (MOU) dated February 24, 1978. NRC Form 367 (Exhibit A), "DOE Source Selection Justification", will be used to document and approve the bases for selecting DOE and will become part of the permanent record file.

II. Scope

This Bulletin applies to all offices including boards, panels, and committees of the NRC. The provisions contained herein:

- A. Supersede the instructions contained in the Executive Director for Operations memo of December 28, 1979, "Source Selection Criteria for Project Placement."
- B. Are applicable to obtaining all goods, consulting and other services excepting adjudicatory services, 1/ through the DOE/NRC MOU under any NRC budget object class. (Reference NRC Chapter 4139, "Utilization of Consultants and Members" and NRC Chapter 1102, "Procedure for Placement of Work with the Department of Energy.")

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1/ The Commission has statutory authority to appoint members to the Atomic Safety and Licensing Board Panel and its boards, the Advisory Committee on Reactor Safeguards, or any other hearing boards the Commission may establish. Under this authority the appointees may come from private life, the Commission staff or any other federal agency according to such technical or other qualifications as the Commission deems appropriate and necessary.



- C. Do not apply to procurements of goods and services amounting to less than \$10,000.
- D. Are not retroactive prior to the date of this Bulletin.

### III. Policy

It is the policy of the NRC to acquire outside assistance from the most appropriate source considering overall performance and cost factors. The procedures and documentation required herein will assist in the uniform application of this policy throughout the NRC and provide for documentation of the justification for placement of work with DOE.

According to NRC Bulletin 5105-1 dated June 29, 1979, "NRC Instructions for Implementing OMB Circular A-76; Policies for Acquiring Commercial or Industrial Products and Services Needed by the Government," the provisions of A-76 do not apply to Government-Owned, Contractor-Operated (GOCO) activities. Per NRC/DOE MDU, the work authorization will be reviewed by the DOE Operations Office, after obtaining DOE Headquarters approval as necessary, in light of existing resource commitments and adequate contractor resources. Use of excess capacity is an allowable exception to OMB Circular A-76.

### IV. Responsibility and Authority

The project manager<sup>2/</sup> or his designee shall complete Items 1 through 6 of NRC Form 367, "DOE Source Selection Justification," for all new projects.

When intermediate approval within an office is necessary, the Office Director shall determine the level (branch chief, assistant director, division director) for approval (Item 7) of the bases for selection.

The Office Director or his designee shall be the final office approval authority for approving DOE as an acceptable source for goods and services based upon the justification being provided. Approval will be given by signing in block 8 of the NRC Form 367.

Source justification should be reviewed by the project manager and the program support staff when modifications are made to the original scope of work or new tasks outside of the original scope are added to the project.<sup>3/</sup> A new justification should be prepared when, in the judgment of the project manager and the program support staff, a modification to the original statement of work is made that would warrant consideration of a new source.

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<sup>2/</sup> A title used herein referencing the individual assigned the responsibility for overall management of a specific acquisition of goods and services under a Financial Identification Number (FIN). Offices may use other designations.

<sup>3/</sup> A project is defined for purposes herein as a specific acquisition of goods and services which has been assigned a unique Financial Identification Number (FIN) and which satisfies the attainment of either a single or homogeneous group of objectives.

V. Basic Requirements

The following are the selection factors to be used along with past performance to justify the placement of work with the DOE:

- A. Internal governmental functions: Where the work by its inherent nature should be performed by the federal government.
- B. Objectivity:
  - (1) To avoid conflict of interest. This factor applies when objectivity demands that we use another government agency to avoid a real or apparent conflict of interest with commercial sources.
  - (2) To engage in intentional duplication. Some projects are intentionally duplicated to draw upon independent, impartial expertise to verify results previously obtained.
- C. Facilities:
  - (1) To capitalize on available facilities. When a unique facility is needed, already exists and is available, full use of the existing resources should be made.
  - (2) When large and/or special facilities and special equipment are needed to accomplish the work and it is in the best interest of the NRC to place such work with DOE.
  - (3) When the success of the work objectives is critically dependent upon the use of a DOE facility and its equipment.
- D. Continuation, unique technical background(s), and combinations of disciplines:
  - (1) When continuation of work previously performed by an agency is a prerequisite and it would not be in the best interest of the government to bring a commercial entity to the point where performance of the new effort is possible.
  - (2) When the desired technical background or knowledge currently exists in only one place and to go elsewhere would impede accomplishment of the task in a reasonable manner or time frame.

- (3) When a laboratory possesses a combination of professional skills and highly specialized experience that are required to undertake the project.
- (4) Where closely-associated work efforts in a subject area provide the necessary unique background for placement of the new work or work exists from which the task is a logical extension.

E. Timing:

This factor may be critical if the project results are needed within a time frame which would not permit the solicitation and award of a contract. This supposes that the DOE can meet the needed date through interagency tasking. When practical, planning for research and technical assistance should be accomplished sufficiently in advance to allow for the time lags associated with the competitive bidding process.

- (1) When work must be finished by a certain date as mandated by the Congress, the Commission or by critical circumstances not able to be met by the commercial sector.
- (2) When the government would be seriously, financially or otherwise injured if service(s) or product(s) were not furnished by a certain time.

F. DOE/subcontract involvement:

Where there is need for the involvement of both the DOE and a commercial firm, interagency tasking coupled with subcontracting by the DOE may be used. However, "pass through contracting" to bypass the federal procurement process is prohibited.

G. Work entails use of copyrights, patents, or proprietary information:

When one or a combination of these factors are essential to the accomplishment of the work and where the requirement cannot be revised to permit competition and open disclosure in the commercial sector.

VI. Documentation

A copy of the NRC Form 367 recording the placement decision and any required project descriptive summary shall be:

- Filed in the project file maintained by the issuing office.
- Provided to NRC project review groups upon request.



William J. Dircks  
Executive Director for Operations

EXHIBIT 1

NRC FORM 387 (8-80) NRCM 1401		U.S. NUCLEAR REGULATORY COMMISSION		FILE NUMBER
<b>DOE SOURCE SELECTION JUSTIFICATION</b>				
1. FIN TITLE		2. SELECTED SOURCE		
3. ORGANIZATION (Office, Division and Branch)				
4. SIGNATURE—PROJECT MANAGER				DATE
TYPED NAME—PROJECT MANAGER				
5. BASIS FOR SELECTION (Describe the factors used to justify the basis for selection. see Bulletin 1401-1)				
7. APPROVAL (authorized use)				DATE
8. APPROVED (Signature of Office Director or Designee)				DATE

**NRR TECHNICAL ASSISTANCE PROCEDURES**

**PROJECT IDENTIFICATION SUMMARY (PIDS) FOR FISCAL YEAR \_\_\_\_\_**

Title: \_\_\_\_\_

Contractor	Program Activity (PA) Number	NRR Priority	B&R Number	FIN
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Division	Branch	Technical Monitor (Print)	Extension
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BUDGET: \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_  
                   Prior Year(s)                   Current Year                   Out-Year(s)

(Based on a level of effort of: \_\_\_\_\_ professional staff check one:  weeks  months  years)

DESCRIPTION OF WORK REQUIRED:

Projected Period of Performance: From: \_\_\_\_\_ To: \_\_\_\_\_

APPLICATION:

Use of Contractor: Check one:  1.     2.     3.     4.     5.

APPROVALS:

<u>Recommended:</u>	<u>Endorsed:</u>	<u>Endorsed:</u>	<u>Approved:</u>
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_____ Technical Monitor/Date	_____ Sect. Chief/Date	_____ Branch Chief/Date	_____ Division Dir./Date
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## INSTRUCTIONS FOR PREPARATION OF THE PROJECT IDENTIFICATION SUMMARY

**General:** A PIDS is to be prepared for each project (stand-alone contract) whose objective is single-purposed, i.e., not a task-ordering type contract. For task-ordering type contracts, a PIDS is to be completed for each task order.

**Fiscal Year:** Insert the fiscal year for which the funds are being requested and for which the PIDS is being prepared for a project or task order, or modification thereof.

**Title:** Insert the title of the project or the task order, as appropriate, but not both. That is, use the task order title if the effort will be placed under a task-ordering type contract.

**Contractor:** Insert the name of the contractor if known, i.e., with whom the work is anticipated to be placed. Otherwise insert "unknown."

**Program Activity (PA) Number:** Insert the PA number based on the program area in which the work belongs. The PA number and corresponding category definitions can be found in Appendix A to the Regulatory Information Tracking System (RITS) Users Guide. The PA number for the technical assistance project or task order will be the same as the PA number to which the staff will charge their time when they work on the contract or task order, including their contract monitoring responsibilities.

**Corollary note:** time charged by the technical staff to the Contract Management PA numbers is for effort spent preparing for and participating in progress and program reviews.

**NRR Priority:** Insert the priority ranking number, i.e., 1, 2, 3, or 4, in accordance with the instructions contained in the NRR Memorandum dated March 24, 1989, from the Director, NRR to the NRR Associate Directors and the Director, PMAS. See Appendix E to the NRR Procedures for Administration of Technical Assistance Contracts.

**Budget and Reporting (B&R) Number:** See Appendix D to the NRR Procedures for the Administration of Technical Assistance Contracts.

**Financial Identification Number:** Insert the number for current, on-going contract or task order. Leave blank for new contracts or task orders. Insert "Unknown" if neither of the above is known.

**Division, Branch, Technical Monitor/Extension:** Insert cognizant organization acronym and Technical Monitor name and extension.

**Budget - Prior Year(s):** Insert the amount of funds obligated to the contract or task order in the previous year(s). Leave blank if none.

**Current Year:** Insert the estimated costs in dollars and the estimated level of effort and indicate whether in professional staff weeks, months, or years. If the rates are not known, use \$4,000 per contractor professional staff week.

**Out-Year(s):** Insert the amount of funds required to complete the work in the subsequent fiscal year(s). Leave blank if none.

**Description of the Work Required:** State objective, summarize the scope of the work, and identify major deliverable(s) to be obtained. Use an additional sheet of paper if necessary.

**Projected Period of Performance:** State the period of performance on the contract or task order or state when the work is projected to start and end. If not known, state "unknown."

**Application:** Discuss applicability to a specific Program Activity in the Five-Year Plan, or other directive for doing the work. If there is not a direct relevance to the Five-Year plan (e.g., development or enhancement of a computer code), describe that relevance to meeting an objective of the Five-Year plan. Use an additional sheet of paper if necessary.

**Use of Contractor:** Check one of the blocks based on the following:

1. Current staff are fully utilized and not available at the time to perform the designated work.
2. Combination of professional skills and highly specialized experience is needed and is not available in the NRC staff.
3. Work to be performed is for a one-time review, inspection, investigation or emergency which could not be anticipated and staff are not available to complete the work within time frame required.
4. Intentional duplication is necessary to draw upon independent, impartial expertise to confirm results previously obtained.
5. Unique facilities are needed but not available to NRC staff.

**Approvals:** Legibly sign and date the form.

## INSTRUCTIONS FOR PREPARATION OF THE PROJECT IDENTIFICATION SUMMARY

**General:** A PIDS is to be prepared for each project (stand-alone contract) whose objective is single-purposed, i.e., not a task-ordering type contract. For task-ordering type contracts, a PIDS is to be completed for each task order.

**Fiscal Year:** Insert the fiscal year for which the funds are being requested and for which the PIDS is being prepared for a project or task order, or modification thereof.

**Title:** Insert the title of the project or the task order, as appropriate, but not both. That is, use the task order title if the effort will be placed under a task-ordering type contract.

**Contractor:** Insert the name of the contractor if known, i.e., with whom the work is anticipated to be placed. Otherwise insert "unknown."

**Program Activity (PA) Number:** Insert the PA number based on the program area in which the work belongs. The PA number and corresponding category definitions can be found in Appendix A to the Regulatory Information Tracking System (RITS) Users Guide. The PA number for the technical assistance project or task order will be the same as the PA number to which the staff will charge their time when they work on the contract or task order, including their contract monitoring responsibilities.

**Corollary note:** time charged to the technical staff to the Contract Management PA numbers is for effort spent preparing for and participating in progress and program reviews.

**NRR Priority:** Insert the priority ranking number, i.e., 1, 2, 3, or 4, in accordance with the instructions contained in the NRR Memorandum dated March 24, 1989, from the Director, NRR to the NRR Associate Directors and the Director, PMAS. See Appendix E to the NRR Procedures for Administration of Technical Assistance Contracts.

**Budget and Reporting (BAR) Number:** See Appendix D to the NRR Procedures for the Administration of Technical Assistance Contracts.

**Financial Identification Number:** Insert the number for current, on-going contract or task order. Leave blank for new contracts or task orders. Insert "Unknown" if neither of the above is known.

**Division, Branch, Technical Monitor/Extension:** Insert cognizant organization, acronym and Technical Monitor name and extension.

**Budget: Prior Year(s):** Insert the amount of funds obligated to the contract or task order in the previous year(s). Leave blank if none.

**Current Year:** Insert the estimated costs in dollars and the estimated level of effort and indicate whether in professional staff weeks, months, or years. If the rates are not known, use \$4,000 per contractor professional staff week.

**Out-Year(s):** Insert the amount of funds required to complete the work in the subsequent fiscal year(s). Leave blank if none.

**Description of the Work Required:** State objective, summarize the scope of the work, and identify major deliverable(s) to be obtained. Use an additional sheet of paper if necessary.

**Projected Period of Performance:** State the period of performance on the contract or task order or state when the work is projected to start and end. If not known, state "unknown."

**Application:** Discuss applicability to a specific Program Activity in the Five-Year Plan, or other directive for doing the work. If there is not a direct relevance to the Five-Year plan (e.g. development or enhancement of a computer code), describe that relevance to meeting an objective of the Five-Year plan. Use an additional sheet of paper if necessary.

**Use of Contractor:** Check one of the blocks based on the following:

1. Current staff are fully utilized and not available at the time to perform the designated work.
2. Combination of professional skills and highly specialized experience is needed and is not available in the NRC staff.
3. Work to be performed is for a one-time review, inspection, investigation or emergency which could not be anticipated and staff are not available to complete the work within time frame required.
4. Intentional duplication is necessary to draw upon independent, impartial expertise to confirm results previously obtained.
5. Unique facilities are needed but not available to NRC staff.

**Approvals:** Legibly sign and date the form.

OUTLINE FOR USE IN CONDUCTING  
DIVISION QUARTERLY TECHNICAL ASSISTANCE PROGRESS REVIEW MEETINGS  
(Presentation by Branch Chief)

Prepare slides or handouts that present the following information:

(1) Overall Branch Financial Status

- current fiscal year budget for the branch
- current fiscal year obligated funds
- percent of obligations against the budget
  
- prior year carry-over
- total funds available at the beginning of the fiscal year (carry-over funds plus the current fiscal budget)
  
- percent of obligations against total funds available
  
- total costs to date (include the date)
- percent of costs against total funds available

Discuss any anomalies.

(2) Project-Specific Financial Status and Progress

For each project (FIN level), discuss the financial status and progress, as follows:

(a) Financial Status

Present the following information in a slide or handout:

- total projected cost of the project
- budget for the prior fiscal year(s) (if applicable)
- current fiscal year budget
- obligations for the prior fiscal years(s)
- current fiscal year obligations
- carry-over funds for the prior fiscal year(s)
  
- total obligations to date (include the date)
- total funds available
- total costs to date (include the date)
  
- percent of current fiscal year obligations against the current fiscal year budget
- percent of costs against total funds available
- percent of costs against total obligations
- percent of costs against total obligations plus unobligated funds

Discuss any anomalies.

Discuss the projected monthly rate of expenditure and the basis for projection.



(b) Progress

Discuss the contractor's timeliness. (For example, have all milestones and deliverables been met?)

Discuss the quality of the services or products. (For example, have the right kind of people been assigned?)

Is the priority of the project still valid? Are the services or products still needed?

List the services and products received to date. Discuss the use(s) made of the services and products.

Discuss project accomplishments to date against branch plans and objectives.

(3) Other Subjects

Discuss the need, if any, for modification to the Branch Financial Plan.

## PERFORMANCE APPRAISAL FOR TECHNICAL MONITORS

### Performance Element

- (1) Prepares the Project Identification Summary (PIDS) for technical assistance contracts and task orders to which he/she is assigned.
- (2) Attends required training to obtain knowledge and understanding of sound contract monitoring principles, practices, and procedures.
- (3) Develops input to the statement of work and other procurement documents as required and applicable. (For example, provides input to the NRC Form 367 and input to the project descriptive summary needed for SCRB review.) Coordinates work requirements with other interested parties, as applicable. Participates in negotiations with the contractor and recommends acceptance or rejection of the proposal based on written analysis. Provides any NRC-furnished materials that the contractor requires to perform the work.
- (4) Monitors contractor work efforts according to NRR Technical Assistance Procedures, focusing particularly on the timeliness and adequacy of technical deliverables. Comments on contractor draft reports.
- (5) Prepares input to modifications as requirements change. Apprises his/her management and the Project Manager of technical progress and provides contractor inputs for incorporation in the official NRC contract file.
- (6) Reviews vouchers and Monthly Business Letter Reports and provides input to the Project Manager.
- (7) Completes other required procurement-related forms and documents (such as contractor performance evaluation), as required.

### Performance Standard

- (1) Input to the PIDS is accurate, complete, and timely. Cost and budget estimates are reasonable, that is, within plus or minus 15 percent of the final negotiated costs authorized for the contract or task order.
- (2) Training is attended as required and successfully completed.
- (3) Technical requirements input to the statement of work are clear, logical, and written in a descriptive manner that will minimize contractor misunderstanding and misinterpretation. Milestones are established and reports are clearly delineated. Inputs to other procurement documents are provided in a timely manner.

Performance Standard (Continued)

- (4) Work requirements have been fully coordinated with other interested parties. Negotiations with the contractor are handled professionally. Input to proposal evaluation is timely and correct. NRC materials required by the contractor are furnished in a timely manner.
- (5) Contacts are maintained with the contractor at a level commensurate with the level of activity, but no less than weekly on active contracts or task orders. Comments on contractor draft reports are provided to the contractor within one week, except in situations not within the control of the Technical Monitor. Comments are thorough and technically sound resulting in few, if any, further changes by the contractor.
- (6) Input to any required modifications is provided in a timely manner so that cost overruns do not occur because of lack of follow-up by the Technical Monitor. Recommends step-work orders or termination, as appropriate, when there are severe problems or when the work is no longer needed.
- (7) Laws, regulations, and procedures are followed.
- (8) Input to vouchers is provided in a timely manner (most responses are provided with the five-day allowance).
- (9) Input to other procurement forms is provided in a timely manner (most are completed within two-weeks of the time they could be initiated).
- (10) Contractor products are technically acceptable, or rejected for corrections in a timely manner.
- (11) Final costs of the contract or task order are within plus or minus 15 percent of the authorized ceiling.

**PERFORMANCE APPRAISAL  
FOR NON-SES SUPERVISORS OF TECHNICAL MONITORS**

**Performance Element**

- (1) Attends required training made available for supervisors of the procurement functions.
- (2) Reviews and concurs with Project Identification Summary (PIDS) sheets for technical assistance contracts or task orders that are under his/her purview.
- (3) Reviews and concurs with input to the statement of work and other procurement documents (such as input to the NRC Form 367 and input to the project descriptive summary needed for SCRB review) as required and applicable. Coordinates or ensures that work requirements have been properly coordinated with other interested parties, as applicable.
- (4) Ensures that Technical Monitors under his/her supervision provide the appropriate level of direction to the contractor and that the TM's direction and actions comply with NRR Technical Assistance Procedures.
- (5) Ensures that modifications are processed so as to avoid cost overruns or work beyond the period of performance. Ensures that stop-work orders or terminations are processed, as applicable, when there are severe problems or when the work is no longer needed.
- (6) Ensures that Technical Monitors under his/her supervision perform their duties in a correct and timely manner (including review of vouchers, Monthly Business Letter Reports, and other related forms and documents such as receipt of deliverables and contractor performance evaluation).

**Performance Standard**

- (1) Training is attended as required and successfully completed.
- (2) Input to the PIDS is accurate, complete and timely. Cost and budget estimates are reasonable, that is, within plus or minus 15 percent of the final negotiated costs authorized for the contract or task order.
- (3) Technical requirements input to the statement of work are clear, logical, and written in a descriptive manner that will minimize contractor misunderstanding and misinterpretation. Milestones are established and reports are clearly delineated. Inputs to other procurement documents are provided in a timely manner. Work requirements have been fully coordinated with other interested parties.
- (4) Laws, regulations, and procedures are followed.

- (5) Contractor products are technically acceptable, or rejected for correction in a timely manner.
- (6) Final costs of the contract or task order are within plus or minus 15 percent of the authorized ceiling.
- (7) Close-out evaluations are processed in a timely manner.

RESPONSIBILITIES OF THE  
TAMS PROJECT MANAGER

## RESPONSIBILITIES OF THE TAMS PROJECT MANAGER

Project managers (PMs) have overall management responsibility for a contract to which they are assigned. In that regard, they

- must be knowledgeable of and adhere to pertinent Federal procurement rules and regulations and agency policies and comply with all applicable NRC management directives (see Section 7, "Bibliography," of the manual).
- must be knowledgeable of and adhere to sound contract management principles and practices
- develop well-defined statements of work (and modifications thereto that may be required during contractor performance) that are consistent with the guidelines for developing a statement of work (SOW) found in Appendix G.
- develop the independent cost estimates
- initiate the request for proposal package including the coordination of duplication-of-effort reviews among the program offices and, if applicable, preparation of the Senior Contract Review Board package
- review and evaluate the contractor's proposal, lead the negotiations, approve (or disapprove) the proposal (unless costs are more than 15 percent of the estimate), and prepare the authorization documents
- ensure that results of negotiations or other pertinent discussions are well documented
- ensure, in conjunction with the technical monitor (TM), that the work is performed in accordance with the SOW (scope, level of effort, period of performance, and approved personnel) and coordinate any necessary modifications with the TM.
- recommend and initiate any stop-work order or termination if the contractor is not performing in accordance with expectations, whether or not it is within the contractor's control
- ensure that the TM provides NRC-furnished-materials to the contractor in a timely manner to preclude the contractor's inability to perform work because of a lack of required materials or other information both at the beginning of the contract (or task order) and during contractor performance (e.g., responses to requests for additional information generated by the contractor and comments on draft reports)

- ensure that all required deliverables are submitted and disseminated on a schedule that complies with contract requirements, determine their acceptability, and ensure that pertinent documents are placed in the Public Document Room in accordance with Part III, "Guidelines for the Distribution of Unclassified Nonproprietary Documents to the Public Document Room," of the appendix to NRC Manual Chapter 3203, "Distribution of Unclassified NRC Staff and Contractor-Generated Documents."
- evaluate costs against technical progress and review and recommend approval (or disapproval) of cost vouchers (form "Transmittal of Paid Voucher for Services Rendered by DOE" for DOE work orders or NRC Form 292 for commercial contracts)
- initiate and prepare contract closeout documents
- place the licensing project manager on the distribution list for any procurement actions that involve a named plant(s).
- coordinate and participate in division quarterly progress reviews and contractor program reviews

Cautionary Note:

The PM does not have the authority to change the scope of work, which includes the technical requirements, level of effort, assigned personnel, period of performance, and any other aspects of the contract that might result in an adjustment to costs.



RESPONSIBILITIES OF THE  
DIVISION TECHNICAL MONITOR

## RESPONSIBILITIES OF THE DIVISION TECHNICAL MONITOR

In accordance with NRC Bulletin 1401-2, "Project Management Responsibility for Goods or Technical and Research Services Acquired Under DOE/NRC Memorandum of Understanding," the project manager may be supported by others, including technical monitors (TMs). The TM was designated by the NRR Deputy Director, when the Technical Assistance Management Section was originally established, as the person responsible for overseeing "the technical quality of contractor products." Accordingly, the TM in NRR is responsible for

- assisting the project manager
  - by providing a draft statement of work (SOW) or input to the SOW (with specific input to the technical work requirements, estimated level of effort, and qualifications of the personnel required)
  - in evaluating the contractor's proposal (with specific emphasis in the areas noted above) and recommending approval or disapproval
  - in evaluating the information contained in the monthly business letter report and recommending corrective action, if warranted
  - in evaluating the voucher costs and recommending approval or disapproval
- assembling and forwarding to the contractor any required materials in the time-frame needed for the contractor to perform work according to the terms of the contract
- providing technical direction and monitoring the technical work of the contractor
- apprising the project manager of any changes or potential modifications that may be required to the statement of work (i.e., the scope of work including technical requirements, level of effort, personnel, and period of performance)
- evaluating the technical products and providing comments on draft reports, if required, on a timely basis
- ensuring that the project manager receives all documentation for inclusion in the contract file
- evaluating the final product(s) and recommending acceptance or rejection
- evaluating overall contractor performance as part of the contract closeout process
- participating in division quarterly progress reviews and contractor program reviews

NRC BULLETIN 1401-2

"PROJECT MANAGEMENT RESPONSIBILITY FOR  
GOODS OR TECHNICAL AND RESEARCH SERVICES ACQUIRED  
UNDER DOE/NRC MEMORANDUM OF UNDERSTANDING (MOU)"

Published in advance of incorporation in  
NRC Manual Chapter 1401  
File and retain in Manual until superseded.

UNITED STATES NUCLEAR REGULATORY COMMISSION  
NRC MANUAL

**BULLETIN**

NO. 1401-2

DATE: October 29, 1980

**SUBJECT:** PROJECT MANAGEMENT RESPONSIBILITY FOR GOODS OR TECHNICAL AND RESEARCH SERVICES ACQUIRED UNDER DOE/NRC MEMORANDUM OF UNDERSTANDING (MOU)

I. Purpose

This Bulletin requires that an individual be assigned the responsibility for the overall management of a specific acquisition of goods or technical and research services under the DOE/NRC Memorandum of Understanding (MOU) dated February 24, 1978. This individual will be referred to herein as the Project Manager, although another suitable designation may be used at the discretion of the Office Director. The responsibilities and duties of the Project Manager, along with suggested qualifications, are described herein.

II. Scope

This Bulletin applies to all Offices including Boards, Panels, and Committees of the NRC. The provisions contained herein apply to the management of NRC work conducted under the DOE/NRC MOU.

III. Definition

A Project Manager is responsible for managing a definable, programmatic effort referred to in this Bulletin as a project, i.e., a specific acquisition of goods or technical and research services which is assigned a unique Financial Identification Number (FIN), and which satisfies the attainment of either a single or a homogeneous group of objectives. Project management responsibility may be assigned to line or staff personnel.

Furthermore, the Project Manager may be supported by others in carrying out his(her) assigned responsibilities, such as a Technical monitor, Office and Division-level support personnel, or the Controller's staff. However, the Project Manager is responsible for the overall management and administration of a given project (FIN).

#### IV. Policy

It is the policy of the NRC that the acquisition of goods or services from outside sources, including DOE, be managed effectively. To achieve this objective, all aspects of such an acquisition, including the programmatic, financial, and administrative details will be actively managed within the NRC office responsible for issuing the Standard Order for DOE Work (SOEW) (NRC Form 173). Primary responsibility for the management of each acquisition resides with the Project Manager.

Personnel selected to manage and monitor outside work should possess the requisite qualifications of a manager, i.e., ability to plan, direct, communicate and control, or should be able to obtain the required training for development of these skills as soon as practicable. When projects are assigned, consideration will be given to the time necessary for managing the project, to the complexity and/or cost of the project, to the amount of NRC effort necessary to bring about its successful completion, and the technical knowledge required.

#### V. Responsibilities and Authorities

##### A. General

The Office Director has ultimate responsibility for the management and appropriate expenditure of agency funds allocated to the Office for DOE work. The Office Director and interposed managers, if any, are responsible for:

1. Ensuring that individuals designated as Project Manager meet the criteria expressed in the Policy stated in Part IV;
2. Ensuring that the Project Manager is properly trained to perform his(her) duties; and
3. Ensuring that sufficient time is allowed to the Project Manager, and those designed to support him(her), to perform their required duties.

B. Office Director or Designees: The Office Director may perform or may delegate the following in writing to specific designees other than to the Project Manager:

1. Review the performance of the Project Manager and provide necessary guidance to ensure that the financial, administrative and technical aspects of the project are being adequately controlled and the objectives are met,
2. Provide final approval authority over project initiation, modification and termination at a management level sufficient to provide for proper checks and balances. Approvals to use consultants under NRC Manual Chapter 4139, Section 033.b., are excepted from delegation.
3. Provide final review and approval of cost vouchers (SF 1001) to the Division of Accounting.

C. Project Manager

1. The Project Manager has overall responsibility for management of the DOE work order assigned him. As such he:
  - a. Has the responsibility to keep apprised of and adhere to the provisions of applicable manual chapters, particularly in Part 1400, "Program Management," Manual Chapter 1102, "Procedures for Placement of Work with DOE," and Manual Chapter 2101, "NRC Security Program," as related to classified or potentially classified contracts,
  - b. Will plan, initiate, control and recommend modification of work orders placed with the DOE in accordance with approved project objectives;
  - c. Will recommend approval or disapproval of cost vouchers and return them to the Division of Accounting, via Office review channels, within five workdays after receipt,
  - d. Will approve final acceptance of the DOE work order product, including those instances when technical responsibility has been redelegated to another person; and
  - e. Will initiate closeout action promptly after completion of the DOE work order.

2. Specific duties of the Project Manager are outlined below. Although some of these may be redelegated, the Project Manager retains overall responsibility.

a. Planning and Implementing:

- (1) Review "Criteria for Selecting the Department of Energy (DOE) as a Source for Obtaining Goods and Services Under DOE/NRC Memorandum of Understanding (MOU)," Bulletin 1401-1. (To be Chapter 1401). Complete NRC Form 367, "DOE Source Selection Justification", for all projects over \$10,000. Complete the Project Descriptive Summary for any review authority such as the Commission, EDO, Senior Contract Review Board, STAR or Waste Management Review Group;
- (2) Prepare the statement of work (see Manual Chapter 1102, Exhibit 1);
- (3) Initiate the Request for Proposal package in accordance with Manual Chapter 1102, obtaining necessary concurrences from other NRC offices;
- (4) Review and evaluate the proposal, including technical, schedule and cost aspects (considering evaluations of previous work, performance and cost history) and assist in any necessary negotiations;
- (5) Obtain or coordinate NRC approval of any facility baseline designs or long-term baseline schedules and costs;
- (6) Initiate the NRC Form 173 Standard Order of DOE Work (SOEW) and necessary enclosures in accordance with Manual Chapter 1102. Obtain all necessary technical, cost and schedule data including that needed on the monthly status reports, as a requirement of the NRC Form 173, and
- (7) Approve or coordinate any master program plans or project management plans prepared to chart the project completion.

b. Executing the work order:

- (1) Monitor and control technical performance and schedule, including:
  - (a) Function as the primary point of contact with the performing organizations on all project matters;
  - (b) Provide all direction to the performing organizations through proper NRC/DOE authorities and channels including technical instructions.

These technical instructions shall not constitute new work assignments or changes which will result in adjustments of cost or period of performance;

- (c) Ensure compliance with work order terms and conditions (See Manual Chapter 1102, Exhibit 4);
  - (d) Review regular, special and monthly letter status reports and any other control documents generated by the performing organization;
  - (e) Assess progress against milestones established in the SOEW including project tasks, experimental tests or facility construction;
  - (f) Recommend changes in requirements, if any, and initiate any modifications to the original SOEW;
  - (g) Perform any necessary technical evaluation of all phases of work;
  - (h) Provide guidance to the performing organization in the resolution of technical problems;
  - (i) Recommend and initiate any stop work orders or terminations if the project is not expected to be completed in a timely and successful manner, or a stop work order is in the best interest of the NRC;
  - (j) Ensure that all required technical reports are submitted on schedule and disseminated to other offices as necessary; and
  - (k) Ensure that technical results receive appropriate review.
- (2) Monitor cost, schedule, performance, including:
- (a) Review financial projections and spending rate to assure the required work can be accomplished within the allotted funds;
  - (b) Review performing organization purchases for conformance with NRC policy (e.g., computers or other equipment) and service subcontracts for any cost impacts;
  - (c) Evaluate the monthly letter status reports and compare reported costs against technical progress;
  - (d) Review reported elements of cost and recommend cost saving measures;



- (e) Serve on any agency change control board for the the project,
  - (f) Prepare interim cost and technical evaluation reports when required,
  - (g) Review and sign voucher billing (SF 1081) transmittal memorandum unless: costs and work reported for the payment period do not appear to be within the parameters of the SOEW, or a discrepancy is found between the billing and the work performed and costs reported in the corresponding period's monthly letter status report (or other status report), or reasonableness of costs cannot be confirmed. Resolve any discrepancies if possible, or cite the problem(s) with recommendations for solutions on the transmittal memorandum, and
  - (h) Vouchers and the Project Manager's recommendation will be reviewed and approved by the Office Director's designee (other than Project Manager) or the program office support staff. If a discrepancy was not resolved by the Project Manager and cannot be resolved, return the voucher(s) with a written explanation within five work days after receipt to the Division of Accounting.
- (3) Maintaining records:
- (a) Ensure that required documents are filed in the office project file and furnish appropriate copies to other interested offices,
  - (b) Ensure the proper classification of any National Security Information (NSI) or Restricted Data (RD) generated under the project,
  - (c) Ensure that all project documents are placed in the Public Document Room in accordance with NRC Appendix 3203, Part III, "Guidelines for the Distribution of Unclassified Nonproprietary Documents to the Public Document Room," and when not prohibited by security requirements; and
  - (d) Ensure that interim and final reports are submitted in accordance with NRC Manual Chapter 1102.

(4) Limitations on Project Manager's Authority:

- (a) Technical direction rendered must be consistent with scope of work set forth in the statement of work;
- (b) Direction must not constitute new assignment of work or changes to the scope or expressed terms, conditions, or specifications incorporated into the current statement of work,
- (c) Direction must not constitute a basis for an unauthorized extension of the period of performance, or delivery schedule, or for any increase in the cost. Changes exceeding these limitations will be provided through a new SOEW (NRC Form 173) to the DOE Operations Office,
- (c) Direction will be provided to the DOE laboratory via the appropriate DOE Operations Office when required by DOE; and
- (e) Limitations do not apply to adjudication processes of the ASLBP/ASLAP that are covered by dockets, cases, or directed studies.

c. Assessing performance and closeout:

- (1) Evaluate and document the performing organization's performance to include the technical, schedule and cost aspects of the SOEW. The evaluation is not made when it conflicts with statutory privileges provided under law to Board and Panel members;
- (2) Upon acceptance of a final deliverable, including that of all Offices requesting the work, sign the final voucher transmittal memorandum authorizing payment and forward it through office channels to the Division of Accounting;
- (3) Ensure that results of the project (including TIDC document requirements and NRC Forms 426a and 335) are disseminated to various users in accordance with NRC Manual Chapter 1102 and are consistent with any security limitations,
- (4) ~~Notify the NRC Property and Supply Branch, ADM, thirty days prior to contract completion in order to ensure proper accounting and disposition of all government property acquired with project funds,~~

- (5) Ensure that data and records generated in performance of the project by the laboratory and/or the sub-contractors are properly disposed of; and
- (6) Provide decommissioning and/or closeout plans for construction or operation projects.



William J. Dircks  
Executive Director for Operations

## GUIDELINES FOR AVOIDING PERSONAL SERVICE CONTRACTING

The application of the following criteria and guidelines is a matter of judgment based on degree of applicability to each of the areas listed. In the final analysis, one must judge whether the preponderance of information favors use of contractors in a non-personal rather than personal manner. Legal assistance may be necessary in making this judgment.

### (1) The Degree of Direct Government Supervision

The greater the degree of freedom that the contractor has to act independently, the stronger the case that the services are non-personal. Consider the following questions:

- Will the NRC specify the qualification of, or reserve the right to approve, individual contractor employees?
- Will the NRC retain the right to have contractor employees removed from the job for reasons other than misconduct or security?
- Will the NRC assign tasks to and prepare work schedules for contractor employees?
- Will the NRC retain the right to supervise the work of the contractor employees, either directly or indirectly?
- Will the NRC reserve the right to supervise or control the method by which the contractor performs the service, the number of people the contractor employs, the specific duties of the individual employees, and similar details?
- Will the NRC review performance by each individual contractor employee or will the NRC review the final product on an overall basis upon completion of the work?

### (2) The Furnishing of Equipment, Material, and Office Space

The more the contractor must furnish equipment, material and office space beyond direct labor, the more likely it is that the contractor's services will be considered non-personal. Consider the following question:

- Will the NRC furnish the office or working space, facilities, equipment, and supplies necessary for contract performance?

(3) The Use of Specialized Knowledge and Equipment

The more specialized or unique the services or equipment furnished, the less chance that they are already available to the NRC. Therefore, the services being rendered are more likely to be considered non-personal. Consider the following criteria:

- Does the contractor have specialized knowledge or equipment which is unavailable to the NRC?
- Are the services to be performed continuing, short-term, or intermittent?
- Will NRC employees be used interchangeably with contractor personnel to perform the same function?
- Will contractor employees be integrated into the NRC's organizational structure?

(4) The Basis for Compensation or Payment

Payment on the sole basis of time spent is usually indicative that the services are personal. Payment for an end product where the contractor is allowed to govern its own time is usually indicative that the services are non-personal.

The closer a contractor gets to making judgments for the NRC, or where the contractor provides time with no delivered product, the more the services could be construed as personal.

The more the tasks are defined on a day-to-day basis, rather than at contract inception, the more the services could be construed as personal. Consider the following criteria:

- Does the service require the contractor to exercise personal judgment and discretion on behalf of the NRC?
- Will the service be properly defined as an end product?
- Will the contractor undertake, at some point during performance, a specific task or project that is definable at the time of inception, or will the tasks be defined on a day-to-day basis?
- Will payment be for results accomplished or solely for time worked?



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

FEB 12 1991

MEMORANDUM FOR: Office Directors and Regional Administrators

FROM: Edward L. Halman, Acting Director  
Office of Administration

SUBJECT: PROCUREMENT INTEGRITY CERTIFICATION FOR PROCUREMENT  
OFFICIALS

On December 1, 1990, following a 1-year period of suspension, a number of the procurement integrity provisions contained in Section 27 of the Office of Federal Procurement Policy Act became effective. These provisions place requirements on nearly every NRC employee who is personally and substantially involved in the development of specifications for contracts or evaluating, approving or awarding contracts for NRC. Such individuals are considered "procurement officials" under the above cited act.

As a condition of serving as a procurement official on or after December 1, 1990, each individual must certify that he or she is familiar with subsections 27(b), (c), and (e) of the Act, will comply with those subsections, and will report information concerning possible violations of subsections 27(a), (b), (d) or (f) or their implementing regulations. The post-employment restrictions contained in Subsection 27(f) have been suspended through May 31, 1991. Certification prior to December 1, 1989, does not exempt a procurement official from signing a new certification. This new certification will automatically cover the Subsection 27(f) restrictions when they become effective.

I am attaching for your review the "Summary of Procurement Integrity Certification Requirements and Optional Form 333." Please ensure that your staff is made aware of these procurement integrity requirements and that all procurement officials within your organization sign and return the Optional Form 333 to Mary Lynn Scott, Chief, Policy Branch, Division of Contracts and Property Management, Mail Stop P-1118.

Mrs. Scott will be contacting Headquarters and regional offices within the next few weeks to make arrangements for the Division of Contracts and Property Management to provide procurement integrity training.

If you have any questions please contact Timothy F. Hagan on 492-4347 or me on 492-7335.

  
Edward L. Halman, Acting Director  
Office of Administration

Attachment:  
As stated

"PROCUREMENT INTEGRITY CERTIFICATION FOR PROCUREMENT OFFICIALS -  
SUMMARY OF CERTIFICATION REQUIREMENTS AND OPTIONAL FORM 333"

NRC Procurement Officials

In NRC, procurement officials include (but are not limited to) (1) members of the Senior Contract Review Board ("SCRB") and any other agency employee personally and substantially involved in the SCRB process, (2) the project manager, (3) members and advisors of the Source Evaluation Panel, (4) the Designating Official, (5) any contract specialist performing contract negotiating functions, (6) the Contracting Officer, (7) any attorney in the Office of the General Counsel who reviews or provides advice concerning a contract, and (8) any employee who reviews specifications, statements of work, or other documents relating to specific contracts, or has approval authority for those documents or the procurement action. Contractors who perform any of the duties under the definition are also considered procurement officials.

Certification Requirements - Subsections 27a through 27f of the Act

Subsection 27(a) - forbids competing contractors from giving gratuities to or discussing future employment or business opportunities with a procurement official, and from soliciting or obtaining proprietary or source selection information.

Subsection 27(b) - prohibits procurement officials, during the conduct of an agency procurement, from participation in any activities or discussions associated with future employment or business opportunities with, or gratuities from competing contractors. This subsection also prohibits the disclosure of proprietary or source selection information.

Subsection 27(c) - establishes criteria for allowing procurement officials to withdraw from further participation in a procurement in order to discuss future employment with a competing contractor. Procurement officials must obtain written approval from the head of the procuring activity (Director, DCPM), prior to discussing future employment with a competing contractor.

Subsection 27(d) - prohibits anyone, whether or not he/she is a procurement official, from disclosing proprietary or source selection information.

Subsection 27(e) - imposes certification requirements applicable to contracts and modifications in excess of \$100,000. These certifications generally must be made by: procurement officials leaving the Government during the conduct of a specific procurement; competing contractors; and contracting officers.

Subsection 27(f) - prohibits individuals who were procurement officials, with respect to a specific procurement, from participating on behalf of the contractor, (1) in negotiations leading to potential award, or (2) in performance of the contract. (This subsection has been suspended through May 31, 1991, to give Congress time to evaluate the need for this provision. The effect of the procurement official's certification regarding Subsection 27(f) is to promise to report information concerning violations or possible violations of that subsection that occur after it becomes effective.)

Because of changes in the law, all procurement officials must certify on the attached form, whether or not they previously certified. However, certification on the attached form is required only once under the current law as long as the individual is an NRC employee.

Signed certifications should be submitted to the Policy Branch, Division of Contracts and Property Management (DCPM), Office of Administration, Mail Stop P-1118.

If you have questions concerning implementation of these requirements, (e.g., whether you are a "procurement official" with regard to a particular procurement) you should call Mary Lynn Scott, Chief, Policy Branch, DCPM at 492-8770. Questions concerning conflict of interest provisions should be directed to Michael Rafky, Office of the General Counsel at 492-1606.



# PROCUREMENT INTEGRITY CERTIFICATION FOR PROCUREMENT OFFICIALS

As a condition of serving as a procurement official, I \_\_\_\_\_  
(typed or printed name)

\_\_\_\_\_ hereby certify that I am familiar with the provisions of subsections 27(b), (c), and (e) of the Office of Federal Procurement Policy Act (41 USC 423) as amended by section 814 of Public Law 101-189. I further certify that I will not engage in any conduct prohibited by such subsections and will report immediately to the contracting officer any information concerning a violation or possible violation of subsections 27(a), (b), (d), or (f) of the Act and applicable implementing regulations. A written explanation of subsections 27(a) through (f) has been made available to me. I understand that, should I leave the Government during the conduct of a procurement for which I have served as a procurement official, I have a continuing obligation under section 27 not to disclose proprietary or source selection information relating to that procurement and a requirement to so certify.

SIGNATURE OF PROCUREMENT OFFICIAL

DATE

DEPARTMENT OR AGENCY

OFFICE TELEPHONE NUMBER

## PROCUREMENT INTEGRITY

### SECTION 27 OF THE OFFICE OF FEDERAL PROCUREMENT POLICY ACT

EFFECTIVE DECEMBER 1, 1990, EXCEPT FOR SUBSECTION 27(f) ON POST EMPLOYMENT RESTRICTIONS, WHICH IS CURRENTLY UNDER REVIEW BY CONGRESS AND MAY BE REVISED PRIOR TO ITS EFFECTIVE DATE OF JUNE 1, 1991.

DOES NOT APPLY TO GRANTS, COOPERATIVE AGREEMENTS, SMALL PURCHASES OF \$25,000 OR LESS, OR INTERAGENCY AGREEMENTS.

### PROHIBITED CONDUCT

- (1) SOLICITING OR ACCEPTING EMPLOYMENT
- (2) SOLICITING OR ACCEPTING GIFTS OR GRATUITIES
- (3) DISCLOSING PROPRIETARY OR SOURCE SELECTION INFORMATION

### DEFINITION OF PROCUREMENT OFFICIAL

AN AGENCY EMPLOYEE WHO HAS PARTICIPATED PERSONALLY AND SUBSTANTIALLY IN THE CONDUCT OF AN AGENCY PROCUREMENT INCLUDING OFFICIALS AND EMPLOYEES RESPONSIBLE FOR REVIEWING AND APPROVING THE PROCUREMENT.

AGENCY EMPLOYEE INCLUDES A CONTRACTOR, SUBCONTRACTOR, CONSULTANT, EXPERT OR ADVISOR WHO ACTS ON BEHALF OF OR PROVIDES ADVICE TO THE AGENCY FOR ANY PHASE OF THE PROCUREMENT.

### DEFINITION OF PERSONALLY

PERSONALLY MEANS TO PARTICIPATE DIRECTLY IN THE PROCUREMENT. INCLUDES PARTICIPATION OF A SUBORDINATE WHEN ACTUALLY DIRECTED BY THE SUPERVISOR IN THE MATTER.

### DEFINITION OF SUBSTANTIALLY

INVOLVEMENT MUST BE SIGNIFICANT. GOES BEYOND OFFICIAL RESPONSIBILITY, ADMINISTRATIVE OR PERIPHERAL ISSUE.

- o CONCURRING IN DOCUMENTATION THAT AMOUNTS TO REVIEW AND APPROVAL OF A PROCUREMENT IS SUBSTANTIAL INVOLVEMENT.
- o REVIEWING THE SUBSTANCE OF DOCUMENTATION TO PROVIDE COMMENTS OR A RECOMMENDATION TO AN APPROVING OFFICIAL IS SUBSTANTIAL INVOLVEMENT.
- o REVIEW OF A PROCUREMENT FOR COMPLIANCE WITH ADMINISTRATIVE CONTROLS OR BUDGETARY CONSIDERATIONS IS NOT SUBSTANTIAL INVOLVEMENT.

#### DEFINITION OF CONDUCT OF PROCUREMENT

o FOR A NEW PROCUREMENT

BEGINS WITH PROGRAM OFFICE PREPARATION OF THE SPECIFICATIONS OR STATEMENT OF WORK WHICHEVER IS EARLIER AND CONCLUDES WITH CONTRACT AWARD

o FOR A CONTRACT MODIFICATION FOR NEW WORK INCLUDING EXTENSIONS OUTSIDE THE SCOPE OF WORK

BEGINS WITH A REQUEST FOR THE MODIFICATION AND CONCLUDES WITH THE AWARD OF THE MODIFICATION

#### PROCUREMENT OFFICIALS ACTIVITIES INCLUDE:

- 1) ANY AGENCY EMPLOYEE PERSONALLY AND SUBSTANTIALLY INVOLVED IN PREPARING OF THE SPECIFICATIONS OR STATEMENT OF WORK FOR A PARTICULAR PROJECT;
- 2) MEMBERS OF THE SENIOR CONTRACT REVIEW BOARD ("SCRB") AND ANY OTHER AGENCY EMPLOYEE PERSONALLY AND SUBSTANTIALLY INVOLVED IN THE SCR B PROCESS;
- 3) THE PROJECT MANAGER;
- 4) MEMBERS AND ADVISORS OF THE SOURCE EVALUATION PANEL;
- 5) THE DESIGNATING OFFICIAL;
- 6) ANY CONTRACT SPECIALIST PERFORMING CONTRACT NEGOTIATION FUNCTIONS;
- 7) THE CONTRACTING OFFICER;
- 8) ANY ATTORNEY IN THE OFFICE OF THE GENERAL COUNSEL WHO REVIEWS OR PRODUCES ADVICE CONCERNING A PROCUREMENTS;
- 9) ANY EMPLOYEE WHO REVIEWS SPECIFICATIONS, STATEMENTS OF WORK, OR OTHER DOCUMENTS RELATING TO SPECIFIC CONTRACTS, OR HAS APPROVAL AUTHORITY FOR THOSE DOCUMENTS OR THE PROCUREMENT ACTIONS; OR
- 10) ANY OTHER SUPERVISORY OR NONSUPERVISORY EMPLOYEE, INCLUDING A CONSULTANT OR ADVISOR, WHO IS PERSONALLY AND SUBSTANTIALLY INVOLVED IN THE PROCUREMENT PROCESS UP THROUGH THE AWARD OF THE CONTRACT OR A CONTRACT MODIFICATION OR EXTENSION.
- 11) ANY OTHER AGENCY OFFICIAL WHO IS APPRISED OF PROCUREMENT SPECIFIC INFORMATION DURING THE CONDUCT OF THE PROCUREMENT AND IS IN A POSITION TO INFLUENCE THE OUTCOME.

#### DEFINITION OF PROPRIETARY INFORMATION UNDER SECTION 27

- o INFORMATION IN A BID OR PROPOSAL, AND MARKED BY THE COMPETING CONTRACTORS

- o COVERED WITH A TRANSMITTAL DOCUMENT MARKED WITH A RESTRICTIVE LEGEND
- o SPECIFIC PORTIONS TO BE RESTRICTED ARE MARKED BY THE CONTRACTOR

**DEFINITION OF SOURCE SELECTION INFORMATION UNDER SECTION 27**

INFORMATION, IF DISCLOSED, WOULD JEOPARDIZE THE INTEGRITY OR SUCCESSFUL COMPLETION OF THE PROCUREMENT

- o BID PRICES OR LISTS OF THOSE BID PRICES PRIOR TO PUBLIC BID OPENING
- o PROPOSED COSTS OR PRICES
- o SOURCE SELECTION PLANS
- o TECHNICAL EVALUATION PLANS
- o TECHNICAL EVALUATION OF PROPOSALS
- o COST OR PRICE EVALUATIONS OF PROPOSALS
- o COMPETITIVE RANGE DETERMINATIONS
- o RANKINGS OF BIDS, PROPOSALS, OR COMPETITORS
- o THE REPORTS AND EVALUATIONS OF SOURCE SELECTION PANELS OR BOARDS OR ADVISORY COUNCILS, OR
- o OTHER INFORMATION MARKED AS "SOURCE SELECTION INFORMATION--SEE FAR 3.104" (CASE-BY-CASE DECISION BY HEAD OF AGENCY OR DESIGNEE/CO)

**SUBSECTIONS OF SECTION 27:**

- (a) Prohibited conduct by competing contractors
- (b) Prohibited conduct by procurement officials
- (c) Recusal
- (d) Disclosure to unauthorized persons
- (e) Certification and enforcement matters
- (f) Restrictions resulting from procurement activities of procurement officials
- (g) Contractual penalties
- (h) Administrative actions
- (i) Civil penalties
- (j) Criminal penalties
- (k) Ethics advice
- (l) Training
- (m) Remedies not exclusive
- (n) No authority to withhold information
- (o) Implementing regulations and guidelines
- (p) Definitions

a) PROHIBITED CONDUCT BY COMPETING CONTRACTORS

DURING THE CONDUCT OF A PROCUREMENT, NO COMPETING CONTRACTOR OR ANY OFFICER, EMPLOYEE, REPRESENTATIVE, AGENT, OR CONSULTANT OF ANY COMPETING CONTRACTOR SHALL KNOWINGLY -

- (1) MAKE OR DISCUSS, DIRECTLY OR INDIRECTLY, ANY OFFER OR PROMISE OF EMPLOYMENT OR BUSINESS OPPORTUNITY TO OR WITH ANY PROCUREMENT OFFICIAL;
- (2) OFFER, GIVE, OR PROMISE TO OFFER OR GIVE, DIRECTLY OR INDIRECTLY, ANY MONEY, GRATUITY, OR OTHER THING OF VALUE TO ANY PROCUREMENT OFFICIAL;
- (3) SOLICIT OR OBTAIN, DIRECTLY OR INDIRECTLY, FROM ANY OFFICER OR EMPLOYEE OF SUCH AGENCY, PRIOR TO THE AWARD OF A CONTRACT, ANY PROPRIETARY OR SOURCE SELECTION INFORMATION.

b) PROHIBITED CONDUCT BY PROCUREMENT OFFICIALS

DURING THE CONDUCT OF PROCUREMENT OF PROPERTY OR SERVICES, NO PROCUREMENT OFFICIAL OF SUCH AGENCY SHALL KNOWINGLY -

- (1) SOLICIT OR ACCEPT, DIRECTLY OR INDIRECTLY, ANY PROMISE OF FUTURE EMPLOYMENT OR BUSINESS OPPORTUNITY FROM, OR ENGAGE, DIRECTLY OR INDIRECTLY, IN ANY DISCUSSION OF FUTURE EMPLOYMENT OR BUSINESS OPPORTUNITY WITH ANY OFFICER, EMPLOYEE, REPRESENTATIVE, AGENT, OR CONSULTANT OF A COMPETING CONTRACTOR;
- (2) ASK FOR, DEMAND, EXACT, SOLICIT, SEEK, ACCEPT, RECEIVE, OR AGREE TO RECEIVE, DIRECTLY OR INDIRECTLY, ANY MONEY, GRATUITY, OR OTHER THING OF VALUE FROM ANY OFFICER, EMPLOYEE, REPRESENTATIVE, AGENT OR CONSULTANT OF ANY COMPETING CONTRACTOR;
- (3) DISCLOSE ANY PROPRIETARY OR SOURCE SELECTION INFORMATION REGARDING SUCH PROCUREMENT DIRECTLY OR INDIRECTLY TO ANY PERSON OTHER THAN A PERSON AUTHORIZED BY THE HEAD OF SUCH AGENCY OR THE CONTRACTING OFFICER TO RECEIVE SUCH INFORMATION.

c) RECUSAL

- (1) A PROCUREMENT OFFICIAL MAY ENGAGE IN A DISCUSSION WITH A COMPETING CONTRACTOR THAT IS OTHERWISE PROHIBITED BY SUBSECTION (B 1) IF BEFORE ENGAGING IN SUCH DISCUSSION -
  - (A) HE/SHE PROPOSES IN WRITING TO DISQUALIFY HIMSELF FROM THE CONDUCT OF ANY PROCUREMENT RELATING TO THE COMPETING CONTRACTOR, AND
  - (B) THE HEAD OF THAT PROCURING ACTIVITY AFTER CONSULTATION WITH THE APPROPRIATE DESIGNATED AGENCY ETHICS OFFICIAL, APPROVES IN WRITING THE RECUSAL;

- (2) A PROCUREMENT OFFICIAL WHO HAS PARTICIPATED IN THE EVALUATION OF BIDS OR PROPOSALS, SELECTION OF SOURCES, OR CONDUCT OF NEGOTIATIONS MAY NOT BE APPROVED FOR A RECUSAL.
- (3) A PROCUREMENT OFFICIAL WHO HAS PARTICIPATED IN THE EVALUATION OF A PROPOSED MODIFICATION MAY NOT BE APPROVED FOR A RECUSAL.

d) DISCLOSURE TO UNAUTHORIZED PERSONS

DURING THE CONDUCT OF THE PROCUREMENT, NO PERSON WHO IS GIVEN AUTHORIZED OR UNAUTHORIZED ACCESS TO PROPRIETARY OR SOURCE SELECTION INFORMATION REGARDING SUCH PROCUREMENT, SHALL KNOWINGLY DISCLOSE SUCH INFORMATION, DIRECTLY OR INDIRECTLY, TO AN PERSON OTHER THAN A PERSON AUTHORIZED BY THE HEAD OF SUCH AGENCY OR THE CONTRACTING OFFICER TO RECEIVE SUCH INFORMATION.

THE RESTRICTION LARGELY OVERLAPS WITH b(3), EXCEPT THAT IT APPLIES TO INDIVIDUALS WITHOUT REGARD TO WHETHER THEY ARE AUTHORIZED TO RECEIVE THE INFORMATION.

e) CERTIFICATION AND ENFORCEMENT MATTERS

- (1) A FEDERAL AGENCY MAY NOT AWARD A CONTRACT OR MODIFICATION IN EXCESS OF \$100,000 UNLESS THE OFFICER OR EMPLOYEE OF SUCH CONTRACTOR:
  - (A) (I) CERTIFIES THAT HE/SHE HAS NO INFORMATION CONCERNING A VIOLATION OR POSSIBLE VIOLATION OF SUBSECTION (a), (b), (d) OR (f) OR
    - (II) DISCLOSES AND CERTIFIES THAT ANY AND ALL SUCH INFORMATION HAS BEEN DISCLOSED; AND
  - (B) CERTIFIES IN WRITING TO SUCH CONTRACTING OFFICER THAT EACH OFFICER, EMPLOYEE, AGENT, REPRESENTATIVE, AND CONSULTANT OF SUCH COMPETING CONTRACTOR WHO HAS PARTICIPATED PERSONALLY AND SUBSTANTIALLY IN THE PREPARATION OR SUBMISSION OF SUCH BID OR OFFER, HAS CERTIFIED THAT HE OR SHE -
    - (I) IS FAMILIAR WITH, AND WILL COMPLY WITH THE REQUIREMENTS OF SUBSECTION (a) OF THIS SECTION AND
    - (II) WILL REPORT IMMEDIATELY ANY INFORMATION CONCERNING A VIOLATION OR POSSIBLE VIOLATION OF SUBSECTION (a), (b), (d), OR (f) OF THIS SECTION.
- (2) A FEDERAL AGENCY MAY NOT AWARD A CONTRACT OR MODIFICATION IN EXCESS OF \$100,000 UNLESS THE CONTRACTING OFFICER:
  - (A) CERTIFIES THAT HE/SHE HAS NO INFORMATION CONCERNING A VIOLATION OR POSSIBLE VIOLATION OF SUBSECTION (a), (b), (d), OR (f) OF THIS SECTION OR.

- (B) DISCLOSES AND CERTIFIES THAT ANY AND ALL SUCH INFORMATION HAS BEEN DISCLOSED.
- (3) THE HEAD OF A FEDERAL AGENCY MAY REQUIRE ANY PROCUREMENT OFFICIAL OR ANY COMPETING CONTRACTOR TO CERTIFY AT ANY TIME DURING THE CONDUCT OF PROCUREMENT.
- (4) IF A PROCUREMENT OFFICIAL LEAVES THE GOVERNMENT DURING THE CONDUCT OF SUCH A PROCUREMENT, SUCH OFFICIAL SHALL CERTIFY THAT HE OR SHE UNDERSTANDS THE CONTINUING OBLIGATION NOT TO DISCLOSE PROPRIETARY OR SOURCE SELECTION INFORMATION.
- (5) THE CONTRACTING OFFICER SHALL MAINTAIN, AS PART OF THE PROCUREMENT FILE -
  - (A) ALL CERTIFICATIONS MADE BY PROCUREMENT OFFICIALS AND COMPETING CONTRACTORS AND
  - (B) A RECORD OF ALL PERSONS WHO HAVE BEEN AUTHORIZED TO HAVE ACCESS TO PROPRIETARY OR SOURCE SELECTION INFORMATION.
- (6) SECTION 1001 OF TITLE 18 TO FALSE, FICTITIOUS, OR FRAUDULENT STATEMENTS IN SUCH CERTIFICATION IS APPLICABLE.
- (f) RESTRICTIONS RESULTING FROM PROCUREMENT ACTIVITIES OF PROCUREMENT OFFICIALS
  - (1) NO PROCUREMENT OFFICIAL MAY KNOWINGLY -
    - (A) PARTICIPATE IN ANY MANNER, AS AN OFFICER, EMPLOYEE, AGENT, OR REPRESENTATIVE OF A COMPETING CONTRACTOR, IN ANY NEGOTIATIONS LEADING TO THE AWARD, MODIFICATION, OR EXTENSION OF A CONTRACT FOR SUCH PROCUREMENT, OR
    - (B) PARTICIPATE PERSONALLY AND SUBSTANTIALLY ON BEHALF OF THE COMPETING CONTRACTOR IN THE PERFORMANCE OF THE CONTRACT DURING THE PERIOD ENDING 2 YEARS AFTER THE LAST DATE SUCH INDIVIDUAL WAS A PROCUREMENT OFFICIAL ON THE PROCUREMENT.
  - (2) DOES NOT APPLY TO ANY PARTICIPATION WITH RESPECT TO A SUBCONTRACTOR UNLESS
    - (A) THE FIRST OR SECOND TIER AMOUNT IS IN EXCESS OF \$100,000; OR
    - (B) THE SUBCONTRACTOR SIGNIFICANTLY ASSISTED THE PRIME CONTRACTOR WITH RESPECT TO NEGOTIATION OF THE PRIME CONTRACT; OR
    - (C) THE PROCUREMENT OFFICIAL PERSONALLY DIRECTED OR RECOMMENDED THE PARTICULAR SUBCONTRACTOR TO THE PRIME CONTRACTOR; OR
    - (D) THE PROCUREMENT OFFICIAL REVIEWED AND APPROVED THE AWARD, MODIFICATION, OR EXTENSION OF THE SUBCONTRACT.

(g) CONTRACTUAL PENALTIES

(1) THE FOLLOWING REMEDIES ARE AUTHORIZED TO BE INCLUDED IN EACH CONTRACT, FOR ANY PROHIBITED CONDUCT:

(A) DENIAL OR RECOVERY OF PAYMENT OF ALL OR ANY PORTION OF THE PROFIT;

(B) TERMINATION OF THE CONTRACT FOR DEFAULT.

(h) ADMINISTRATIVE ACTIONS

(1) IF AN AGENCY RECEIVES A DISCLOSURE OF INFORMATION PROVIDING A REASONABLE BASIS TO BELIEVE THAT A COMPETING CONTRACTOR HAS KNOWINGLY VIOLATED THE REQUIREMENTS:

(A) IF THE CONTRACT HAS NOT BEEN AWARDED, THE AGENCY SHALL DETERMINE WHETHER TO TERMINATE THE PROCUREMENT OR TAKE OTHER APPROPRIATE ACTIONS;

(B) IF THE CONTRACT HAS BEEN AWARDED, THE AGENCY SHALL DETERMINE WHETHER TO VOID OR RESCIND THE CONTRACT, TO TERMINATE THE CONTRACT FOR DEFAULT TO IMPOSE SANCTIONS UPON THE CONTRACTOR;

(C) IF THE AGENCY DETERMINES THAT SUCH A KNOWING VIOLATION HAS OCCURRED, IF:

(I) MAY IMPOSE AN IMMEDIATE SUSPENSION,  
AND

(II) SHALL DETERMINE WHETHER TO INITIATE A DEBARMENT PROCEEDING.

(2) ANY PROCUREMENT OFFICIAL OF A FEDERAL AGENCY WHO ENGAGES IN CONDUCT PROHIBITED BY EITHER SUBSECTIONS (b)(1), (2) OR (3) OR BY SUBSECTION (d) OF THIS SECTION SHALL BE SUBJECT TO REMOVAL OR OTHER APPROPRIATE ADVERSE PERSONNEL ACTION PURSUANT TO THE PROCEDURES SPECIFIED IN CHAPTER 75 OF TITLE 5 OR OTHER APPLICABLE LAW OR REGULATION.

(i) CIVIL PENALTIES

ANY PERSON WHO ENGAGES IN CONDUCT PROHIBITED BY SUBSECTION (a), (b), (d), OR (f) OF THIS SECTION SHALL BE SUBJECT TO THE IMPOSITION OF A CIVIL FINE IN A CIVIL ACTION BROUGHT BY THE UNITED STATES IN AN APPROPRIATE DISTRICT COURT OF THE UNITED STATES. THE AMOUNT OF ANY SUCH CIVIL FINE FOR SUCH VIOLATION MAY NOT EXCEED -

(A) \$100,000 IN THE CASE OF AN INDIVIDUAL; OR

(B) \$1,000,000 IN THE CASE OF A COMPETING CONTRACTOR (OTHER THAN AN INDIVIDUAL).



(j) CRIMINAL PENALTIES

WHOEVER, DURING THE CONDUCT OF A FEDERAL AGENCY PROCUREMENT OF PROPERTY OR SERVICES -

- (1) BEING A COMPETING CONTRACTOR OR AN OFFICER, EMPLOYEE, REPRESENTATIVE, AGENT, OR CONSULTANT OF A COMPETING CONTRACTOR, KNOWINGLY AND WILLFULLY SOLICITS OR OBTAINS, DIRECTLY OR INDIRECTLY, FROM ANY OFFICER OR EMPLOYEE OF SUCH AGENCY ANY PROPRIETARY OR SOURCE SELECTION INFORMATION;
- (2) BEING AN OFFICER OR EMPLOYEE OF SUCH AGENCY, KNOWINGLY AND WILLFULLY DISCLOSES OR PROMISES TO DISCLOSE, DIRECTLY OR INDIRECTLY, TO ANY COMPETING CONTRACTOR OR ANY OFFICER, EMPLOYEE, REPRESENTATIVE, AGENT, OR CONSULTANT OF A COMPETING CONTRACTOR ANY PROPRIETARY OR SOURCE SELECTION INFORMATION,

SHALL BE IMPRISONED FOR NOT MORE THAN 5 YEARS, OR FINED IN ACCORDANCE WITH TITLE 18, OR BOTH.

(k) ETHICS ADVICE

NOT LATER THAN 30 DAYS AFTER THE DATE ON WHICH THE APPROPRIATE DESIGNATED AGENCY ETHICS OFFICIAL RECEIVES A REQUEST FOR ADVICE FROM A PROCUREMENT OFFICIAL, OR AS SOON THEREAFTER AS PRACTICABLE, THE OFFICIAL SHALL ISSUE A WRITTEN OPINION.

(l) TRAINING

THE HEAD OF EACH FEDERAL AGENCY SHALL ESTABLISH A PROCUREMENT ETHICS PROGRAM FOR ITS PROCUREMENT OFFICIALS.

(m) REMEDIES NOT EXCLUSIVE

NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO LIMIT THE APPLICABILITY OF THE REQUIREMENTS, SANCTIONS, CONTRACT PENALTIES, AND REMEDIES ESTABLISHED UNDER ANY OTHER LAW, BUT NO AGENCY SHALL BE RELIEVED OF THE OBLIGATION TO CARRY OUT THE REQUIREMENT OF THIS SECTION BECAUSE SUCH AGENCY HAS ALSO APPLIED SUCH OTHER REQUIREMENTS, SANCTIONS, CONTRACT PENALTIES, OR REMEDIES.

(n) NO AUTHORITY TO WITHHOLD INFORMATION

NOTHING IN THIS SECTION SHALL BE CONSTRUED TO AUTHORIZE THE WITHHOLDING OF ANY INFORMATION FROM THE CONGRESS, ANY COMMITTEE OR SUBCOMMITTEE THEREOF, A FEDERAL AGENCY, ANY BOARD OF CONTRACT APPEALS OF A FEDERAL AGENCY, THE COMPTROLLER GENERAL, OR AN INSPECTOR GENERAL OF A FEDERAL AGENCY.

(o) IMPLEMENTING REGULATIONS AND GUIDELINES

GOVERNMENT-WIDE REGULATIONS AND GUIDELINES APPROPRIATE TO CARRY OUT THIS SECTION ARE INCLUDED IN THE FEDERAL ACQUISITION REGULATION, AT 3.104, AND OFFICE OF GOVERNMENT ETHICS MEMORANDUM ON PROCUREMENT INTEGRITY DATED OCTOBER 31, 1990.

## PROCUREMENT CYCLE AND PROCUREMENT OFFICIAL RESPONSIBILITIES

1. FROM DEVELOPMENT OF SPECIFICATIONS OR STATEMENT OF WORK WHICHEVER OCCURS FIRST AND BEFORE RECEIPT OF PROPOSALS.
  - o CERTIFY FAMILIARITY WITH THE LAW AND THAT HE/SHE WILL NOT VIOLATE ITS PROVISIONS (IF NOT PREVIOUSLY CERTIFIED)
  - o DO NOT DISCLOSE SOURCE SELECTION INFORMATION.
  - o DO NOT SOLICIT/ACCEPT ANYTHING OF VALUE.
  - o DO NOT DISCUSS FUTURE EMPLOYMENT WITH ANY FIRM THAT MAY COMPETE IN AN NRC PROCUREMENT. WHEN UNKNOWN, THE NRC EMPLOYEE MUST INQUIRE. (ALL PROCUREMENT OFFICIALS MAY SEEK RECUSAL.)
2. FROM RECEIPT OF PROPOSALS TO AWARD
  - o DO NOT DISCUSS EMPLOYMENT WITH COMPETING CONTRACTORS. (SOME PROCUREMENT OFFICIALS MAY SEEK RECUSAL.)
  - o DO NOT DISCLOSE PROPRIETARY OR SOURCE SELECTION INFORMATION
  - o DO NOT SOLICIT/ACCEPT ANYTHING OF VALUE.

## POST-EMPLOYMENT RESTRICTIONS (EFFECTIVE MAY 31, 1991)

IF A PROCUREMENT OFFICIAL LEAVES THE GOVERNMENT DURING THE PROCUREMENT, HE/SHE MAY NOT:

- 1) REPRESENT A COMPETING CONTRACTOR IN NEGOTIATIONS LEADING TO AWARD OF THE PROCUREMENT, OR
- 2) PARTICIPATE PERSONALLY AND SUBSTANTIALLY ON BEHALF OF A COMPETING CONTRACTOR IN THE PERFORMANCE OF THE CONTRACT.

FOR A PERIOD OF 2 YEARS AFTER THE LAST DATE OF INVOLVEMENT WITH THE PROCUREMENT.

PROCUREMENT OFFICIAL MUST CERTIFY THAT HE/SHE WILL NOT DISCLOSE PROPRIETARY OR SOURCE SELECTION INFORMATION.

## OTHER CONFLICTS OF INTEREST

- o GENERAL ETHICS STATUTES AND REGULATIONS SET FORTH IN PART 0 OF 10 CFR.
  - INVOLVE ACTS AFFECTING THE EMPLOYEE'S PERSONAL INTEREST AND POST EMPLOYMENT RESTRICTIONS, GIFTS AND GRATUITIES, AND OTHER AREAS OF CONFLICT.
  - NOTE: NRC RULE ON GIFTS AND GRATUITIES IS MORE STRINGENT AND APPLY AT ALL TIMES.



United States

## Office of Government Ethics

Suite 500, 1201 New York Avenue, N.W.  
Washington, D.C. 20005-3917

October 31, 1990

### MEMORANDUM

TO: Designated Agency Ethics Officials,  
Procurement Executives, General Counsels and  
Inspectors General

FROM: Director, Office of Government Ethics *[Signature]*  
Administrator, Office of Federal Procurement Policy  
*Allen V. Burman*

SUBJECT: Procurement Integrity

Following a one-year period of suspension, a number of the procurement integrity provisions contained in Section 27 of the Office of Federal Procurement Policy Act, will again become effective on December 1, 1990. On the date this memorandum was signed, the Department of Defense Authorization Act for Fiscal Year 1991 had been passed by both houses of Congress but had not yet been signed by the President. Section 815 of that Act would further suspend the post-employment restrictions contained in Subsection 27(f) through May 31, 1991. It would also suspend 10 U.S.C. §§ 2397(a) and 2397(b), 18 U.S.C. § 281 and several provisions applicable to the Department of Energy through May 31, 1991.

Section 27 as amended in November 1989 by Public Law 101-189 can be found at Section 423 of the 1990 pocket part to Title 41 of the United States Code Annotated. The interim rule implementing Section 27 as amended was published in the FEDERAL REGISTER on September 6, 1990 (55 Fed. Reg. 36782).

As a condition of serving as a procurement official on or after December 1, 1990, Subsection 27(1)(2) requires each individual to certify that he or she is familiar with Subsections 27 (b), (c) and (e), will comply with those Subsections, and will report information concerning possible violations of Subsections 27(a), (b), (d) or (f) or their implementing regulations. Procurement official certifications executed before the law was suspended on December 1, 1989 were made under Section 27 in its original form. Those certifications were narrower in scope and

are insufficient to permit service as a procurement official on or after December 1, 1990. New certifications will be required to comply with the expanded scope of amended Subsection 27(l).

The attached summary was prepared by the Office of Government Ethics, in coordination with the Office of Federal Procurement Policy, to assist agencies in obtaining procurement official certifications and to satisfy the minimum requirement of Subsection 27(l) for a procurement ethics program that furnishes a written explanation of pertinent provisions of the law. Distribution of the attached summary to those who will serve as procurement officials will satisfy this minimum requirement and provide sufficient information to enable individuals to make the necessary certification. We have attached to the summary the model certification form provided at section 53.302 of the interim regulations. In agencies that elect to retain these certifications in official personnel files, employees must also execute the Privacy Act notice prescribed by that section, as amended by FAC 9C-1 (55 Fed. Reg. 42684). There is no requirement that agencies use either the attached summary or the model form; they are provided as a matter of convenience.

Please note that the summary is written on the assumption that it will be distributed after the Department of Defense Authorization has become law. If enactment is delayed, your agency will need to appropriately modify the background, post-employment and applicability portions to reflect that it is "anticipated" that Subsection 27(f) will be further suspended through May 31, 1991. Each agency will have to determine when it must begin to obtain new procurement official certifications to avoid disruption of its procurement operations on December 1, 1990.

APPROVAL OF DIVISION FINANCIAL PLAN  
THE PROCESS

<u>STEPS</u>	<u>TIME-FRAME</u>
1. Call for PIDS by NRR Deputy Director to Division Directors thru Associate Directors	Late May
2. Division Directors allocation to Branches	Late June
3. Branches Develop PIDS (including Regional Input) to Division Directors	Mid-July
4. Division Directors review and approve; submit to TAMS	End July
5. TAMS compiles and analyzes for Associate Directors	Early August
6. Associate Directors review and approve	Mid August
7. NRR Deputy Director approves and issues Financial Plans	End August
<hr/>	
• Develop SOWs and RFPs	August
• Contractors submit Proposals	September
• Division Directors sign contract actions	October

**MAJOR STEPS AND TIME FRAMES FOR PROCESSING  
TASK ORDERS UNDER DOE NATIONAL LABORATORY CONTRACTS**

The following steps begin when the TM initiates a task order request to be placed under existing DOE National Laboratory task ordering type contract.

<u>Step</u>	<u>Time Frame</u>
1. The TM initiates a request for action memorandum (Appendix Q) from the division director to the Chief, TAMS.	Three days after concurrence by the TM
2. PM receives SOW input from TM and determines that the work fits the scope of the contract. PM (in conjunction with TM) finalizes the SOW and prepares an independent cost estimate and a transmittal letter. The SOW and transmittal letter containing the cost ceiling are faxed to the Laboratory's Principal Investigator (PI) for review and negotiation.	Five days after receipt of request
3. PM and TM conduct negotiations with the PI to reach verbal agreement on all aspects of the required work.	Two days after the PI receives the draft SOW
4. The task order package is prepared by the PM to reflect any changes resulting from the negotiations. The PM documents the discussions for the record using the "communication record" found at Appendix V.	Two days after reaching agreement with PI
5. The package is routed through the TM's line of authority for signature by the division director and concurred by the Chief, TAMS. The letter containing the authorized cost ceiling and SOW is dispatched to the Laboratory's Program Manager for counter-signature.	Five days after concurrence by PM
6. The Laboratory's Program Manager signs the transmittal letter and the work is authorized to begin. The original letter is returned to the PM.	Three days after the Laboratory's Program Manager receives the letter
 TOTAL:	 20 working days, depending on time lag in typing and concurrence chain

The typical time frames could be extended as a result of unavailability of qualified personnel, complex working requirements, disagreements on level of effort and other cost factors, or schedule milestone requirements. Time lags may occur in typing and in the concurrence chain.

## MAJOR STEPS AND TIME FRAMES FOR PROCESSING TASK ORDERS UNDER COMMERCIAL CONTRACTS

The following steps begin when the TM initiates a task order request to be placed under an existing commercial task ordering type contract.

<u>Step</u>	<u>Time Frame</u>
1. The TM initiates a request for action memorandum (Appendix Q) from the division director to the Chief, TAMS.	Three days after concurrence by the TM
2. PM receives SOW input from TM and determines that the work fits the scope of contract. PM (in conjunction with TM) finalizes the SOW, and prepares an independent cost estimate and an NRC Form 400. Package is routed through TM's line of authority for signature by the division director and concurrence by the Chief, PRAS and the Chief, TAMS. Package is dispatched by TAMS to DCPM.	Five days after receipt of request
3. DCPM reviews the SOW for conformance to the contract and, if it does, issues an RFP to the contractor.	Three days after receipt of request
4. Contractor submits a proposal including names and resumes (if not on file) of available qualified personnel to DCPM and concurrently to PM.	Six days after receipt of RFP
5. PM, TM, and DCPM hold negotiations with contractor to reach agreement on all aspects of the work, as may be necessary. Proposal evaluation is documented and signed by the PM and the TM.	Three days after receipt of proposal
6. DCPM conducts final negotiations with contractor, primarily on fee, and prepares and issues authorization to start work.	Five days after receipt of proposal evaluation form from PM
7. Contractor receives, signs and returns authorization.	Five days after receipt of definitization letter
TOTAL:	30 working days

The typical time frames could be significantly extended as a result of unavailability of qualified personnel, complex working requirements, disagreements on level of effort, other cost factors, or schedule milestone requirements. Time lags may occur in typing and in the concurrence chain.



**MAJOR STEPS AND TIME FRAMES FOR PROCESSING  
NEW DOE NATIONAL LABORATORY CONTRACTS**

The following steps begin when the TM initiates a request to place a new contract with DOE.

<u>Step</u>	<u>Time Frame</u>
1. The TM initiates a request for action memorandum (Appendix Q) from the division director to the Chief, TAMS.	Three days after concurrence by the TM
2. PM receives SOW input from TM. PM in conjunction with the TM) finalizes the SOW and prepares an independent cost estimate and a transmittal letter to DOE to request a proposal. NRC Form 367 is prepared. The RFP package routed through the TM's management chain for concurrence by the Division Director and for signature by the Chief, TAMS. (The division director signs the NRC Form 367.) The package is dispatched to DOE with a copy to the National Laboratory.	Ten days after receipt of notification
3. PM and TM conduct negotiations with the PI to reach verbal agreement on all aspects of the required work. (The PM documents the discussions for the record.)	Five days after the PI receives the RFP
4. The National Laboratory prepares the NRC Form 189 (proposal) and sends it to DOE for processing.	Fifteen days after reaching agreement with the PI
5. DOE processes the NRC Form 189 and sends it to the PM.	Five days after receipt from the Laboratory
6. The proposal is reviewed, evaluated and signed by the PM and the TM.	Three days after receipt of the proposal.
7. The NRC Form 173 and transmittal letter to DOE are prepared, routed through the TM's management chain for signature (NRC Form 173) by the division director and signature (transmittal letter) by the Chief, TAMS, and concurrence by the Chief, PRAS. The package is dispatched to the DOE for counter-signature.	Seven days after receipt of proposal
8. DOE counter-signs the NRC Form 173 and the work is authorized to begin. The NRC Form 173 is returned to NRC.	Seven days after the NRC Form 173 is dispatched by TAMS
<b>TOTAL:</b>	<b>55 working days</b>

The typical time frames could be extended as a result of unavailability of qualified personnel, complex working requirements, disagreements on level of effort and other cost factors, or schedule milestone requirements. Time lags may occur in typing and in the concurrence chain.

For new contracts that meet the SCRB criteria, add another four to six weeks.





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

June 27, 1991

MEMORANDUM FOR: Charles E. Rossi, Director  
Division of Operational Events Assessment

James E. Richardson, Director  
Division of Engineering Technology

Ashok C. Thadani, Director  
Division of Systems Technology

Brian K. Grimes, Director  
Division of Reactor Inspection and Safeguards

Frank J. Congel, Director  
Division of Radiation Protection and Emergency Preparedness

Jack W. Roe, Director  
Division of Licensee Performance and Quality Evaluation

FROM: William T. Russell, Associate Director  
for Inspection and Technical Assessment

SUBJECT: CONTRACTOR UNESCORTED ACCESS TO RADIOLOGICAL, VITAL, AND  
PROTECTED AREAS

Frank J. Miraglia's memorandum dated May 25, 1990, "Unescorted Access Requirements for NRC Contractor." (Enclosure 1) stated that Director, Division of Reactor Inspection and Safeguards (DRIS) will determine whether contractor employees needing unescorted access meet requirements concerning security, fitness for duty, and site access training and certify to that fact in a memorandum to the region.

Enclosure 2 is a standard memorandum used by DRIS for the certification to the region. The division responsible for the contractor employee should determine whether the employee meets the unescorted access requirements, originate the certification memorandum for signature by Director, DRIS (include a contact within the originating division), and provide concurrence by the originating division director. This concurrence will attest to the fact that the requirements for unescorted access have been met. Verification of security approval can be done through the appropriate Project Manager in Planning, Program, and Management Support Branch.

CONTACT:  
Hai-Boh Wang, NRR  
(301) 492-0958

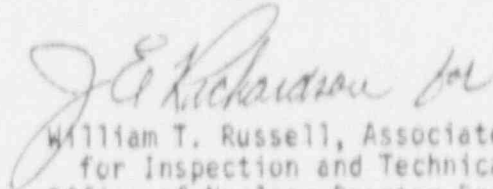
Multiple Addressees

- 2 -

June 27, 1991

This memo does not apply to NRR staff members requiring unescorted access. NRR Office Letter No. 904 - "Unescorted Access at Nuclear Power Sites" specifies the procedure to be used in this case which does not require the involvement of DRIS.

If you have any questions, please contact Hai-Boh Wang at 492-0958.



William T. Russell, Associate Director  
for Inspection and Technical Assessment  
Office of Nuclear Reactor Regulation

Enclosures: As stated



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

MAY 25 1990

MEMORANDUM FOR: T. Timothy Martin, Regional Administrator, RI  
Stewart D. Ebnetter, Regional Administrator, RII  
A. Bert Davis, Regional Administrator, RIII  
Robert D. Martin, Regional Administrator, RIV  
John B. Martin, Regional Administrator, RV

FROM: Frank J. Miraglia, Deputy Director  
Office of Nuclear Reactor Regulation

SUBJECT: UNESCORTED ACCESS REQUIREMENTS FOR NRC CONTRACTORS

The purpose of this memorandum is to provide interim program guidance on the requirements for unescorted access for NRC contractor personnel. Recently two contractor employees with extensive nuclear experience, who had previously been granted unescorted access at numerous reactor facilities throughout the country, were denied unescorted access at a site. This denial of unescorted access and further initial refusal by the licensee to provide an escort, required that the contractor personnel be escorted by a member of the NRC inspection team. The enclosed guidance is for your immediate use.

The enclosure identifies requirements that NRC contractor employees must meet in the areas of fitness-for-duty, security, and radiation protection, to be granted unescorted access.

In situations where contractor employees need unescorted access, the Director, Division of Reactor Inspection and Safeguards will determine whether the contractor employee meets the enclosed requirements and will send the responsible Region Projects Branch Chief a memorandum, with a copy to the Inspection and Licensing Program Branch (ILPB) and the Technical Assistance Management Section (TAMS), certifying that the contractor meets the requirements and that no further regional review is needed. Based upon the NRR certification, the Region should send the appropriate access letter to the licensee.

More detailed guidance will be issued in a future Inspection Manual Chapter and an addition to the NRC field policy manual. However, due to the situation

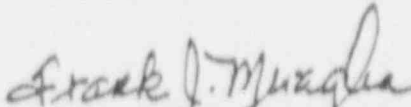
CONTACT:  
K. Pulsipher, NRR  
492-1215

Regional Administrators

- 2 -

MAY 25 1990

noted earlier, and the possibility that it could be repeated in the near future, it is important that this guidance be implemented now.

  
Frank J. Maglia, Deputy Director  
Office of Nuclear Reactor Regulation

Enclosure:  
As stated

cc w/enclosure:  
T. Murley, NRR  
J. Partlow, NRR  
W. Russell, NRR  
D. Crutchfield, NRR

LIMITED DISTRIBUTION

ENCLOSURE 2

Docket No.: 50-\_\_

MEMORANDUM FOR: [\_\_\_\_], Chief  
Administrative Management Branch  
Division of Resource Management  
and Administration  
Region [\_\_\_\_]

FROM: Brian K. Grimes, Director  
Division of Reactor Inspection  
and Safeguards  
Office of Nuclear Reactor Regulation

SUBJECT: ACCESS TO RADIOLOGICAL, VITAL, AND PROTECTED AREAS AT [SITE]

Reference: Memorandum to Regional Administrators from Frank Miraglia  
dated May 25, 1990, subject "Unescorted Access Requirements  
for NRC Contractors"

Please forward the following information to [licensee] in connection with  
unescorted access for the following NRC contractor employees at [site] during  
the period [start date] through [end date] for the purpose of [\_\_\_\_\_].

<u>Contractor</u>	<u>Site Access Training</u>				<u>Government</u>
<u>Employee</u>	<u>Site/Date</u>	<u>Employer</u>	<u>SSN/SIN*</u>	<u>Citizenship</u>	<u>Clearance</u>
	<u>[Indicate whether training was at NRC or a specific site and the date]</u>				<u>[Indicate U or L]</u>

\* [USE THE FOLLOWING FOR AECL EMPLOYEES:] \*Social Insurance Numbers (SIN)  
for Canadian citizens provide a level of identification similar to U.S.  
Social Security Numbers.

The following information indicates that the contractor employees comply with criteria for unescorted access pertaining to security, fitness for duty, and success training, which are addressed in the referenced memorandum.

[SELECT ONE OR MORE OF THE FOLLOWING THREE PARAGRAPHS AS APPROPRIATE]

1. FOR CONTRACTED EMPLOYEES, EXCEPT FOR AECL

[ ] have each submitted an SF-86, Questionnaire for Sensitive Position, and the NRC Division of Security has conducted a criminal history and credit check and has performed a security assurance interview with the contractor. All of the contractor employees have satisfactorily met the criteria for [temporary or final as appropriate] security approval.

2. CONTRACTED EMPLOYEES WITH VALID Q OR L CLEARANCES

[ ] possess valid government issued clearances, and therefore meet the criteria for final security approval.

3. CONTRACTED EMPLOYEES EMPLOYED BY AECL

[ ] have satisfactorily met the criteria for final security approval for unescorted access. The NRC Division of Security determined that the Canadian government has performed a background investigation equivalent to an NRC "L" clearance for them.



[ ] comply with the criterion for completing site access training with the NRC or at any nuclear power plant site within 12 months of the initial visit date, as indicated in the above table and are capable of safe conduct in a radiologically restricted area. [USE THE FOLLOWING FOR UNTRAINED PERSONNEL] [ ] have not received site access training within the last 12 months; therefore they should be granted escorted access pending completion of the necessary licensee access training.

The contractor personnel will need to be subject to the chemical testing [10 CFR 26.24] portions of your fitness-for-duty program. [IF APPROPRIATE, MAKE THE FOLLOWING ADDITIONAL STATEMENT] The contractor employee has recently ( date ) been tested negative for drugs at an NRC licensed facility subject to 10 CFR Part 26. Since this test was given within 60 days prior to the initial date for access at your facility, the test should satisfy the requirement for pre-access testing.

Based on our independent background investigations resulting in [temporary or final as appropriate] security approval [ADD THE FOLLOWING PHRASE IF APPROPRIATE: and on our experience working with [ ], we and the prime contractor certify that these individuals are trustworthy and pose no physical risk to the licensee's facility. On that basis, in addition to their compliance with criteria in the referenced memorandum, I recommend that [ ] be granted unescorted access to the licensee's protected and vital areas upon completion of any site-specific access program requirements. [USE THE FOLLOWING FOR PERSONNEL NOT MEETING SECURITY AND/OR SITE ACCESS TRAINING CRITERIA [ ] do not meet security and/or site access training criteria of the referenced memorandum and should be granted escorted access.

Please contact [ ] if there is any additional information you require. Please ensure that the correspondence with the utility identifies the contractors who have received site access training within the past year. We request that you include the NRR contact on the copy of the Regional access letter that will be sent to [licensee].

Brian K. Grimes, Director  
Division of Reactor Inspection  
and Safeguards  
Office of Nuclear Reactor Regulation

cc: SRI, [Plant]

CONTACT:

\_\_\_\_\_, NRR  
492-\_\_\_\_\_

Distribution:

[DIVISION DIRECTOR, ORIGINATING DIVISION]  
[BRANCH CHIEF, ORIGINATING DIVISION]  
[CONTACT, ORIGINATING DIVISION]  
Project Manager  
WHBateman, EDO  
[REGIONAL PROJECTS BRANCH CHIEF]  
NRR/ILPB  
NRR/PMSE

[ADD THE FOLLOWING NOTE TO THE CONCURRENCE PAGE]

NOTE: The originating division's concurrence certifies (as applicable) that temporary or final security approval has been granted in writing by the Division of Security and the prime contractor has submitted written certification to NRC that the individual contractors have completed general radiation protection training during the prior 12 months and drug testing at an NRR licensed facility subject to 10 CFR Part 26 within the last 60 days.



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

AUG 19 1988

MEMORANDUM FOR: All NRR Personnel

FROM: Thomas E. Murley, Director  
Office of Nuclear Reactor Regulation

SUBJECT: NRR PRESENCE AT REACTOR SITES

During a recent plant visit, an NRC staff reviewer with an incorrect access badge was "piggy-backed" through vital areas by the PM during a plant tour. The staff reviewer was eligible to enter vital areas but was badged only to enter the protected areas and not the vital areas. The security procedures at this plant require that visitors be badged for access for each vital area to be entered and that upon entering or exiting any vital areas security should be informed so the visitors can be logged in and out. In addition, line-of-sight control was not maintained between the NRC "escorter" and "escortee." The plant security staff cited the NRC personnel and escorted them back to the security guardhouse.

Regarding the escorting of visitors at a site or being escorted yourself:

1. Be aware of your responsibilities as an escort and have a clear understanding of the plant security procedures.
2. Be sure the person you are escorting is aware of his responsibilities and the seriousness of any breach of security.
3. Recognize the level of authorization needed by your visitor (protected or vital), in most cases, staff visitors will be entering vital areas.
4. If you are the escort, do not rely on accompanying licensee personnel regarding security procedures.
5. Security procedures and systems are quite plant specific.

I take this opportunity to remind all NRR personnel of the seriousness of any breach of plant rules, procedures or directions established for the admittance and control of personnel at the plant, and the impression it can create if NRC personnel are involved. This includes not only security, but all activities, including emergency directions, entry into rad protection areas, control room entry, etc.

Thomas E. Murley, Director  
Office of Nuclear Reactor Regulation



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555  
NOV 01 1989

MEMORANDUM FOR: Edward L. Halman, Director  
Division of Contracts and  
Property Management  
Office of Administration

FROM: Raymond J. Brady, Director  
Division of Security  
Office of Administration

SUBJECT: MODIFICATION TO CONTRACTS INVOLVING UNESCORTED ACCESS TO  
PROTECTED AND VITAL AREAS OF NUCLEAR POWER PLANTS OR ACCESS  
TO UNCLASSIFIED SAFEGUARDS INFORMATION (SGI)

Currently, four principal NRC or licensee operated programs/regulations are available or proposed to determine the trustworthiness and reliability of individuals requiring unescorted access to protected and vital areas of nuclear power plants or access to SGI: (1) the NRC "Q" and "L" security clearance program under the Atomic Energy Act of 1954, as amended (AEA), Section 145 and 10 CFR Part 10; (2) the proposed Nuclear Power Plant Access Authorization Program (NUMARC Guidelines); (3) the Criminal History (Fingerprint) program (AEA, Section 149 and 10 CFR Part 73.57); and (4) the Fitness for Duty (Drug Testing) Program. NRC contractor employees requiring unescorted access to protected or vital areas of nuclear power plants are currently subject to the access and fitness-for-duty programs of the licensees. Licensees take into account past unescorted access clearances and endorsing letters from the licensee in making a determination of access for NRC contractor employees. The NRC endorsing letters are based on the employing contractor's background checks, which vary from contractor to contractor. NRC contractors with access to SGI are authorized by the staff on a case-by-case basis. NRC contractors with access to classified information are, of course, required to have the appropriate level of security clearance.

To ensure comparable and uniform reliability and trustworthiness program coverage for NRC contractor personnel with unescorted access and access to SGI in the most efficient and expeditious manner, the existing NRC contracts involving such access should be modified. The Office of the General Counsel concurs in this action as do AEOD, NRR and Region I who currently have contracts involving such access. The recommended modification will require contractors to submit security forms for each employee to be granted unescorted access or access to SGI. This will enable NRC to initiate an "L" type limited background investigation by OPM and a subsequent evaluation of results by NRC (but without a formal grant of an NRC "L" clearance). Any questions regarding the individual's eligibility for access to protected and vital areas or access to SGI will be resolved in accordance with the provisions as set forth in 10 CFR Part 10.

Until individuals employed under current contracts are processed and, in the future, during the processing of new individuals, the current method of granting access under licensees' programs will continue. However, based on SEC's review of the applicant's security forms and/or the receipt of adverse information by NRC, the individual may be denied unescorted access or access to SGI until a final determination of his/her eligibility for unescorted access or access to

SGI is made under the provisions of 10 CFR Part 10. After a contract individual is cleared under the new NRC procedures, licensees will be expected to grant unescorted access and access to SGI to individuals performing specified work for the NRC in the same manner as they presently do for NRC employees. (Note that the fitness-for-duty aspects for NRC contractors will continue to be handled under licensee, rather than NRC, programs until such time as an NRC program for contractors is in place).

The following language or language similar in nature is suggested to modify existing contracts. All future contracts involving unescorted access to the protected or vital areas or access to SGI must also include such language.

#### Contract Security Requirements

Performance under this contract will involve unescorted access to protected and vital areas of nuclear power plants or access to unclassified Safeguards Information (SGI). This may involve a National Agency Check with Inquiries and Credit Investigation for unescorted access to protected and vital areas of nuclear power plants and/or a National Agency Check for access to SGI or such other investigation deemed necessary by the NRC in accordance with 10 CFR Part 10 and NRC Manual Chapter 2101, Appendix Part VI. The contractor shall submit through the Project Officer to the NRC Division of Security within thirty (30) calendar days following contract award, modification, or proposal of new personnel for contract tasks, a completed Personnel Security Forms packet including a Questionnaire for Sensitive Positions (SF-06) for all personnel requiring the investigation. The contractor shall assure that all forms are accurate, complete, and legible (except for Part 2, Questionnaire for Sensitive Positions, which is required to be completed in private and submitted by the individual to the contractor in a sealed envelope). Any question regarding the individual's eligibility for access to protected and vital areas or access to SGI will be resolved in accordance with the provisions as set forth in 10 CFR Part 10, which is hereby incorporated by reference and made a part of this contract as though fully set forth herein. However, based on SEC review of the applicant's security forms and/or the receipt of adverse information by NRC, the individual may be denied unescorted access or access to SGI until a final determination of his/her eligibility for unescorted access or access to SGI is made under the provisions of 10 CFR Part 10.

The specific contracts, as identified by AECO, NRR and Region 1, currently subject to these modifications are:

#### Contractor

Ebasco  
Resource Technical Services  
Science Application International Services  
Parameter, Inc.  
Parameter, Inc.  
Parameter, Inc.  
Soralysts, Inc.  
Southwest Research Institute  
Thompson Engineering Testing

#### Contract

NRC-03-87-119-01  
NRC-03-87-119-03  
NRC-03-87-029  
NRC-26-89-289  
NRC-03-89-027  
NRC-03-89-029  
NRC-03-89-031  
NRC-03-87-119-02  
NRC-28-88-269

We are available to discuss this matter or answer any questions you may have regarding the suggested modifications. Please feel free to contact Mr. Lewis Robertson or me if there are any questions.

Original Signed By  
Raymond J. Brady

Raymond J. Brady, Director  
Division of Security  
Office of Administration

DISTRIBUTION:

SCF: LRD 1.00.03  
LRD 3.00.10  
LRD 3.00.13  
PER 3.00.11  
J. T. Larkins, NRR  
G. F. Thompson, AEOD  
J. J. McOscar, RI  
P. G. Norry, D/ADM  
R. J. Voegele, OGC  
H. B. Ragan, OGC  
R. A. Erickson, NRR  
P. A. Dwyer, NMSS  
B. K. Grimes, NRR  
G. W. McCorkle, NMSS  
D/SEC R/F  
PERSEC R/F ←

R. J. Maley, RII  
G. W. Roy, RIII  
G. G. Benoit, RIV  
K. Hamill, RV

\*Concurred per his memo dated 10/24/89  
\*\*Concurred per her memo dated 10/13/89  
\*\*\*Concurred telephonically on 10/25/89

JFC	: PERSEC	: PERSEC	: OGC	: OGC	: DD/SEC	: D/SEC	: NRR*
NAME	: LRobertson	: JJDunlevy	: RJVoegele	: HBRagan	: RADoop	: F. Er...	: JTLarkins
DATE	: 10/4/89:sm	: 10/3/89	: 10/4/89	: 10/4/89	: 10/ /89	: 10/ /89	: 10/24/89

JFC	: AEOD**	: DRMA/RI***	:	:	:	:	:
NAME	: GFThompson	: JJMcOscar	:	:	:	:	:
DATE	: 10/13/89	: 10/25/89	:	:	:	:	:

NRR MEMORANDUM

"STANDARD REVIEW PLAN (SRP)  
UPDATE AND DEVELOPMENT PROGRAM"



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555  
March 21, 1991

MEMORANDUM FOR: Steve Varga, Director  
Division of Reactor Projects - I/II

Bruce Boger, Director  
Reactor Projects III, IV, V

Dennis Crutchfield, Director  
Division of Advanced Reactors  
and Special Projects

James Richardson, Director  
Division of Engineering Technology

Brian Grimes, Director  
Division of Reactor Inspection  
and Safeguards

Jack Roe, Director  
Division of Licensee Performance  
and Quality Evaluation

Charles Rossi, Director  
Division of Operational Events Assessment

Ashok Thadani, Director  
Division of Systems Technology

Frank Congel, Director  
Division of Radiation Protection and  
Emergency Preparedness

FROM: Anthony Gody, Chief  
Policy Development and Technical Support Branch  
Program Management, Policy Development  
and Analysis Staff

SUBJECT: STANDARD REVIEW PLAN (SRP) UPDATE AND DEVELOPMENT PROGRAM

NUREG-0800, "Standard Review Plan for the Review of Safety Analysis Reports for Nuclear Power Plants" was last revised in whole and issued in 1981. Although revisions to selected SRP sections have been completed and issued since 1981, generally, the SRP has not been kept current with existing licensing guidance since the 1981 revision.

In order to bring the existing SRP up to date and to prepare for the licensing of future reactors, NRR is undertaking a program to update the existing SRP to make it consistent with current regulatory documents, licensing guidance, national codes and standards, and to supplement it as necessary to support future reactor reviews.



The Policy Development and Technical Support Branch (PTSB) has been assigned the overall responsibility for the SRP, including the SRP Update and Development Program. The goals of the SRP Update and Development Program are: 1) update the licensing guidance to reflect approved requirements/guidance to date; 2) develop SRP addenda for future reactors; 3) develop a fully automated system to ensure maintenance of the SRP to incorporate evolving requirements/guidance and to facilitate SRP utilization; 4) document the rationale of all acceptance criteria in each SRP section; 5) incorporate individual SRPs, such as Environmental and License Renewal, into the fully automated system.

Pacific Northwest Laboratories (PNL) will be the primary contractor to assist PTSB with the overall coordination of the SRP Update and Development Program. Coordination of the program will include development of a Guidance Document in the form of a procedure and an extensive data base for NRR division staff use. PNL will also coordinate final document production. However, the review of individual SRP sections will be the responsibility of the appropriate technical and projects divisions in NRR. The Primary Review Branch (PRB) as assigned by the NRR Associate Director for Inspection and Technical Assessment, in accordance with NRR Office Letter No. 800, "Standard Review Plan for the Review of Safety Analysis Reports for Nuclear Power Plants", will determine if the SRP section it is responsible for requires revision. Once that determination is made, the NRR division has the three following options available to it:

- 1) The PRB may perform the revision to the SRP section.
- 2) The PRB may enlist a contractor of its choosing (including PNL through an existing contract "FIN L-1910") to either perform or assist the PRB in performing the revision to the SRP section.
- 3) The PRB may request PTSB to perform the revision to the SRP section, with the assistance of PNL, through the PTSB contract for the SRP Update and Development Program, FIN L-1858.

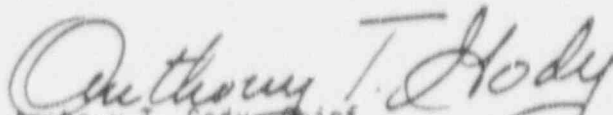
In order to ensure that we have a current listing of the branches responsible for the individual SRP sections, the listing of assignments contained in NRR Office Letter No. 800, dated November 24, 1987, is attached as Enclosure 1. Several organization changes have occurred since its issuance. Please review the list and provide corrections, to both the primary and secondary review branches listed, to Mike Case, PTSB, X23076, MS 12E4 by April 12, 1991.

The effort associated with the SRP update is quite extensive and includes review of currently effective licensing guidance including rules, regulatory guides, policies, generic issue resolutions, generic letters, bulletins, circulars,

information notices, branch technical positions, topical reports, codes and standards, and industry initiatives. An example of this effort, a review of the status of nuclear industry codes and standards referenced in regulatory documents, has been completed and is attached as Enclosure 2. Any other copies of this document, dated prior to March 7, 1991, that you have in your possession have been revised and should be discarded. The codes and standards effort was conducted with the use of RECALL (Certrec Corporation), an automated full text retrieval system. This system is available for further use in the SRP Update and Development Program through PNL.

We have scheduled a meeting with the Division Directors to discuss the SRP Update and Development Program for Thursday April 18, 1991 at 10:00 in 12 B11. If you can not attend, please arrange for a representative to attend.

Singh Bajwa, X21262, is the contact for the update of the SRP. Marylee Slosson, X21292, is the contact for the development of additions to the SRP for each of the future plant designs. Any questions or comments with regard to either the update or the development should be addressed to the appropriate contact.



Anthony T. Gody, Chief  
Policy Development and Technical Support Branch  
Program Management, Policy Development  
and Analysis Staff  
Office of Nuclear Reactor Regulation

Enclosures:  
As stated

cc: T. Murley  
F. Miraglia  
J. Partlow  
W. Russell  
F. Gillespie

NRR MEMORANDUM

"NRC INSPECTION PROGRAM REVISIONS"



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

August 30, 1989

MEMORANDUM FOR: NRR Branch Chiefs

FROM: Frank P. Gillespie, Director  
Program Management, Policy Development  
and Analysis Staff, NRR

SUBJECT: NRC INSPECTION PROGRAM REVISIONS

Experience to date in working with the technical branches on revisions to the NRC inspection program have been good; however, I wish to emphasize that revisions and additions to the inspection program need to continue to be closely coordinated with the Inspection and Licensing Program Branch (ILPB). Close coordination with ILPB during the early development and preparation stage of revisions can greatly reduce the amount of time spent in rewriting the document when it is reviewed by ILPB prior to final issuance. I am enclosing a copy of my January 12, 1988 memorandum, which describes the methodology of processing changes to the inspection program, for your information and use.

It is desirable that changes and additions to the inspection program be accomplished internally, rather than use contractor support. In most cases the burden required to support the use of contractor support for program development nears that required to perform the work internally. However, it is recognized that there will be some few occasions where it may be necessary to request assistance from a contractor. In those cases, it is important to define the desired scope and purpose of the assignments. Also, the responsible Branch will need to closely control the contractor's work. When contractor support is utilized, ILPB will work with you in establishing the statement of work to be performed and the format of the final product to ensure that it can be used directly in the inspection program without requiring major modifications. ILPB concurrence is required prior to the issuance of any contract for inspection program development.

Please contact me or Ed Butcher (x21243) if you have any questions.

Frank P. Gillespie, Director  
Program Management, Policy Development  
and Analysis Staff, NRR

Enclosure:  
As stated

cc w/enclosure:

E. Rossi	F. Congel
B. Grimes	J. Roe
J. Richardson	M. Peranich
A. Thadani	G. Klingler

Project Directors and Branch Chiefs

Robert Capra	14B2	21416	David Terao	7E23	23317
Walter Butler	14E21	21430	Goutam Bagchi	8D22	20838
Richard Wessman	14D1	21433	Conrad McCracken	8H7	20822
John Stolz	13H3	21302	Scott Newberry	7E12	20782
Elinor Adensam	14B20	21466	Faust Rosa	8D20	20837
Herbert Berkow	14H22	21485	John Craig	8D1	20873
David Matthews	14H25	21490	Wayne Hodges	8E23	20895
Marty Virgilio	13A2	21354	Bill Brach	9D4	20961
Larry Vandell	13H15	21318	Robert Erickson	9D24	20933
Dan Muller	13D1	21395	Charles Haughney	9A1	20967
John Hannon	13E21	21389	William Travers	10D4	21086
George Knighton	13E16	21372	Richard Barrett	10A2	21089
Fred Heddon	13D18	21340	Jay Cunningham	11D23	21111
Charlie Miller	11H3	21118	Anthony Gody	10A19	21017
Wayne Lanning	11E22	21161	William Regan	11B19	21117
Carl Berlinger	11A1	21168	Kenneth Perkins	10D18	21031
Jose Calvo	11F23	21183	John Larkins	12H3	21202
C. Y. Cheng	9H15	20924	Lecil Thomas	12E4	21257
Tad Marsh	9H3	20902	Edward Butcher	12H26	21243
George Hubbard	7L23	20706	Evangelos Marinou	7E23	20768



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

June 12 1988

MEMORANDUM FOR: Those on Attached List

FROM: Frank P. Gillespie, Director  
Program Management, Policy Development  
and Analysis Staff  
Office of Nuclear Reactor Regulation

SUBJECT: NRC INSPECTION MANUAL - ASSIGNMENT OF PROGRAM  
RESPONSIBILITIES

The NRC reorganization assigned to the Program Management Policy and Analysis Staff the overall responsibility for the policies and direction of the NRC inspection program. In addition, it also delegated to each NRR Division inspection program responsibilities associated with their technical responsibilities. This memorandum provides each NRR Division with guidelines to be followed in completing program development or maintenance assignments associated with specific inspection program responsibilities.

A. Operational Guidelines

The Inspection, Licensing and Research Integration Branch (ILRB) of the Program Management, Policy Development and Analysis Staff (PMAS) is responsible for the administration of the NRC inspection manual and is the focal point for the coordination of all inspection program development activities. Therefore, all program development activities initiated by or assigned to an NRR Division must be coordinated with PMAS/ILRB. These program development efforts should conform to the following guidelines.

Proposals for new inspection program initiatives or major revisions to existing inspection program Manual Chapters (MC) or Inspection Procedures (IP) are to be forwarded to the Director, PMAS, for NRR Office review and approval prior to further development. The proposal should include a brief summary of information (outlined by Attachment A) on the inspection scope and resources (Headquarters/Regions), and on the elements of the current inspection program being replaced, supplemented or for which credit can be taken should the proposed program be implemented. The information defined in Attachment A should be forwarded to ILRB by January 22, 1988, for each program initiative (e.g., Temporary Instruction associated with a planned Bulletin) or major revision that is currently underway within NRR. This input will be used by ILRB to prioritize the proposed TIs in order to determine which TIs may be accomplished with available resources. The result of this prioritization will be discussed with the Regions at a meeting on February 22, 1988.

CONTACT:  
F. J. Hebdon, ILRB  
X27750

JAN 12 1988

The development of approved program initiatives, the updating or consolidation of existing programs or procedures, and the preparation of Temporary Instructions (TIs) for inspection verification of licensee implementation of NRC Generic Letters and Bulletins should be developed and coordinated directly with ILRB, consistent with guidance contained in NRC Inspection Manual Chapters (IMCs) 0030, 0040, and 0045. It is current NRR policy that at the time of preparation of a Generic Letter or Bulletin, the package submitted for CRGR review will include a TI (or discuss scope, resources, schedule, and responsibility for issuance of the TI) if verification of licensee implementation of the requested action is required. The ILRB should be informed (see Attachment B) when an NRR organization determines that a TI will or will not be required. If a TI is required, the planned schedule for the preparation, review and issuance of the TI should be included. As a minimum, the decision concerning the need for a TI should be made, and ILRB informed before the Bulletin or Generic Letter is sent to CRGR for review.

PNAS/ILRB is also the focal point for all formal contact with the Regions concerning the inspection program. Thus, any correspondence concerning the inspection program (e.g., requests for comments on new inspection procedures, guidance concerning inspection program priorities) should include concurrence by the Chief, ILRB. Informal contacts (e.g., phone calls to discuss issues) between technical branches and associated Regional personnel are encouraged and should continue.

It is recognized that NRR staff involvement in the area of inspection programs is a new responsibility and branches may not have extensive experience in how to prepare inspection program documents or staff with knowledge in techniques utilized in establishing inspection requirements. Therefore, it is requested that each NRR Branch designate a lead individual who is to be responsible for preparing or assisting the Branch in preparing inspection program documents. Each NRR Division should inform PNAS/ILRB of the names of the individuals that will be working with ILRB in completing inspection program assignments. Following receipt of this information, ILRB will provide these individuals with appropriate training. We feel this approach is appropriate to ensure that inspection program documents sent to ILRB for issuance focus on safety vs compliance, provide for effective use of inspection resources, and are in an appropriate format.

In regard to our plans for assessing implementation of the NRC inspection program, PNAS is currently preparing its plans for accomplishing this activity. However, it is expected that each NRR Division responsible for major areas of the inspection program will be involved in completing the assessment activity.

#### B. Specific Inspection Program Responsibilities

The following is intended to clarify the inspection program responsibilities of each NRR organization. However, it is stressed that substantial resources are not to be expended on the revision of the assigned inspection program documents until the scope of the new Reactor Inspection Program Concept is further refined (scheduled for implementation around April 1988). You will be notified at a later date of which inspection program documents will remain active under the new program concept.

Jul 19 1988

Enclosed for your information is a list of all instructions in the NRC Inspection Manual together with assignments of responsibility for each instruction. Enclosure 1 is a key of organization abbreviations used in the assignments.

The Inspection, Licensing and Research Integration Branch (ILRB) made the proposed assignments based primarily on the descriptions of responsibilities contained in NUREG-0325, Revision 10, "Functional Organization Charts." Responses to previous requests on this subject and responses related to responsibility for sections of the Standard Review Plan were also considered in making the assignments. Assignments previously accepted by organizations are designated in Enclosure 2 by asterisks.

In general, our assignments, if correct, should result in the NRC organization having broad technical responsibility for the area inspected being assigned the primary responsibility. A general exception, was made for the inspection procedures referenced in the vendor inspection program, Manual Chapter 2700, where RVIB was assigned the primary responsibility. The branch having the technical responsibility for the area inspected at the vendor location (e.g., welding, NDE, QA) was assigned secondary responsibility.

Primary responsibility for an instruction means that the assigned organization has the lead and is responsible for program development and revision in that area. However, as noted previously, program work should be limited to those programs elements which are retained for active implementation. In this regard, affected responsible organizations will be requested to participate with ILRB, as necessary, in developing required inspection program instructions for inclusion in the new Reactor Inspection Program Concept.

Secondary responsibility indicates that the assigned organizations have a programmatic interest in that instruction. As a minimum, changes to the instruction by either the primary or secondary organization would be coordinated with the other organization listed.

After all assignments have been agreed upon, ILRB will issue and maintain a master consolidated list. Copies will be sent to the Regional Offices with an instruction that they should communicate directly with the organization having primary responsibility when they have questions or recommendations regarding an instruction. However, ILRB will remain as the focal point for formal written recommendations for program revision. In addition, we are considering a requirement that the Regional Offices distribute inspection reports directly to those organizations having primary responsibility for inspection procedures covered in the report. This would give the responsible organizations feedback on the use of their inspection procedures in the inspection program.

Enclosure 2 should be carefully reviewed to determine whether the assignments are appropriate. Note that within NRR, most primary responsibilities are assigned at the branch level. Secondary responsibilities may be either branches or divisions. If you believe your branch should not have a primary responsibility that is assigned, identify the appropriate branch and obtain approval from that branch for the indicated transfer of responsibility. Similar action should be taken for those instructions where you believe your branch should have the primary responsibility instead of the branch that has been designated. The intent, however, is to have only one organization with primary responsibility for each instruction.

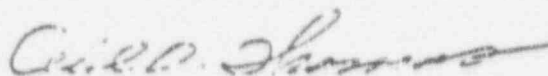


JAN 12 1988

Comments are also requested on the appropriateness of assigned secondary responsibilities. In this case, it is not necessary to coordinate with other branches or divisions.

A copy of the Inspection Manual has previously been distributed to each NRR Branch Chief. Should you wish to know which inspection procedures are associated with a particular inspection program (e.g., MC-2511, Pre-CP; MC-2512, Construction; MC-2513, Pre Ops; MC-2514, Startup; or MC-2515, Operations) you should refer to the listing of procedures provided as an enclosure to each IMC.

Please provide your comments to Frederick J. Heddon, ILRB, by January 30, 1988. Each division should consolidate comments into a single response. A marked-up copy of Enclosure 2 is acceptable.



*FPG* Frank P. Gillespie, Director  
Program Management, Policy Development  
and Analysis Staff  
Office of Nuclear Reactor Regulation

Enclosures:  
As Stated

cc w/enclosures:  
T. Hurley, NRR  
J. Taylor, EDOKO

cc w/o enclosures:  
W. Russell, Regional Administrator, FI  
J. Nelson Grace, Regional Administrator, RI  
A. Bert Davis, Regional Administrator, RII  
R. Martin, Regional Administrator, RIV  
J. Martin, Regional Administrator, RV

# NRR TECHNICAL ASSISTANCE PROCEDURES

## DOCUMENTS/SIGNATURE-CONCURRENCE MATRIX

FORMS, LETTERS, OR MEMOS	PROJECT MANAGER		TECHNICAL MONITOR		SECTION CHIEF		BRANCH CHIEF		DIVISION DIRECTOR		CHIEF TAMS		CHIEF PRAS		ASSOCIATE DIRECTOR		NRR DEP DIRECTOR		
	SIGN	CONC	SIGN	CONC	SIGN	CONC	SIGN	CONC	SIGN	CONC	SIGN	CONC	SIGN	CONC	SIGN	CONC	SIGN	CONC	
Memo Request for PIDS												X		X				X	
PIDS					X		X	X											
Memo Approving Div. Finan. Plan		X										X		X		X	X		
Memo Requesting TAMS Action				X	X		X	X											
Memo for Inter Office Coordination	X																		
SCRB Package		X		X	X		X	X				X							
Request for Proposal:																			
DOE Letter		X		X	X		X		X	X	X								
Memo to Dir, DCPM Transmitting NRC Form 400 or 34		X		X	X		X		X	X	X								
NRC Form 400		X		X	X		X		X	X	X		X						
NRC Form 34		X		X	X		X		X	X	X		X						
NRC Form 367 DOE Source Select.	X						X		X										
DOE Task Order	X			X	X		X		X		X		X						
Proposal Evaluation 15% or Less Dev.	X			X															
>15% Deviation	X			X	X		X		X	X									
DOE Work Order Transmittal Ltr. NRC Form 173		X		X	X		X		X		X	X	X		X				
Letter to Contractor Transmitting NRC Furnished Materials/ Technical Comments				X															
Memo to Chief, TAMS Requesting Redirection of Funds				X	X		X	X											
Memo to Chief, TAMS Requesting Reprogramming of Funds				X	X		X	X									X		



## PROPOSAL EVALUATION

(page 1 of 3)

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### INSTRUCTIONS

**Address each question.** Address all deviations or unacceptable aspects of the proposal (including any pertinent information provided by the contractor) whether or not they are subsequently found to be acceptable. For all deviations (or initially unacceptable aspects of the proposal), state the deviation, determine acceptability, and if not acceptable, explain any required changes.

If the cost, technical, and/or any other aspects of the proposal are consistent with the independent cost estimate and the requirements of the statement of work (SOW), provide an affirmative statement to that effect. If the question is not applicable to the proposal, state that it is not applicable.

---

### COST CONSIDERATIONS

**Compare the cost proposal with the independent cost estimate.** (For commercial contracts or task orders, the contract administrator will obtain advice from the Government auditor regarding the acceptability of the labor rates and indirect rates, for example, overhead, fringe, and G&A (general and administrative). For DOE National Laboratory contracts, DOE is responsible for attesting to the acceptability of these rates.)

- 1. Are the proposed hours consistent with those identified in the independent cost estimate for each labor category?** Provide an analysis of the proposed hours. State the deviations, and explain their acceptability. If not acceptable, explain required changes.
  
  - 2. Is the proposed travel consistent with that stated in the SOW, and necessary for performance of the work?** Review the purpose, number of trips, location (origin and destination), number of travel days, and number of personnel traveling. State the deviations from the SOW and explain their acceptability. If not acceptable, explain required changes. (For commercial contracts or task orders, the contract administrator will verify per diem and transportation rates. For DOE National Laboratory contracts, DOE is responsible for this verification.)
  
  - 3. Are the purpose, labor categories and expertise, number of hours, and hourly rates for any proposed subcontractor or consultant reasonable and necessary for performance of the work?** Provide an analysis of the proposed labor categories and expertise, number of hours, and rates, and explain their reasonableness and acceptability. If not acceptable, explain required changes.
-

## PROPOSAL EVALUATION

(page 2 of 3)

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### COST CONSIDERATIONS (Continued)

4. Are the proposed quantity and estimated "other direct costs" (such as telephone, express mail, computer time, materials) reasonable and necessary for performance of the work? Are the costs consistent with the independent cost estimate? Provide an analysis of the proposed "other direct costs" and their purpose. State the deviations from the independent cost estimate and explain their reasonableness and acceptability. If not acceptable, explain required changes.
  
5. Has the contractor proposed any ADP equipment, testing, or other special equipment? Are they reasonable and necessary for performance of the work? Are they consistent with the independent cost estimate? Provide an analysis of the quantity and prices. State deviations and explain their acceptability. If not acceptable, explain required changes.
  
6. For commercial contracts or task orders, is there any particular or unique applicable information (e.g., state-of-the-art, complexity, uncertainties of performance, likelihood of change) that can assist the contract administrator in determining the level of profit (fee)? Provide the information.

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### TECHNICAL CONSIDERATIONS

7. Are the proposed labor categories consistent with those in the SOW (e.g., sufficient level of expertise, all technical areas covered in number and types, availability of personnel when needed)? Provide an analysis of the proposed labor categories. State the deviations and explain their acceptability. If not acceptable, explain required changes.
  
  8. If the proposed technical approach is different from that in the SOW, is it reasonable and suitable to accomplish the objective(s)? Are any areas of the approach inappropriate? Provide an analysis of the technical proposal. State the deviations and explain their acceptability. If not acceptable, explain required changes.
-

PROPOSAL EVALUATION

(page 3 of 3)

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9. Are the proposed scheduled milestones and the period of performance consistent with the requirements of the SOW? Are they reasonable? State the deviations and discuss their acceptability. If not acceptable, explain required changes.
10. Is the technical proposal fully responsive to the SOW in other areas not evaluated above (e.g., clarity; description and breakdown of the tasks and subtasks to allow appropriate level of monitoring; the description of the type, quantity, distribution of reports and any other deliverable)? Provide an analysis of the technical proposal. State the deviations and discuss their acceptability. If not acceptable, explain required changes.

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OTHER CONSIDERATIONS

11. On the basis of the information in the proposal and any other information readily available, does an appearance of or an actual organizational conflict of interest exist for the prime contractor or subcontractor or consultant, if applicable, as defined in 48 CFR Part 20? Explain your determination.
12. On the basis of the information in the proposal and any other information readily available, are any proposed contractor employees, subcontractor employees, or consultants former NRC employees? If yes, provide the name(s) of the individual(s) and, if known, the termination date of employment with the NRC.

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Signatures: \_\_\_\_\_  
                    Technical Monitor                      Date                      Project Manager                      Date

Type/print: \_\_\_\_\_

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APPENDIX X

PROCESSING VOUCHERS THROUGH  
THE DIVISION OF CONTRACTS AND PROPERTY MANAGEMENT  
FOR  
COMMERCIAL CONTRACTS  
AND  
INTERAGENCY AGREEMENTS OTHER THAN THAT WITH DOE



FOR YOUR IMMEDIATE ATTENTION



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20545

Date

MEMORANDUM FOR:

M.S.:

Technical Monitor for Task Order No. \_\_\_\_\_ (FIN \_\_\_\_\_)  
Technical Monitor for Contract No. \_\_\_\_\_ (FIN \_\_\_\_\_)

FROM:

\_\_\_\_\_, Project Officer  
Technical Assistance Management Section, PMSB, NRR

SUBJECT:

PROCESSING OF A VOUCHER FOR THE REFERENCED TASK ORDER/CONTRACT

Forwarded herewith for your review and approval is a voucher(s) for the subject project(s)/task contract(s)/task order(s).

Please review what is being claimed and, in particular, the total amount for overall reasonableness against progress and the work performed during the period referenced on the voucher. The Contract Administrator in the Division of Contracts and Property Management will determine the appropriateness (allowable costs) and correctness of the specific line items and associated amounts being claimed. Of course, if you notice any item or amount that appears inappropriate or incorrect in any manner, please bring it to my attention.

There is not necessarily a direct correlation between costs reported in the Monthly Business Letter Report (MBLR) and the voucher, principally because the billing cycle may be different. Also, the MBLR may include cost incurred but not billed. In addition, costs for the month on either the MBLR or the voucher, or both, may not include travel costs and/or subcontractor/consultant costs because they were not submitted in sufficient time to be included in the MBLR or voucher. These costs will appear in the subsequent month, although the status will reflect the work performed. Conversely, travel and/or subcontractor costs may appear in the report when in fact they were incurred in a previous month(s). This may be particularly obvious when there are costs incurred in a month when no work was performed.

PLEASE NOTE: You do not need to perform an accounting audit to determine reasonableness. If you have any questions concerning the processing of the voucher, please contact me. Please do not contact the contractor at this time.

I have included the "Project Officer Suspense" copy of the NRC Form 292. Please complete items 1 through 7, as applicable, and sign and date in the block under Part 1 titled, "SIGNATURE - DIVISION OR OTHER AUTHORIZED REPRESENTATIVE," if you find the voucher to be acceptable. If you find a problem with the voucher, please contact me.

Please complete your review of this voucher and return only the NRC Form 292 to me at Mail Stop: OWFN 12 H 26 within five days from receipt of this memorandum. You do not have to return the voucher to me.

Telephone:

M.S.: 12 H 26

\_\_\_\_\_, Project Officer  
Contract No. \_\_\_\_\_  
Technical Assistance Management Section, PMSB

FOR YOUR IMMEDIATE ATTENTION

**VOUCHER TRANSMITTAL FOR REVIEW AND APPROVAL PRIOR TO PAYMENT**

The attached voucher/invoice which was received by the Division of Contracts and Property Management on \_\_\_\_\_ is forwarded (two copies) for your review and recommendation prior to payment.

TO: PROJECT OFFICER	MAIL STOP	TELEPHONE	CONTRACTOR
FROM: CONTRACT ADMINISTRATOR	MAIL STOP P-902	TELEPHONE	CONTRACT NUMBER
VOUCHER/INVOICE	DATE	AMOUNT \$	BILLING PERIOD

**PART I** — To comply with the Prompt Payment Act, as amended, and avoid costly interest penalties, the Project Officer shall review the invoice and contact the Contract Administrator WITHIN 2 CALENDAR DAYS of receipt of the package if a problem or deficiency exists which may preclude payment of the invoice in full. Simultaneously, the Project Officer shall annotate the problem/deficiency in the Comments Section and transmit a facsimile copy to the Contract Administrator. The original NRC Form 292 shall be completed, signed, and returned with one copy of the invoice to the Contract Administrator by \_\_\_\_\_.

**IF YOU ANSWER "NO" TO QUESTIONS 1-5 OR "YES" TO QUESTION 6, PROVIDE EXPLANATION IN THE COMMENTS SECTION OR ON A SEPARATE ATTACHMENT.**

QUESTIONS	YES	NO
1. Did the contractor submit required deliverables and meet scheduled milestones during the billing period?		
2. Are the labor hours, travel, subcontract, equipment and other direct costs reasonable and commensurate for the type and nature of work completed during the billing period? (Not applicable to fixed price contracts)		
3. Is the contractor using personnel with required skill to ensure efficient and effective performance? (Not applicable to fixed price contracts)		
4. Is the quality of the deliverables and/or services acceptable and in compliance with the terms of the contract?		
5. Has the NRC met its contractual obligations during the billing period including provision of government furnished property and timely review and comments on reports/deliverables?		
6. Are you aware of any present or future problems that may adversely affect contractor performance and/or costs?		

7. COMMENTS

I have examined the referenced voucher in relation to the contractor's progress and technical aspects of the items claimed and recommend the following:

Payment in the amount of \$ _____	Withholding payment pending clarification of the above concerns.
SIGNATURE — PROJECT OFFICER	DATE
SIGNATURE — DIVISION OR OTHER AUTHORIZED REPRESENTATIVE (if required)	

**PART II — Contracting Officer will complete.**

I have examined the referenced voucher, considered the recommendations of the reviewing Project Officer, and request the following action be taken (reasons for suspension and/or disallowances specified below):

Payment in the amount of: \$ _____	REASONS FOR SUSPENSION/DISALLOWANCE
Suspension in the amount of: \$ _____	
Disallowance in the amount of: \$ _____	
SIGNATURE — CONTRACTING OFFICER OR DESIGNEE	DATE

**PART III — NRC Controller will complete.**

Payment in the amount of \$ _____ has been made.	
A deduction in the amount of \$ _____ has been made from the voucher and the remaining payment in the amount of \$ _____ has been made.	
SIGNATURE CONTROLLER REPRESENTATIVE	DATE

APPENDIX Y

REQUEST FOR CONTRACTOR PERFORMANCE EVALUATION  
AND  
DOCUMENTATION OF DISPOSITION OF DELIVERABLE(S)

FOR YOUR IMMEDIATE ATTENTION



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

Date \_\_\_\_\_

MEMORANDUM FOR: \_\_\_\_\_  
Technical Monitor

\_\_\_\_\_, Branch

FROM: \_\_\_\_\_  
Project Manager, TAMS

SUBJECT: REQUEST FOR CONTRACTOR PERFORMANCE EVALUATION AND  
DOCUMENTATION OF DISPOSITION OF DELIVERABLE(S)

REFERENCE: Task Order No.: \_\_\_\_\_ FIN: \_\_\_\_\_  
Contractor: \_\_\_\_\_ Contract No.: \_\_\_\_\_  
(Commercial)

On \_\_\_\_\_, the period of performance for the referenced task order (or contract) expired. Please complete the enclosed memorandum pertaining to the deliverable(s) and the contractor evaluation form and return them to me within 30 calendar days from the date of this memorandum. Please call me at 504-\_\_\_\_\_ (or FTS 964-\_\_\_\_\_) if you have any questions.

\_\_\_\_\_  
Project Manager, TAMS

Encl:  
As stated

FOR YOUR IMMEDIATE ATTENTION



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

\_\_\_\_\_ Date

MEMORANDUM FOR: \_\_\_\_\_  
Project Manager, TAMS

THRU: \_\_\_\_\_ Date  
Branch Chief

\_\_\_\_\_ Date  
Section Chief

SUBJECT: EVALUATION OF CONTRACTOR PERFORMANCE AND DISPOSITION OF DELIVERABLE(S)

FIN: \_\_\_\_\_ Reference: \_\_\_\_\_ Task Order No.: \_\_\_\_\_

Contract No.: \_\_\_\_\_  
(Commercial Contracts)

Task Order Title: \_\_\_\_\_  
(or Contract)

I have recently received the deliverable(s) listed below which completes the reference task order (or contract). I have completed the information requested below and the enclosed contractor performance evaluation form.

\_\_\_\_\_ Technical Monitor  
\_\_\_\_\_ Branch

Encl:  
as

cc: Division Director  
Deputy Director

\_\_\_\_\_  
Contractor: \_\_\_\_\_

Deliverable(s): \_\_\_\_\_

\_\_\_\_\_

Disposition: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## NRR TECHNICAL ASSISTANCE PROCEDURES CONTRACTOR PERFORMANCE EVALUATION FORM

Title: \_\_\_\_\_

Contractor: \_\_\_\_\_

FIN: \_\_\_\_\_ Task Order No.: \_\_\_\_\_ Contract No.: \_\_\_\_\_

### EVALUATION FACTORS

Rating (Circle One)

Lowest

Highest

1. Availability of Qualified Personnel      1   2   3   4   5   6   7   8   9   10

Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

2. Reliability and Responsiveness      1   2   3   4   5   6   7   8   9   10

Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

3. Timeliness      1   2   3   4   5   6   7   8   9   10

Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

4. Cost Effectiveness      1   2   3   4   5   6   7   8   9   10

Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

5. Overall Quality of Deliverable      1   2   3   4   5   6   7   8   9   10

Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Technical Monitor (Please type or print) \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

APPENDIX Z

OUTLINE FOR USE IN CONDUCTING  
THE MIDYEAR REVIEW OF  
DIVISION TECHNICAL ASSISTANCE

OUTLINE FOR USE IN CONDUCTING  
THE MIDYEAR REVIEW OF DIVISION TECHNICAL ASSISTANCE

(Presentation by Division Director)

Prepare slides or handouts as appropriate that present the following information:

(1) Overall Division Financial Status

- Current Fiscal Year Budget for the Division
- Current Fiscal Year Obligated Funds
- Percent of Obligations against the Budget
  
- Prior Year Carry-over
- Total Funds Available at the Beginning of the Fiscal Year, (carry-over funds plus the current fiscal budget)
- The Percent of Obligations against Total Funds Available
  
- Total Costs to Date (include the date)
- Percent of Costs against Total Funds Available

Discuss any anomalies.

(2) Program Element Financial Status and Progress

For each Program Element, discuss the financial status and progress, as follows:

(a) Financial Status

- Current Fiscal Year Budget
- Prior Fiscal Year(s) Carry-over Funds
- Current Fiscal Year Obligations
  
- Total Obligations to Date (include the date)
- Total Funds Available
- Total Costs to Date (include date)
  
- Percent of Current Fiscal Year Obligations against Current Fiscal Budget
- Percent of Costs against Total Funds Available
- Percent of Costs against Total Obligations
- Percent of Costs against Total Obligations plus Unobligated Funds

Discuss any anomalies.

Discuss the projected monthly rate of expenditure and the basis for projection.



(b) Technical Assistance Project Progress

Discuss the contractors' timeliness. (For example, have milestones and deliverables generally been met?)

Discuss the quality of the services or products. (For example, have the right kind of people been assigned?)

Are the priorities of the projects still valid? Have any of the services or products been terminated?

List the services and products received to date. Discuss the use(s) made of the services or products.

Discuss project accomplishments to date against plans and objectives of the division and branches.

(3) Other Subjects

Discuss the need, if any, for modification to the Division Financial Plan.