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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

NOV 04 1999

Foxx and Company, CPAs
ATTN: Mr. Martin O'Neill, Partner
700 Goodall Complex, 324 West Ninth Street
Cincinnati, OH 45202-1908

Dear Mr. O'Neill:

SUBJECT: TASK ORDER NO. 10 ENTITLED, "FINANCIAL MANAGEMENT ADVICE
AND GUIDANCE" UNDER CONTRACT NO. NRC-09-97-205

In accordance with Section B.21(c) of the subject contract entitled, "Task Order Award," this letter definitizes Modification No. 1 to Task Order No. 10 which (1) extends the period of performance through September 30, 2000, and (2) increases the fixed price amount of the task order by \$56,900 from \$13,020 to \$69,920. This effort shall be performed in accordance with the enclosed Statement of Work. Accordingly, the task order is hereby revised as follows:

The second paragraph of the definitization letter of the basic task order is deleted in its entirety and the following paragraph is substituted in lieu thereof.

"The period of performance for Task Order No. 10 shall be from October 1, 1999, through September 30, 2000, with a cost ceiling of \$69,920."

This task order obligates funds in the amount of \$56,900. The accounting data for Task Order No. 10 is as follows:

B&R No.:	07N-15-532-105
FIN No.:	L1965
Appropriation No.:	31X0200.07N
BOC No.:	252A
Obligated Amount:	\$56,900

The following individuals are considered to be essential to the successful performance of the work hereunder: Patricia Foxx, Martin O'Neill, Robert Warren, and William Moore.

The Contractor agrees that such personnel shall not be removed from the effort under the task order without compliance with contract clause, NRCAR 2052.215-70 entitled, "KEY PERSONNEL."

Your contacts during the course of this task order are:

Technical Matters: Robert Rakowski, Project Officer
(301) 415-7340

Contractual Matters: Paulette Smith, Contract Specialist
(301) 415-6594

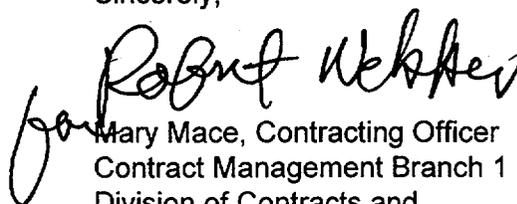
PDR CONTR NRC-09-97-205

DF02

The issuance of this task order does not amend any terms or conditions of the subject contract.

Please indicate your acceptance of this task order by having an official, authorized to bind your organization, execute three (3) copies of this document in the space provided and return two (2) copies to the U.S. Nuclear Regulatory Commission, ATTN: Paulette Smith, Division of Contracts and Property Management, Mail Stop: T-7-I-2, ADM/DCPM/CMB1, Washington, DC 20555. You should retain the third copy for your records.

Sincerely,



Mary Mace, Contracting Officer
Contract Management Branch 1
Division of Contracts and
Property Management
Office of Administration

Enclosures:
As stated

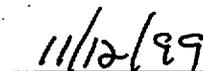
ACCEPTED:



Name



Title



Date

STATEMENT OF WORK
Modification No. 1 to Task Order No. 10 Under Job Code L1965
Contract No. NRC-09-97-205

Title: Financial Management Advice and Guidance

Technical Monitor: Robert E. Rakowski, OCFO - (301) 415-7340
Designated Alternates: Anthony C. Rossi, OCFO - (301) 415-7379
Barbara K. Gusack, OCFO - (301) 415-6054

Background

Since the passage of the Chief Financial Officers Act of 1990, the Nuclear Regulatory Commission (NRC) must comply with new Federal financial accounting standards and reporting requirements. The Office of the Chief Financial Officer (OCFO) of the NRC requires financial management advice and guidance concerning accounting and audit issues that affect the NRC's annual financial statements, accounting policy, and operations. The OCFO also seeks assistance in the preparation of the annual financial statements and compilation documentation, account reconciliations, and other general financial and accounting support tasks.

Objective

The objective of this task order is to obtain financial management advice and guidance concerning accounting and audit issues that affect the NRC's annual financial statements, accounting policy and operations. Contractor assistance will include the review of exposure drafts and revisions to Statements of Federal Financial Accounting Standards (SFFAS); the NRC Accounting Policy Manual; OMB Form and Content for Agency Financial Statements; implementing guidance published by Federal oversight agencies; and operating procedures, etc. In addition, the contractor will perform a review of the People Soft System which will include an evaluation of internal controls, policies and procedures, and a report that highlights the findings along with recommendations for corrective action, if any.

Work Requirements

The contractor shall provide qualified personnel to complete the following tasks:

- A. Financial Management Advice and Guidance:
1. Review exposure drafts and revisions to Statements of Federal Financial Accounting Standards (SFFAS); the NRC Accounting Policy Manual; OMB Form and Content for Agency Financial Statements; other relevant

OMB Bulletins; implementing guidance published by Federal oversight agencies; and operating procedures, etc.

Upon completion of the reviews mentioned above, advise the Division of Accounting and Finance (DAF) concerning audit issues that affect the NRC's annual financial statements, accounting policy and operations.

2. Provide written recommendations on how to correct identified financial weaknesses (e.g., audit findings and internal controls), advise and assist with the implementation of corrective actions. The NRC Project Officer or designated alternate may determine that written recommendations are unnecessary and an oral response is adequate.
3. Assist NRC's DAF with preparing accounting information requested by OMB as it relates to the annual financial statement and accountability report.
4. Provide biweekly progress reports commencing with the month of October 1999 on all active task orders and monthly fixed priced areas that include commercial payments, federal payment voucher tracking and follow-up, and debt collection. The contractor shall follow the attached form for preparing the biweekly progress reports; however, this format is subject to change at the discretion of the NRC Project Officer.

The biweekly progress reports shall contain accomplishments, problems encountered, and additional work projects.

5. At the beginning of each month, provide a monthly listing, commencing with the month of October 1999, of all contractor staff, their current assignments, scheduled absences for the month, the reason for the absence, and the names of the individual to perform work in the person's absence.

B. People Soft System:

1. Obtain an understanding of the People Soft System by attending and/or reading minutes of progress review sessions for each of the three elements of the System.
2. Review all relevant documentation and the operational software for the implementation of the People Soft System.

3. Interview key NRC officials concerning their individual roles and responsibilities within the System.
4. Evaluate and test the System's general controls (e.g., organizational structure, access authorities, security and safeguard procedures and processes, system and program development, and disaster recovery/contingency planning.)
5. Evaluate the processes in the People Soft System to identify gaps that may exist with the current Pay/Pers System and determine their significance and extent of the OCFO's vulnerability.
6. Prepare a memorandum of the findings disclosed by the review along with appropriate recommendations for corrective actions.

Level of Effort

The level of effort for this task order is estimated at 370 hours for partner and 330 hours for manager.

Period of Performance

Modification No. 1 to Task Order No. 10 shall commence on award date of modification through September 30, 2000.

Deliverables

The contractor shall provide written advice, guidance, and recommendations that are clear, organized, and concise. The Project Officer or designated alternates may determine that written advice, guidance, and recommendations are unnecessary and an oral response is adequate for a particular task.

Provide a biweekly progress report on all active task orders and the monthly fixed price areas of the contract.

Provide a monthly listing of contractor staff and pertinent information as described under item No. 5 above.

Provide a final/interim report of the People Soft System Review by March 31, 2000.

Meetings

The contractor shall attend approximately five (5) status meetings at NRC's Two White Flint North Building located at 11545 Rockville Pike, Rockville, Maryland. The date and time of each meeting will be coordinated between the contractor and the NRC Project Officer or designated alternates.

NRC Furnished Materials/Equipment

The NRC shall provide the contractor with the following items for use under this task order:

- ▶ Computer reports, financial and accounting documents, and other documentation relevant to this task order.
- ▶ Personal computers, calculators, telephones, copy and facsimile machines will be provided to certain on-site contractor staff for support of this task order.

Progress Payments

Payments under this task order shall be in accordance with contract clause B.24, "Progress Payments - Commercial Items."