



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

APR 17 2003

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

Dear Mr. O'Neill:

SUBJECT: WORK ORDER NO. 01 ENTITLED, "LICENSEE FEE AND ACCOUNTS
RECEIVABLE DOCUMENTATION - BILLINGS AND COLLECTIONS MANUAL,"
UNDER DELIVERY ORDER DR-09-03-127 UNDER GSA FSS CONTRACT NO.
GS-23F-9832H

In accordance with the Terms and Conditions, DELIVERY ORDER CLAUSES, of the subject contract, this letter definitizes the subject work order. This effort shall be performed in accordance with the enclosed Statement of Work.

The period of performance for Work Order No. 01 shall be from April 18, 2003 through June 30, 2003 at the fixed price amount of \$34,991.

This work order obligates funds in the amount of \$34,991. The accounting data for Work Order No. 01 is as follows:

B&R No.:	37N-15-532-358
FIN No.:	L1965
Appropriation No.:	31X0200.37N
BOC No.:	252A
Obligated Amount:	\$34,991

The following individuals are considered to be essential to the successful performance of the work hereunder: [REDACTED]

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

Your contacts during the course of this work order are:

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

Contractual Matters: Amy Siller, Contract Specialist
(301) 415-6747

The issuance of this work order does not amend any terms or conditions of the delivery order under the GSA FSS contract.

Please indicate your acceptance of this work 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: Ms. Amy Siller, ADM/DC/CMC2, Mail Stop T-7-I-2, Washington, DC 20555. You should retain the third copy for your records.

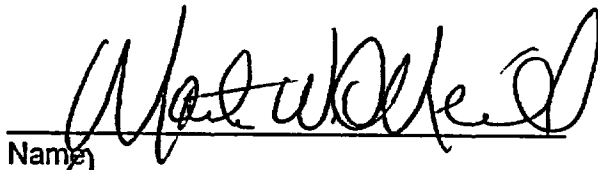
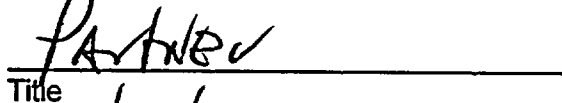
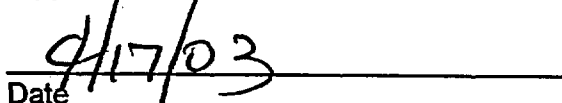
Sincerely,



Robert B. Webber, Contracting Officer
Contract Management Center 2
Division of Contracts
Office of Administration

Enclosures:
As stated

ACCEPTED:


Name
Title
Date

STATEMENT OF WORK
Work Order No. 1 under Delivery Order No. DR-09-03-127

Title: License Fee and Accounts Receivable Documentation –
Billings and Collections Manual

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

Federal agencies are required, as stated in the Office of Management and Budget (OMB) Circular A-130 Revised, *Management of Federal Information Resources*, Appendix III, *Security of Federal Automated Systems*, to provide an adequate level of security for all agency automated information systems (AIS). Accordingly, the Office of the Chief Financial Officer (OCFO), License Fee and Accounts Receivable Branch (LFARB) is currently updating its Business Continuity Plan (BCP) for the set of applications collectively called the Fee Systems. Certain safeguards have been identified as part of this separate effort to mitigate risks associated with the operation to manageable levels.

The LFARB also maintains procedure documentation describing the basic instructions for billing and collecting fees. That internal procedure documentation is maintained in the NRC *LFARB Billings and Collections Procedures Manual*, Volumes 1-3 (the most recent version dated April 1998). Since the preparation of this Manual, there have been changes to existing LFARB functions and new processes have been implemented. With the increased attention and scrutiny on matters relating to security and data integrity, the Manual requires updating to reflect these procedural changes and to include additional information. Revision of this Manual will mitigate a risk as identified in the BCP.

Scope

The scope of this Work Order shall be the conduct of activities and development of products necessary to update procedures of the LFARB billing and collection functions.

Certain processes are associated with the Federal Financial System (FFS), such as management of receivables, and documentation of reconciliation procedures of receivable balances with other systems (e.g., the Agency core accounting system) and are outside the scope of this work order.

Objective

The overall objective of this Work Order is to implement certain safeguards within the LFARB as required to continue business in the event of disruption to certain functions.

The Contractor shall review instructions in the existing LFARB procedural Manual, identify new processes and prepare a recommendation.

Work Requirements

The contractor shall provide qualified personnel with understanding of data processing concepts, documentation, and security matters. The contractor shall perform the following tasks:

A. LFARB Procedure Documentation.

The *NRC LFARB Billings and Collections Procedures Manual* contains basic instructions for the LFARB to bill and collect fees from NRC customers, to manage and report receivable balances, and follow up on overdue balances. As needed, the contractor shall interview knowledgeable LFARB staff in order to assemble and verify process flow, procedures, and other such information to be included in the relevant section of the Manual and communicate any weakness identified during the review.

1. Analysis of Documentation

Because of the large volume of LFARB documentation, relative importance of different sections as they relate to impacts on functionality, account balances and data integrity, and the degree to which different sections may have become out of date, an analysis will be needed to establish prioritization and sequencing of documentation updates. As a result, the contractor shall obtain an understanding of how the current version of the *LFARB Billings and Collections Procedures Manual* represents current operations. The contractor shall perform a general analysis of internal LFARB processes and prepare recommendations covering areas where LFARB documentation needs revisions. The contractor shall provide a written recommendation on areas where improvements to the documentation should be made so that efforts on documentation updates could be prioritized taking into account considerations including, but not limited to,

- Materiality of certain LFARB functions and processes
- Extent to which existing documentation in the *LFARB Billings and Collections Manual* may be out of date for a particular process
- Relative risk resulting from reliance on out of date documentation
- Relative risk in terms of insufficient documentation of internal controls
- Determination of appropriate areas of existing documentation which are insufficiently addressed in the current Manual and which could likely be subject to review (e.g., by auditors) in order to assess current billing and collection functions and with consideration to status of audit field work

Analysis of LFARB operations (including reviews of process flow and system functions) under this task is intended to provide a basis for a general assessment of documentation and is not intended to provide a basis for widespread substantive testing or reconciliation functions.

The contractor shall provide ongoing advice, guidance, and a final recommendation relating to LFARB documentation issues.

Level of Effort

The level of effort is estimated at 100 hours for Partner, 40 hours for Manager, and 450 hours for staff.

Period of Performance

The period of performance of this Work Order is from April 18, 2003 through June 30, 2003.

Deliverables

The contractor shall prepare and deliver documentation. Draft versions shall be delivered in hard-copy form. Final versions shall be delivered in both hard-copy and electronic form. Electronic files consisting of the documentation shall be prepared in WordPerfect 8.0 formats or as directed by the Project Officer or designated alternate.

Electronic document files comprising interim drafts and final document versions (including any work files, graphic and screen images, etc.) shall be delivered via email or stored on a CD as directed by the Project Officer or designated alternate.

Final versions of document deliverables shall incorporate comments, corrections provided by knowledgeable NRC technical staff and as directed by the Project Officer or designated alternate.

A. LFARB Procedures Manual.

1. Analysis of Documentation

In addition to ongoing advice, guidance, and recommendations relating to LFARB procedural documentation issues, the contractor shall provide a written set of recommendations covering the prioritization and sequencing of LFARB documentation updates not later than COB June 30, 2003. Such recommendations shall, as determined by the Project Officer or designated alternate, be provided in a tabular manner and shall include both rationales for prioritization and an approximate non-binding projection of the level of effort and duration to complete the corresponding update.

At the discretion of the Project Officer or designated alternate, the contractor shall provide recommendations in alternative forms, which may include cursory written or oral recommendations. As a result of an assessment of current documentation and recommendations to the Project Officer or designated alternate, a proposed schedule shall be prepared for completion of LFARB documentation updates in phases. That schedule shall include for each

documentation phase projected due dates for interim drafts, allow for review and comments by NRC staff, and include projected completion of final versions of updates.

Meetings

The contractor shall confer on a frequent, periodic basis with the designated NRC staff responsible for project monitoring and functional oversight to conduct interviews and to discuss interim status of deliverables. Purposes of such regular consultation will include ensuring progress of sub-tasks in accordance with task schedules to provide assurances that reasonable levels of effort are expended on certain sections, and to provide guidance on documentation in order to avoid excessive or irrelevant information. The meetings and interviews shall be held at NRC's Two White Flint North Building located at 11545 Rockville Pike, Rockville, Maryland and will be coordinated between the Contractor and the NRC Project Officer or designated alternates.

NRC Furnished Materials/Equipment

The NRC will make available to the contractor

- *NRC LFARB Billings and Collections Manual*, hard copy and on diskettes
- Personal computers, calculators, telephones, access to copy and facsimile machines, and relevant software tools will be provided to on-site contractor staff as needed for support of this Work Order. Software will include word processing, data management, MS Access, Visio graphics software and Snag-It screen capture packages. All equipment and software shall remain the property of NRC.