



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

SEP 12 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. 4 ENTITLED, "UPDATE OCFO BILLINGS AND
COLLECTIONS DOCUMENTATION," UNDER DELIVERY
ORDER DR-09-03-127 UNDER GSA FSS CONTRACT NO. GS-23F-9832H
AND MODIFICATION NO. 1 TO WORK ORDER NOS. 1, 2 AND 3

In accordance with the Terms and Conditions, DELIVERY ORDER CLAUSES, of the subject contract, this letter definitizes Work Order No. 4. This effort shall be performed in accordance with the enclosed Statement of Work.

In addition, this modification amends language inadvertently used in the definitization letters for Work Order Nos. 1, 2 and 3 where in the second paragraph of each letter it was stated that a "fixed price amount" was established for the associated work order, when, in fact, it was a "fixed ceiling price."

The period of performance for Work Order No. 4 shall be from September 12, 2003 through March 31, 2004 at the fixed ceiling price of \$116,373.

This work order obligates funds in the amount of \$116,373. The accounting data for Work Order No. 4 is as follows:

B&R No.:	37N-15-532-358
FIN No.:	L1965
Appropriation No.:	31X0200.37N
BOC No.:	252A
Obligated Amount:	\$116,373

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:

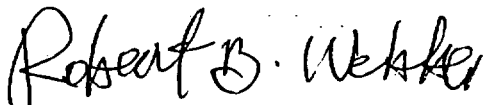
Technical Matters: Robert Rakowski, Project Officer
(301) 415-7340

Contractual Matters: Robert Webber, Contracting Officer
(301) 415-6520

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: Mr. Robert Webber, 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

Managing Officer
Title

September 24, 2003
Date

STATEMENT OF WORK
Work Order No. 4 under Delivery Order No. DR-09-03-127

Title: Update OCFO Billings and Collections Documentation

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 Team (LFT) 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 in order to mitigate the risk associated with the billing and collection operations to a manageable level.

The OCFO, LFT and Accounts Receivable Team (ART) maintains documentation describing the basic instructions for the billing and collecting of fees in the *NRC LFARB Billings and Collections Procedures Manual, Volumes 1-3* (the most recent version dated April 1998). Since 1998, the OCFO has changed several functions and procedures, as well as, implemented new work processes. With the OCFO reorganization of April 2003, the procedures manual will hereafter be titled "*The OCFO Billings and Collections Procedures Manual*". This manual will be updated in order to mitigate a risk identified in the BCP.

Scope

The scope of this work order shall be the conduct of activities and the development of products necessary to update the OCFO Billings and Collections Procedures Manual.

Certain processes 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) are outside the scope of this task.

Objective

The overall objective of this work order is to implement certain safeguards within LFT and ART as required to ensure continuity of business in the event of disruption to certain functions. As a result, the contractor shall update the OCFO Billings and Collections Procedures Manual with all changes to existing functions and procedures and all new work processes.

Work Requirements

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

A. Update the OCFO Billings and Collections Procedures Documentation.

The *OCFO Billings and Collections Procedures Manual* contains the basic instructions for the OCFO to bill and collect fees from NRC customers, to manage and report receivable balances, and to follow up on overdue balances. As needed, the contractor shall interview knowledgeable LFT and ART staff in order to assemble and verify process flows, procedures, and other such information to be included in the relevant sections of the manual and update the documentation accordingly.

1. Analysis of Documentation

Because of the large volume of billing and collection 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 was done to establish prioritization and sequencing of documentation updates. Results of this analysis concluded that all 22 chapters of the current procedures manual need revisions with eight chapters needing a complete rewrite. The deliverables section of this task order provides the schedule of work with start dates and delivery dates for all chapters and appendices.

The contractor shall continue to obtain an understanding of how the current version of the *OCFO Billings and Collections Procedures Manual* represents current operations and shall perform an in-depth analysis of internal LFT and ART processes in order to update the manual as needed.

The contractor shall refer to the written recommendations on areas for improvements contained in the "Report on Review of the Billings and Collections Procedures Manual of the License Fee and Accounts Receivable Branch" so that efforts on updating the documentation can be efficiently managed taking into account considerations including, but not limited to,

- Materiality of certain billing and collection 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; and
- 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.

An analysis of LFT and ART operations (including reviews of process flow and system functions) under this task should provide a basis to update the

documentation and is not intended to provide a basis for widespread substantive testing or reconciliation functions.

Level of Effort

The level of effort is estimated at 155 hours for Partner, 441 hours for Manager, and 1,324 hours for senior.

Period of Performance

The period of performance of this work order begins on September 12, 2003 and goes through March 31, 2004.

Deliverables

1. The contractor shall provide revised chapters of the OCFO Billing and Collections Procedures Manual based on the following schedule:

Task Description	Start Date	Draft Delivery Date
Facilities Annual Fees – Chapter 1	Aug. 25, 2003	Sep. 19, 2003
Materials Annual Fees – Chapter 4	Aug. 25, 2003	Sep. 26, 2003
Facilities Fees – Chapter 2	Sep. 2, 2003	Sep. 26, 2003
Facility Action System – Chapter 3	Sep. 16, 2003	Oct. 17, 2003
Fuel System - Chapter 6	Sep. 16, 2003	Oct. 17, 2003
Material System – Chapter 5	Sep. 9, 2003	Oct. 23, 2003
Unbilled Application Fee – Chapter 8	Sep. 29, 2003	Oct. 30, 2003
Fees File Transfer Protocol – Chapter 7	Sep. 22, 2003	Oct. 31, 2003
Checks Received at NRC – Chapter 9	Nov. 17, 2003	Dec. 12, 2003
Lockbox & ACH Collections – Chapter 10	Nov. 17, 2003	Jan. 9, 2004
On-Line Payments and Collections – Chapter 11	Dec. 1, 2003	Jan. 9, 2004
Fedwire Payments – Chapter 12	Dec. 15, 2003	Jan. 14, 2004
Installment Payment Plans – Chapter 13	Dec. 15, 2003	Jan. 23, 2004
Write Offs – Chapter 14	Jan. 5, 2004	Jan. 30, 2004
Waivers – Chapter 15	Jan. 12, 2004	Feb. 6, 2004
Acronyms – Appendices I	Feb. 2, 2004	Feb. 16, 2004
Adjustments – Chapter 16	Jan. 19, 2004	Feb. 18, 2004
Refunds – Chapter 17	Jan. 26, 2004	Feb. 20, 2004
Second and Third Notices – Chapter 18	Feb. 2, 2004	Feb. 23, 2004
Telephone Contacts to Deliq. Licensees – Chapter 19	Feb. 2, 2004	Feb. 25, 2004
Bankruptcies Protection Procedures – Chapter 20	Feb. 2, 2004	Feb. 26, 2004
Orders Suspending Licensees – Chapter 21	Feb. 2, 2004	Feb. 27, 2004
Accessing FFS – Appendices III	Feb. 9, 2004	Mar. 5, 2004
Referrals to Treasury – Chapter 22	Feb. 2, 2004	Mar. 6, 2004

2. Final versions of document deliverables shall incorporate comments and corrections provided by knowledgeable NRC technical staff and as directed by the Project Officer or designated alternate. The contractor will be expected to deliver a final version of each deliverable 5 business days after receiving the draft markup.

The contractor shall provide a hard-copy and electronic copy of all draft and final versions of the deliverables. 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.

3. After the update of all chapters and appendices is complete, the contractor shall provide a complete and final version of the OCFO Billings and Collections Procedures Manual. The delivery date for the final manual is March 31, 2004.

Meetings

The contractor shall confer on a frequent, periodic basis with the designated NRC staff responsible for project monitoring and functional oversight. The purposes of regular consultations will be to discuss interim status of deliverables to include ensuring progress of tasks in accordance with the schedule, to provide assurances that reasonable levels of effort are expended on certain sections, and to discuss the documentation work 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 task 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.