

October 6, 2005

MEMORANDUM TO: Stephen D. Dingbaum
Assistant Inspector General for Audits

FROM: Jacqueline E. Silber **/RA/**
Deputy Executive Director
for Information Services and Administration,
and Chief Information Officer
Office of the Executive Director for Operations

SUBJECT: REVIEW OF NRC'S CONTRACT CLOSEOUT PROCESS (OIG-05-A-16)

This is to provide you with the Office of Administration's response to Recommendations 1 through 4 of the subject report.

Recommendation 1

Revise Management Directive (MD) 11.1 and the internal contract closeout policy to include Federal Acquisition Regulations (FAR) contract closeout time standards.

Response

Agree. The FAR contract closeout time standards will be incorporated into a revision to Division of Contracts (DC) Instruction 92-08. We expect to issue the revised DC Instruction by January 31, 2006. DC plans to include the FAR contract closeout time standards in MD 11.1 by March 31, 2006.

Recommendation 2

Implement, sign, and date the internal contract closeout policy.

Response

Agree. The Team Leader, Procurement Policy Team, DC, will sign and issue DC Instruction 92-08 implementing NRC contract closeout policy by January 31, 2006.

CONTACT: Mary Lynn Scott, ADM/DC
301-415-7305

Recommendation 3

Revise the performance metric to address compliance with FAR contract closeout time standards.

Response

Agree. The Office of Administration's FY 2006 Operating Plan will include a performance metric for contract closeout based on the FAR time standards. This will be completed by January 31, 2006. DC also plans to work closely with Office of the Inspector General (OIG) in FY 2006 to identify opportunities for OIG to assist with final contract audits and further accelerate the closeout process.

Recommendation 4

Develop and implement a process to monitor compliance with agency deobligation policy.

Response

Agree. DC will issue deobligation guidance by January 31, 2006, including a process for monitoring this activity.

cc: Chairman Diaz
Commissioner Merrifield
Commissioner Jaczko
Commissioner Lyons
SECY
OGC
DOC
OCA
OPA
CFO

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cc: Chairman Diaz SECY OCA
 Commissioner Merrifield OGC OPA
 Commissioner Jaczko DOC CFO
 Commissioner Lyons

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