

February 2, 2012

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

FROM: Kathryn O. Greene, Director */RA/*
Office of Administration

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE U.S.
NUCLEAR REGULATORY COMMISSION'S MANAGEMENT OF
AGREEMENTS WITH DEPARTMENT OF ENERGY
LABORATORIES (OIG-10-A-12)

The following provides a status of planned actions in response to Recommendations 1 through 3 and Recommendation 7, as contained in the subject audit report.

Recommendation 1:

Revise MD [Management Directive] 11.7 to require NRC [U.S. Nuclear Regulatory Commission] offices to consider the use of commercial sources through market research (e.g., sources-sought announcements, procurement history, expert knowledge) as part of the decision-making process in choosing to use a lab, and fully document the results/conclusions in the agreement files.

Status:

The Office of Administration (ADM) issued a revision to MD 11.7 on January 30, 2012 (ADAMS [ML112991579](#)). ADM accepted and incorporated all comments submitted to us by the Office of the Inspector General (OIG) on October 6, 2011. This revision to the MD requires offices to consider the use of commercial sources as part of their market research before choosing to use a Department of Energy (DOE) lab and to fully document the results and conclusions of their market research in the agreement files. ADM requests this recommendation be closed.

Recommendation 2:

Clarify MD 11.7 to emphasize the requirement to fully document the rationale and basis for using a DOE lab.

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(301) 492-3616

Status:

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Recommendation 3:

Revise MD 11.7 to require independent review of justifications by DC [Division of Contracts] personnel to ensure that commercial sources were fully considered.

Status:

ADM issued a revision to MD 11.7 on January 30, 2012 (ADAMS [ML112991579](#)). ADM accepted and incorporated all comments submitted to us by the OIG on October 6, 2011. This revision to the MD includes review criteria, which incorporates input from the program offices, for use in determining which justifications must be reviewed by DC prior to award of an agreement to DOE. Those justifications that do not meet the criteria will continue to be reviewed by the Associate Competition Advocate in each office. ADM requests this recommendation be closed.

Recommendation 7:

Issue a delegation of authority to OIP [Office of International Programs] to award, extend, modify, and terminate DOE lab agreements.

Status:

A delegation of authority was issued to OIP on April 6, 2011 (ADAMS [ML110540476](#)). ADM requests this recommendation be closed.

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