



**UNITED STATES**  
**NUCLEAR REGULATORY COMMISSION**  
WASHINGTON, D.C. 20555-0001

**OFFICE OF THE  
INSPECTOR GENERAL**

February 16, 2012

**MEMORANDUM TO:** R. W. Borchardt  
Executive Director for Operations

**FROM:** Stephen D. Dingbaum **/RA/**  
Assistant Inspector General for Audits

**SUBJECT:** STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S  
MANAGEMENT OF AGREEMENTS WITH DEPARTMENT  
OF ENERGY LABORATORIES (OIG-10-A-12)

**REFERENCE:** DIRECTOR, OFFICE OF ADMINISTRATION,  
MEMORANDUM DATED FEBRUARY 2, 2012

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated February 2, 2012. Based on this response, recommendations 1-3 and 7 are now closed. Recommendations 4-6 were previously closed. All recommendations to this report are now closed.

If you have any questions or concerns, please call me at 415-5915 or Kathleen Stetson, Team Leader, at 415-8175.

Attachment: As stated

cc: N. Mamish, OEDO  
K. Brock, OEDO  
J. Arildsen, OEDO  
C. Jaegers, OEDO

## **Audit Report**

### **AUDIT OF NRC'S MANAGEMENT OF AGREEMENTS WITH DEPARTMENT OF ENERGY LABORATORIES**

**OIG-10-A-12**

#### **Status of Recommendations**

Recommendation 1:      Revise MD 11.7 to require NRC 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.

#### **Agency Response**

Dated February 2, 2012:      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.

OIG Analysis:      The agency's revisions to MD 11.7 satisfy the intent of this recommendation. Therefore, recommendation 1 is now closed.

**Status:**      Closed.

## **Audit Report**

### **AUDIT OF NRC'S MANAGEMENT OF AGREEMENTS WITH DEPARTMENT OF ENERGY LABORATORIES**

**OIG-10-A-12**

#### **Status of Recommendations**

<u>Recommendation 2:</u>	Clarify MD 11.7 to emphasize the requirement to fully document the rationale and basis for using a DOE lab.
Agency Response Dated February 2, 2012:	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 emphasizes the requirement to fully document the rationale and basis for using a DOE lab. ADM requests this recommendation be closed.
OIG Analysis:	The agency's revisions to MD 11.7 satisfy the intent of this recommendation. Therefore, recommendation 2 is now closed.
<b>Status:</b>	Closed.

## **Audit Report**

### **AUDIT OF NRC'S MANAGEMENT OF AGREEMENTS WITH DEPARTMENT OF ENERGY LABORATORIES**

**OIG-10-A-12**

#### **Status of Recommendations**

Recommendation 3: Revise MD 11.7 to require independent review of justifications by DC personnel to ensure that commercial sources were fully considered.

Agency Response  
Dated February 2, 2012: 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.

OIG Analysis: The agency's revisions to MD 11.7 satisfy the intent of this recommendation. Therefore, recommendation 3 is now closed.

**Status:** Closed.

## **Audit Report**

### **AUDIT OF NRC'S MANAGEMENT OF AGREEMENTS WITH DEPARTMENT OF ENERGY LABORATORIES**

**OIG-10-A-12**

#### **Status of Recommendations**

Recommendation 7: Issue a delegation of authority to OIP to award, extend, modify, and terminate DOE lab agreements.

Agency Response  
Dated February 2, 2012: A delegation of authority was issued to OIP on April 6, 2011 (ADAMS ML110540476). ADM requests this recommendation be closed.

OIG Analysis: The issuance of the delegation of authority to OIP on April 6, 2011, satisfies the intent of this recommendation. Therefore, recommendation 7 is now closed.

**Status:** Closed.