



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

August 15, 2018

MEMORANDUM TO: Dr. Brett M. Baker  
Assistant Inspector General for Audits

FROM: Mary C. Muessle, Director /RA/  
Office of Administration

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE U.S.  
NUCLEAR REGULATORY COMMISSION'S CONTRACT  
ADMINISTRATION PROCESS (OIG-17-A-20)

This memorandum provides a status of our responses to the resolved recommendations as requested in your May 15, 2018 memorandum titled "Status of Recommendation: Audit of the U.S. Nuclear Regulatory Commission's (NRC) Contract Administration Process (OIG-17-A-20)." The status of recommendations 1 and 3 remains resolved, as indicated below.

Recommendation 1

Develop and implement a system that centralizes the management of contractor provided invoices and supporting documentation.

Status: Ongoing. The Invoice Processing Platform (IPP) has been implemented to the maximum extent possible given its current functionality. IPP does not have the ability to process invoices for contract types that may have a holdback associated with them, such as cost-plus-fixed-fee contracts. The NRC continues to work closely with the Department of Treasury to determine what options are available for inclusion of cost-plus-fixed-fee contracts in IPP. The target completion date is being extended in order to allow time for IPP to be updated to accept invoices for cost-plus-fixed-fee contracts. Invoices associated with other contract types are being processed using IPP.

Target Completion Date: June 30, 2019

Recommendation 3

Develop and implement procedures for timely contract closeout initiation by Contracting Officer's Representatives (CORs).

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Status: Ongoing. The Acquisition Management Division (AMD) continues to work with the Office of the Chief Financial Officer (OCFO) to develop interim guidance to supplement the closeout procedures currently outlined in Management Directive and Handbook 11.1, "NRC Acquisition of Supplies and Services." While the Office of Administration (ADM) originally believed this would be completed by the end of July 2018, it has taken longer than anticipated because development of this guidance was rolled into a complete rewrite of MD 11.1. To avoid a more lengthy delay, ADM will separate out the closeout guidance so interim guidance can be issued before the full MD is updated. While this interim guidance is being finalized, OCFO and ADM will be issuing a joint memo by the end of August 2018 highlighting older unliquidated obligations with a reminder to offices on the proper procedures for initiation of contract closeout.

Target Completion Date: November 30, 2018

STAFF RESPONSE TO THE OFFICE OF THE INSPECTOR GENERAL'S AUDIT OF THE U.S.  
NUCLEAR REGULATORY COMMISSION'S CONTRACT ADMINISTRATION PROCESS  
(OIG-17-A-20) DATED: AUGUST XX, 2018

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