



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

February 8, 1993

OFFICE OF THE  
INSPECTOR GENERAL

MEMORANDUM FOR: James M. Taylor  
Executive Director for Operations

FROM:

*Thomas J. Barchi*  
Thomas J. Barchi  
Assistant Inspector General for Audits

SUBJECT:

REVIEW OF NRC'S JUSTIFICATION FOR  
RENEWING ITS CONTRACT FOR FEDERALLY  
FUNDED RESEARCH AND DEVELOPMENT  
CENTER (FFRDC) OPERATIONS

Attached is the Office of the Inspector General's audit report on the "Review of NRC's Justification for Renewing Its Contract for Federally Funded Research and Development Center (FFRDC) Operations."

On February 4, 1993, the Deputy Executive Director for Nuclear Materials Safety, Safeguards and Operations Support (DEDO) provided comments on our draft report. The DEDO took no exception with the report and agreed with our recommendation. We recommended that NRC develop a plan, or procedures, to sufficiently document the level of analysis necessary to support conclusions as the result of any future FFRDC review.

The DEDO proposed to develop the procedures within 60 days of receiving additional guidance from the Office of Federal Procurement Policy (OFPP). Because OFPP's schedule indicates that any additional guidance may not be finalized until early 1994, we believe NRC should begin corrective action now to benefit from the experience gained from NRC's initial FFRDC contract rejustification review.

Attachment:  
As stated

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