



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

January 30, 1986

The Honorable Thomas P. O'Neill, Jr.
Speaker of the United States
House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Enclosed is the Nuclear Regulatory Commission's (NRC) "Annual Report on Competition", as required by Section 21 of Public Law 98-369. Section 1 of the report describes NRC's actions during Fiscal Year 1986 to (1) increase competition for contracts entered into by the NRC on the basis of cost and other significant factors and (2) reduce the number and dollar value of noncompetitive contracts entered into by the NRC.

Section II provides a summary of the activities and accomplishments of the NRC's Competition Advocate (CA) during Fiscal Year 1985, beginning with the effective date of the Act, April 1, 1985, and ending on September 30, 1985.

Section III provides a summary of NRC's procurement actions for Fiscal Year 1985.

Sincerely,

Nunzio J. Palladino
Nunzio J. Palladino

Enclosure:
As Stated

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PDR COMMS NRCC
CORRESPONDENC PDR

ANNUAL REPORT TO THE CONGRESS ON COMPETITION
UNDER SECTION 21, PUBLIC LAW 98-369, COMPETITION
IN CONTRACTING ACT (CICA)

SECTION I - ACTIONS TAKEN OR TO BE TAKEN IN FISCAL YEAR 1986 TO INCREASE
COMPETITION FOR NUCLEAR REGULATORY COMMISSION (NRC)
CONTRACTS

- A. An in-depth review will be conducted of all Advance Procurement Plans (APP) submitted to the Division of Contracts (DC) by NRC offices. This review will scrutinize each request for any proposed noncompetitive awards to identify those for possible conversion to competition. Once candidates are identified, the Competition Advocate (CA) and his staff will meet with technical staff to encourage competing those requirements prior to submitting them to DC for placement. This will be an ongoing action, beginning with submission of the original APPs and continuing as actions are received.
- B. Issue a memorandum to the NRC Division of Contracts staff during the fiscal year which will:
 - 1. Outline the CA's responsibilities and his expectations for the DC staff in increasing competition.
 - 2. Require DC personnel to increase their efforts in implementing the CICA by making recommendations for innovative techniques to increase competition.
 - 3. Require expanded review and analysis of all in-house sole source actions for possible conversion to competition.
 - 4. Increase scrutiny of all sole source justifications to confirm their validity.
 - 5. Require expanded use of market searches to identify new sources.
 - 6. Require expanded use of the NRC Bidder's Mailing List (BML).
 - 7. Require increased emphasis in negotiation with contractors to stress competition in subcontracting.
- C. Announce proposed NRC award system which recognizes outstanding efforts by NRC individuals and Offices to increase competition awards.

- D. Meet with the four major Program Offices of NRC to advise of the CA's responsibilities under the CICA, enlist their assistance, and encourage them to increase competition. Office management will be informed of the proposed Agency policy to provide awards to recognize progress in increasing competition. In addition, the CA will discuss DC plans to automate the contracting process with the objective of reducing the procurement lead time. Such automation will make the use of a competitive procurement palatable in situations where timing is important and the noncompetitive alternative traditionally used.
- E. The CA, through the Procurement Executive, will notify all agency employees of the purpose of the CICA program to increase competition.
- F. Based on a review of the APPs received, analysis of proposed noncompetitives, and discussions with the program offices, the CA will identify areas for FY '86 reductions in noncompetitives by February 28, 1986.
- G. The CA will utilize the agency's automated Contract Information System (CIS) in preparing monthly reports for the purpose of tracking progress in reducing the number of noncompetitive awards.
- H. The CA will correspond with the major Program Offices to establish goals for the succeeding fiscal year.
- I. The CA will meet with his counterparts from other agencies to exchange information and ideas to increase competition.

SECTION II - SUMMARY OF THE ACTIVITIES AND ACCOMPLISHMENTS OF THE NUCLEAR REGULATORY COMMISSION'S (NRC) COMPETITION ADVOCATE (CA) DURING FY '85 (4/1/85 thru 9/30/85)

The Executive Director for Operations' (EDO) April 18, 1985 memorandum named the Director, Division of Contracts as the agency's Competition Advocate. The CA has taken the following actions since that appointment:

- 1. Forwarded a memorandum to each of the four major Program Offices advising of the appointment of the CA and summarizing the responsibilities of this position and the requirements of the law. A tentative meeting was set for each of the Offices to discuss the CA's duties and to elicit ideas and support to assure that this statute is appropriately implemented.
- 2. On July 18, 1985, the CA attended a meeting of all agency CA's at the Office of Management and Budget (OMB). The purpose of this meeting was to provide a forum for the individual CA's to share their ideas and experiences and to establish a mechanism for future meetings. A key objective expressed by the meeting participants was to obtain the support of top management in their respective agencies for the program.

3. The CA has been appointed to the Senior Contract Review Board (SCRB) by the EDO. This Board is responsible for review and approval of all agency projects exceeding \$500,000 annually. This appointment provides an opportunity for the CA to provide input to SCRB deliberations on the potential for conversion of proposed sole source awards.

SECTION III - SUMMARY OF PROCUREMENT ACTIONS IN FISCAL YEAR 1985

In compliance with the Office of Federal Procurement Policy (OFPP) memorandum dated December 9, 1985, and in the format prescribed therein, attached is a summary of NRC procurements for Fiscal Year 1985. The information is provided for the entire fiscal year, although the NRC's CA appointment was initiated April 18, 1985. This approach was chosen since it will provide a better comparison basis for the full fiscal year reports to be submitted in 1987 through 1990.

SECTION III - SUMMARY

PROCUREMENT ACTIONS OVER \$25,000	NUMBER OF ACTIONS	PERCENTAGE OF AVAILABLE ACTIONS	DOLLAR OBLIGATIONS	PERCENTAGE OF AVAILABLE DOLLARS
I. Actions Available For Competition				
A. Actions Competed ¹ .	304	62%	\$28,242,988.00	68%
B. Follow-on To Competed Actions ² .	-	-	-	-
C. Actions Not Competed	183	38%	\$13,089,330.00	32%
D. Total Available	487	100%	\$41,332,368.00	100%
II. Actions Excluded ³		XXXXXX		XXXXXX
III. Total Actions	487	XXXXXX	\$41,332,368.00	XXXXXX

PROCUREMENT ACTIONS UNDER \$25,000	NUMBER OF ACTIONS	PERCENTAGE OF AVAILABLE ACTIONS	DOLLAR OBLIGATIONS	PERCENTAGE OF AVAILABLE DOLLARS
I. Actions Available For Competition				
A. Actions Competed ¹ .	331	31%	\$841,264.00	64%
B. Actions Not Competed	739	69%	\$477,931.00	36%
C. Total Available	1,070	100%	\$1,319,195.00	100%
II. Actions Excluded ³ .		XXXXXX		XXXXXX
III. Total Actions	1,070	XXXXXX	\$1,319,195.00	XXXXXX

NOTE 1. Includes the following three categories of competed actions under CICA: a) Full and Open Competition; b) Less than Full and Open Competition - more than one offer/bid received; and c) Full and Open Competition - only one responsible offer/bid received. It also includes the pre CICA categories of competition: (i) Two-step Formal Advertising, (ii) Other Formal Advertising, and (iii) Negotiated Competitive.

NOTE 2. If not applicable, may be deleted from form.

NOTE 3. Agencies including "other" exclusions (see para. 4(b)(6) of OFPP letter) should list each category separately as subelements in this item II.