



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20546

MEMORANDUM FOR: Jesse L. Panches

FROM: Timothy F. Hagan, Contracting Officer
Small Purchases Section, ACB
Division of Contracts

SUBJECT: UNAUTHORIZED PROCUREMENT COMMITMENT

This office has received a requisition to award a purchase order for a service/supply that has been accepted by your office (copy attached). The provisions of the Federal Procurement Regulations as supplemented by NRC Manual 1101, Part I, state that no contract shall be entered into unless all applicable requirements of law, executive orders and regulations have been met.

Failure to submit a requisition prior to the acceptance of the service/supply results in the Government incurring a debt which has not been funded or authorized and constitutes an unauthorized commitment which requires ratification by an appointed Contracting Officer. Such unauthorized commitments are not only contrary to procurement regulations, they also represent unfair treatment of Vendors who act in good faith in response to requests for service that they presume to be proper and are then required to wait for many months for payment while ratification of the unauthorized commitment is obtained.

Failure to check with this office prior to purchase can, in some instances, result in the user being liable for payment if the item cannot be purchased under our procurement authority. Procedures must exist in each office to insure that requests for requirements are submitted in sufficient time prior to the date of requirement to preclude recurrence of this problem.

In order to determine the basis for ratification of this unauthorized commitment, please furnish a written statement of facts explaining why this commitment occurred and action instituted to prevent its recurrence.

Your cooperation in eliminating unauthorized commitments is appreciated.

STATEMENT OF FACTS: See attached.

Signature: Dennis M. Cuthbert

Based on the above, ratification is () is not () approved for this unauthorized commitment.

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Timothy F. Hagan, Contracting Officer
Small Purchases Section, ACB
Division of Contracts

ATTACHMENT

The service and equipment procured from Louisiana Power & Light (LP&L) were urgently needed to support the NRC Task Force established by the Executive Director for Operations to expedite the licensing of the Waterford 3 plant. The Task Force was put together and began work on short notice and logistical support needed to be immediately obtained to accommodate the NRC staff at the site. Delays in providing this support would have resulted in prolonging the licensing effort for Waterford. The requisite paperwork was processed immediately upon receipt of initial cost estimates from LP&L. This information was provided to the Contracting Officer in April.