

EDO Principal Correspondence Control

FROM: DUE: 05/15/12

EDO CONTROL: G20120020
DOC DT: 01/11/12
FINAL REPLY:

Stephen D. Dingbaum, OIG

TO:

Borchardt, EDO

FOR SIGNATURE OF :

** GRN **

CRC NO:

Greene, ADM

DESC:

ROUTING:

Status of Recommendations: Independent Evaluation
of the U.S. Nuclear Regulatory Commission's
Contract Award Process (OIG-12-A-02)
(EDATS: OEDO-2012-0026)

Borchardt
Weber
Virgilio
Ash
Mamish
OGC/GC
Arildsen, OEDO

DATE: 01/12/12

ASSIGNED TO:

CONTACT:

ADM

Greene

SPECIAL INSTRUCTIONS OR REMARKS:

Please provide a complete response to Stephen D. Dingbaum, OIG addressing ALL resolved recommendations. Be sure to include the target completion date and identify the current point-of-contact for each recommendation. Forward final memo via email (Forward as Attachment) to Judy Gordon, cc: Stephen Dingbaum, Steven Zane and RidsEdoMailCenter by May 15, 2012. If applicable, be sure to attach in email any Enclosures to the response. See additional instructions attached.

Template: EDO-001

E-RIDS: EDO-01

EDATS

Electronic Document and Action Tracking System



EDATS Number: OEDO-2012-0026

Source: OEDO

General Information

Assigned To: ADM

OEDO Due Date: 5/15/2012 11:00 PM

Other Assignees:

SECY Due Date: NONE

Subject: Status of Recommendations: Independent Evaluation of the U.S. Nuclear Regulatory Commission's Contract Award Process (OIG-12-A-02)

Description:

CC Routing: NONE

ADAMS Accession Numbers - Incoming: NONE

Response/Package: NONE

Other Information

Cross Reference Number: G20120020, OIG-12-A-02

Staff Initiated: NO

Related Task:

Recurring Item: NO

File Routing: EDATS

Agency Lesson Learned: NO

OEDO Monthly Report Item: NO

Process Information

Action Type: Memo

Priority: Medium

Signature Level: ADM

Sensitivity: None

Approval Level: No Approval Required

Urgency: NO

OEDO Concurrence: NO

OCM Concurrence: NO

OCA Concurrence: NO

Special Instructions: Please provide a complete response to Stephen D. Dingbaum, OIG addressing ALL resolved recommendations. Be sure to include the target completion date and identify the current point-of-contact for each recommendation. Forward final memo via email (Forward as Attachment) to Judy Gordon, cc: Stephen Dingbaum, Steven Zane and RidsEdoMailCenter by May 15, 2012. If applicable, be sure to attach in email any Enclosures to the response. See additional instructions attached.

Document Information

Originator Name: Stephen D. Dingbaum

Date of Incoming: 1/11/2012

Originating Organization: OIG

Document Received by OEDO Date: 1/11/2012

Addressee: R. W. Borchardt, EDO

Date Response Requested by Originator: 5/15/2012

Incoming Task Received: Memo



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

OFFICE OF THE
INSPECTOR GENERAL

January 11, 2012

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

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

SUBJECT: STATUS OF RECOMMENDATIONS: INDEPENDENT
EVALUATION OF THE U.S. NUCLEAR REGULATORY
COMMISSION'S CONTRACT AWARD PROCESS
(OIG-12-A-02)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR CORPORATE
MANAGEMENT MEMORANDUM DATED
DECEMBER 7, 2011

Attached is the Office of the Inspector General's (OIG) analysis and status of the recommendations as discussed in the agency's response dated December 7, 2011. Based on this response, recommendations 1 through 5 are in resolved status. Please provide an updated status on the resolved recommendations by May 15, 2012.

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

Evaluation Report

INDEPENDENT EVALUATION OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT AWARD PROCESS

OIG-12-A-02

Status of Recommendations

Recommendation 1: Determine what policies and procedures are required for an efficient and effective contract award process, develop or update them, and establish a process to regularly maintain them.

Agency Response

Dated December 7, 2011: Agree. The Office of Administration (ADM) has determined that the following policies and procedures are required for an efficient and effective contract award process:

- Management Directive (MD) 11.1, "NRC Acquisition of Supplies and Services," is currently being updated.

Target Completion Date: May 31, 2014

Point of Contact (POC): Joe Schmidt

- MD 11.6, "Financial Assistance Program," was published on September 16, 2011.
POC: Lori Konovitz

- MD 11.7, "NRC Procedures for Placement and Monitoring of Work With the U.S. Department of Energy (DOE)," is currently being updated.

Target Completion Date: January 31, 2012

POC: Sharlene McCubbin

- MD 11.8, "NRC Procedures for Placement and Monitoring of Work With Federal Agencies Other Than the U.S. Department of Energy (DOE)," is currently being updated.

Target Completion Date: September 30, 2012

POC: Sharlene McCubbin

Evaluation Report

INDEPENDENT EVALUATION OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT AWARD PROCESS

OIG-12-A-02

Status of Recommendations

MD 1.1, "Management Directives System," establishes a process to regularly maintain MDs, including those associated with the contract award process.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives a copy of updated MDs 11.1, 11.7, and 11.8.

Status: Resolved.

Evaluation Report

INDEPENDENT EVALUATION OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT AWARD PROCESS

OIG-12-A-02

Status of Recommendations

Recommendation 2: Develop a comprehensive communications and information-sharing plan, in concert with NRC internal stakeholders, which facilitates timely and effective sharing of current policy and updates.

Agency Response

Dated December 7, 2011: Agree. ADM will work with NRC internal stakeholders to develop a comprehensive communications and information-sharing plan which facilitates timely and effective sharing of current policy and updates that stakeholders find useful.

Target Completion Date: February 1, 2012
POC: Jill Daly

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives documentation showing that ADM worked with NRC internal stakeholders to develop a comprehensive communications and information-sharing plan.

Status: Resolved.

Evaluation Report

INDEPENDENT EVALUATION OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT AWARD PROCESS

OIG-12-A-02

Status of Recommendations

Recommendation 3: Develop templates and samples and make them available for reference.

Agency Response

Dated December 7, 2011: Agree. ADM will solicit input from NRC offices to determine which templates and samples to develop and make available for reference.

Target Completion Date: April 30, 2012

POC: Joe Schmidt

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives copies of ADM-developed templates and samples, and receives documentation showing that these items are available for reference.

Status: Resolved.

Evaluation Report

INDEPENDENT EVALUATION OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT AWARD PROCESS

OIG-12-A-02

Status of Recommendations

- Recommendation 4: Clearly delineate the roles, responsibilities, and expectations associated with each stakeholder involved in SEP report creation. As part of this, NRC should evaluate whether:
- OGC and/or Division of Contracts personnel should play a greater role in the review of the SEP documentation for sufficiency, particularly as it pertains to documenting SEP conclusions in a manner that fully complies with FAR.
 - Templates or other tools should be developed that would facilitate better compliance on the part of SEP personnel, particularly as it pertains to fully documenting the logic behind the SEP's decisions and conclusions.

Agency Response

Dated December 7, 2011: Agree. ADM will clearly delineate the roles, responsibilities, and expectations associated with each stakeholder involved in SEP report creation. As part of this process, ADM will evaluate whether OGC or Division of Contracts personnel or both should play a greater role in the review of the SEP documentation for sufficiency. ADM will develop templates or other tools related to SEP documentation and make them available for reference.

Target Completion Date: April 30, 2012

POC: Joe Schmidt

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives documentation showing that ADM has clearly delineated the roles, responsibilities, and expectations associated with each stakeholder involved in SEP report creation.

Status: Resolved.

Evaluation Report

INDEPENDENT EVALUATION OF THE U.S. NUCLEAR REGULATORY COMMISSION'S CONTRACT AWARD PROCESS

OIG-12-A-02

Status of Recommendations

Recommendation 5: Update PALT times (milestone schedules) on a biennial basis to determine if changes need to be made to reflect the changing factors that affect them (i.e., contracting workload, staffing levels).

Agency Response

Dated December 7, 2011: Agree. On a biennial basis, ADM will evaluate PALT data to determine if changes need to be made to PALT standards and, if necessary, will update those standards.

Target Completion Date: February 28, 2012
POC: Jill Daly

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives documentation showing that ADM has evaluated PALT data to determine if changes are needed, and updated PALT standards accordingly.

Status: Resolved.

Additional Instructions to Action Offices/Regions on Responding to OIG Requests for Status Updates for OIG Report Recommendations

The action Offices/Region should provide a memorandum addressed to the Assistant Inspector General for Audits (AIGA) signed by the Office Director or Regional Administrator. The response should provide the status of each recommendation in the associated OIG audit report.

The memorandum should provide updated status for the OIG report recommendations by the date specified. An extension will not be granted since the memorandum is requesting a status of the recommendation(s), not the completion of the recommendation(s).

Please ensure the updated status memorandum addresses all “resolved” and “unresolved” recommendations and include for each recommendation separately:

- (a) the recommendation by number, repeating its text verbatim,
- (b) a response that describes under each recommendation the action(s) needed for closure,
- (c) the target completion date for the action(s), and
- (d) the identification of the current point-of-contact.

When appropriate, ensure applicable document(s) to support OIG closure of recommendation(s) are attached as Enclosures and/or provide an ADAMS accession number with viewer rights. Be sure to include the audit number, for example: OIG-11-A-01, and task number(s) to the case reference field in the ADAMS profile.

Forward the memorandum to OIG via email, as described in the Special Instructions or Remarks in the associated action item ticket.

Please note that status update memoranda that are in response to publically available OIG audit report recommendations should be profiled in ADAMS to be publically available, and the memorandum should not be marked to the contrary.