

**U.S. NUCLEAR REGULATORY COMMISSION MANAGEMENT DIRECTIVE (MD)**

<b>MD 11.7</b>	<b>NRC PROCEDURES FOR PLACEMENT AND MONITORING OF WORK WITH FEDERAL AGENCIES AND U.S. DEPARTMENT OF ENERGY LABORATORIES</b>	<b>DT-17-223</b>
<i>Volume 11:</i>	Procurement	
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<i>Issuing Office:</i>	Office of Administration Acquisition Management Division	
<i>Contact Name:</i>	Jill Daly	Jordan Pulaski
<b>EXECUTIVE SUMMARY</b>		
<p>Management Directive (MD) 11.7 is being combined and retitled to incorporate MD 11.8, “NRC Procedures for Placement and Monitoring of Work with Federal Agencies Other than the U.S. Department of Energy (DOE) Laboratory Work,” and revised to comply with current policies, standards, and procedures, including interim guidance initiated by the Office of Administration. The handbook is being reorganized to provide clarity, eliminate duplicative sections, and remove the exhibits. These exhibits are available electronically.</p> <p>NOTE: MD 11.8 is eliminated in its entirety by incorporation in MD 11.7.</p>		

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## I. POLICY

- A.** It is the policy of the U.S. Nuclear Regulatory Commission (NRC) to effectively manage work placed with other Federal agencies, U.S. Department of Energy (DOE) laboratories, and their contractors pursuant to the provisions of the Economy Act of 1932, as amended (31 U.S.C. 1535), the Energy Reorganization Act of 1974, as amended (42 U.S.C. 5801 et seq.), and other relevant statutes authorizing an agency to perform work for other Federal agencies.
- B.** Management Directive (MD) 11.7 represents the actions necessary to implement the Memorandum of Understanding (MOU) between the NRC and DOE to continue joint activities subsequent to the Energy Reorganization Act of 1974 (see Agencywide Documents Access and Management System (ADAMS) Accession Number ML090510701, dated November 24, 1998).

## II. OBJECTIVES

- Describe NRC responsibilities, authorities, and procedures for planning, awarding, monitoring, and closing interagency agreements (IAAs) with servicing agencies (Federal

agencies that have unique skills or knowledge that can meet the needs of the NRC) and DOE laboratories. IAAs include stand-alone agreements, DOE enterprisewide agreements (EWA), DOE task-ordering agreements (TOA), and DOE laboratory task orders.

- Ensure that procedures for planning, soliciting, awarding, managing, and closing out IAAs/orders with other Federal agencies and DOE laboratories are consistent with sound business practices and contracting principles.
- Ensure uniform application of an agencywide standard of contract management for projects placed with other Federal agencies and DOE laboratories.
- Ensure that a framework exists for planning, program management control, financial management, administration, monitoring, and closeout of IAAs/orders placed with servicing agencies and DOE laboratories.

### **III. ORGANIZATIONAL RESPONSIBILITIES AND DELEGATIONS OF AUTHORITY**

#### **A. Chairman**

1. Delegates contracting authority to the Executive Director for Operations (EDO) to authorize agency procurements at all dollar levels for IAAs and DOE laboratory agreements.
2. Authority for IAAs and DOE laboratory agreements is ultimately delegated to the Head of Contracting Activity (HCA), who then issues warrants and delegations. These delegations are formal written delegations containing limitations.

#### **B. Executive Director for Operations (EDO)**

1. Designates the Director of the Office of Administration (ADM) as the Senior Procurement Executive (SPE) pursuant to 41 U.S.C. 414, "Executive Agency Responsibilities," and Executive Order 12931, "Federal Procurement Reforms," to execute and modify IAAs and DOE laboratory agreements and settle claims and terminations thereof (see Section VI, "References," of this directive for a listing of delegations of the EDO's authority down through to the HCA).
2. Approves organizational conflict of interest (OCOI) waivers for IAA or DOE laboratory agreements/orders.

**C. Deputy Executive Director for Materials, Waste, Research, State, Tribal, Compliance, Administration, and Human Capital Programs**

1. Serves as the Strategic Sourcing Group (SSG) Chair and provides executive oversight/management for IAAs.
2. Concurs on periodic reports on approved SSG papers for IAAs.

**D. Office of the Inspector General (OIG)**

1. Investigates allegations of fraud, waste, or abuse within the IAA and DOE laboratory agreement processes.
2. Periodically audits the NRC's management of IAAs and DOE laboratory agreements.
3. Investigates reported violations of the NRC's OCOI rules.

**E. Office of the General Counsel (OGC)**

1. Reviews proposed decisions of contracting officers (CO) regarding OCOI concerns with work placed or to be placed with servicing agencies and DOE laboratories.
2. Reviews and makes recommendations regarding any legal questions concerning work placed or to be placed with servicing agencies and DOE laboratories.
3. Provides concurrence on OCOI waiver requests for IAAs and DOE laboratory agreements/orders.

**F. Office of the Chief Information Officer (OCIO)**

1. Provides program guidance, advice, and assistance to NRC offices in obtaining electronic and information technology (EIT) and information technology (IT) resources for IAAs and DOE laboratory projects.
2. Reviews and approves documentation, IAAs, and DOE laboratory task orders for projects where EIT or IT resources (excluding IT supplies) are to be delivered to the NRC or the NRC-designee, in accordance with the requirements of MD 2.8, "Integrated Information Technology/Information Management (IT/IM) Governance Framework."
3. Reviews and approves IAA and DOE projects that qualify as major IT investments as defined in MD 2.8.

4. Provides support to NRC offices, as requested, in preparing the statement of work (SOW), reviewing and evaluating proposals, and preparing other documentation for IAAs and DOE laboratory projects involving EIT or IT resource acquisitions.
5. Provides technical advice on complying with Section 508 of the Rehabilitation Act, which requires that the electronic and information technology deliverables acquired by the agency be accessible to people with disabilities.
6. Advises offices on NRC policies and procedures for the handling of documents containing sensitive unclassified non-safeguards information (SUNSI), including those containing proprietary information.

**G. Office of the Chief Financial Officer (OCFO)**

1. Issues advice on allowances and approved financial plans to allowance holders.
2. Reviews and concurs on actions requiring senior management review.
3. Reviews and concurs on agreements requiring OCFO review, in accordance with MD 4.2, "Administrative Control of Funds."
4. Ensures the use of valid accounting citations or codes, e.g., cost activity code (CAC), task assignment codes (TAC), budget object classification (BOC) code, and budget and reporting number (BRN), in the Financial Accounting and Integrated Management Information System (FAIMIS).
5. Maintains records of outstanding, unexpended obligations and provides reports in FAIMIS.
6. Provides a monthly report to offices for projects with no billing activity for 6 months or more.
7. Records obligations in FAIMIS against IAA and DOE laboratory awards and modifications in the Strategic Acquisition System (STAQS).
8. Determines valid accrued costs and records the cost in FAIMIS.
9. Receives notice through the U.S. Treasury on the Intragovernmental Payment and Collection System (IPAC) that an electronic funds transfer from the NRC to reimburse the servicing agency has occurred, sends the approval form(s) with any supporting documentation sent by the servicing agency to the contracting officer's representative (COR) and contracting officer (CO) for review and approval, follows up on timely return of forms, and maintains the signed approval forms on file.

10. Assists offices in identifying erroneous billings. Executes a chargeback to the servicing agency when notified in writing by the COR and CO that a charge is erroneous and should not be accepted.
11. Approves any proposed IAA or order that authorizes advance payments, in accordance with MD 4.2.

**H. Director, Office of Administration (ADM)**

1. Serves as the agency's SPE.
2. Delegates, as SPE, contractual authority to the Director, Acquisition Management Division (AMD), ADM, to execute and modify IAAs and DOE laboratory agreements, and settle claims and terminations thereof.
3. Submits (as SPE) OCOI waiver requests for IAAs and DOE laboratory agreements to the EDO for approval.
4. Develops and issues instructions in conjunction with NRC offices and the servicing agency or DOE for the preparation of reports published in the NUREG series.
5. Prints and distributes reports as specified by the IAA or DOE laboratory agreement, including all reports required by the SOW that are to be made publicly available.
6. Issues NUREG-series numbers and maintains pertinent records.

**I. Office of Nuclear Material Safety and Safeguards (NMSS)**

Provides assistance for IAA projects involving waste characterization, packaging, and disposal.

**J. Office Directors, Regional Administrators or Designees**

1. Informs SSG of significant IAA and DOE projects that may have policy implications for the Commission (matters that may be sensitive, highly visible, have agencywide implications, or otherwise be of high interest to the Commission).
2. Reviews and signs requests for waivers of Commission requirements for avoidance of OCOI.
3. Ensures that proposed work does not create an OCOI.
4. Ensures timely development of and updates to office advance procurement plans (APP).

5. Nominates CORs with active Federal Acquisition Certification for Contracting Officer's Representatives (FAC-COR) certifications and relevant technical expertise and skills.
6. Reviews and approves NRC Form 445, "Request for Approval of Official Foreign Travel," for any related foreign travel (available in the NRC Forms Library).
7. Executes and modifies international project agreements and reimbursable agreements for which the NRC is the servicing agency.
8. Ensures that CORs conduct adequate marketing research and prepare DOE Source Selection Justifications (SSJ).
9. Ensures that CORs properly manage all aspects of the agreement lifecycle.
10. Ensures that CORs are responsible for the management of agreements and attend required training consistent with agency guidelines and programmatic needs.
11. Ensures appropriate review and approval of IAA and DOE projects involving EIT or IT resources, in compliance with MD 2.8.
12. Ensures that IAAs and DOE laboratory projects are properly executed, monitored, and closed out and that project results are properly analyzed, evaluated, and disseminated, in conjunction with AMD.
13. Ensures proper certification of funds before placement of work, as described in MD 4.2.
14. Submits requisitions for IAA/orders, including new awards, modifications and closeout.
15. Ensures closeout of any agreements that had not expired by October 1, 2013.

**K. Director, Acquisition Management Division (AMD), Office of Administration (ADM), or Designee**

1. Provides oversight and responsibility for all agreement actions, including, but not limited to, the release of requests for proposals, evaluation of proposals, conducting negotiations, preparation and release of any IAAs/orders or modifications, issuing and cancelling stop-work orders, termination of agreements, and closeout of any agreements that had not expired by October 1, 2013.
2. Serves as the Head of Contracting Activity (HCA) to develop and implement agencywide IAA and DOE laboratory policies and procedures (in conjunction with

- DOE) and ensures that IAA and DOE standard terms and conditions are maintained and updated in STAQS, as necessary.
3. Establishes clear lines of contracting authority and accountability by delegating responsibility for executing and modifying agreements/orders through the issuance of contracting officer warrants to qualified and certified employees in headquarters and regional offices, using the automated warrant module in the Federal Acquisition Institute's Training Application System (FAITAS).
  4. Oversees the operations and maintenance of STAQS.
  5. Appoints a representative in AMD to serve as the Acquisition Career Manager.
  6. Coordinates with the Office of the Chief Human Capital Officer (OCHCO) on career training programs for procurement professionals to ensure a highly qualified acquisition workforce, in accordance with U.S. Office of Management and Budget (OMB) and Federal Acquisition Institute (FAI) policy guidelines.
  7. Monitors and ensures high quality service and products by AMD.
  8. Facilitates SSG meetings.
  9. Reviews and concurs on projects to ensure that placement of work with a servicing agency or DOE laboratory is appropriate and in the NRC's best interest.
  10. Audits agreement files for compliance and quality control, as necessary.
  11. Chairs meetings or interacts with the following entities to establish and maintain agencywide contracting standards:
    - (a) Agencywide CORs,
    - (b) IAA user groups,
    - (c) DOE laboratories, and
    - (d) DOE headquarters.
  12. Prepares MDs, guidance and job aids (i.e., templates) for IAAs and DOE laboratory agreements/orders.
  13. Establishes policy in conjunction with OGC and other NRC offices to ensure resolution of OCOI concerns.
  14. Ensures that detailed and updated DOE laboratory cost and pricing data are provided to NRC offices on an annual basis, as necessary.



15. Conducts utilization reviews of Government-furnished or Government-acquired property under IAAs and DOE-acquired property to determine availability and use for other NRC requirements.
16. Approves Determination and Findings (D&F) for assisted acquisitions.
17. Serves as agency Competition Advocate. (Note: This authority may be redelegated.) The duties of the Competition Advocate, including providing concurrence for OCOI waivers, are detail in FAR 6.5.

**L. Director, Division of Facilities and Security (DFS), Office of Administration (ADM)**

1. Confirms facility approval for classified projects from the appropriate DOE-site or -field office security organization and notifies the appropriate NRC office of this approval.
2. Maintains a master facility register for all NRC classified interests at DOE facilities.
3. Confirms facility clearance for classified agreements from the appropriate servicing agency's security organization and notifies the appropriate NRC office of this clearance.
4. Processes security clearance and/or access authorization requests for individuals, as needed, in the performance of their classified or sensitive unclassified duties under an IAA/order.
5. Advises offices on NRC policies and procedures for the preparation and handling of documents containing classified information and other sensitive unclassified information, including safeguards information (SGI) and SUNSI, which encompasses proprietary information.
6. Reviews and approves NRC Form 187, "Contract Security and/or Classification Requirements" (available in the NRC Forms Library).

**M. Director, Division of Security Operations (DSO), Office of Nuclear Security and Incident Response (NSIR)**

Advises offices on NRC policies and procedures for the handling of documents containing classified or SGI.

**N. Office of International Programs (OIP)**

Provides advice and recommendations on NRC foreign travel, and approves all NRC-sponsored foreign travel using NRC Form 445.

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#### IV. APPLICABILITY

The policy and guidance in this directive and handbook apply to all NRC employees who are involved with placing and monitoring IAAs with other Federal agencies including assisted acquisition IAAs, and with the planning, placement and monitoring of DOE laboratory agreements. This directive does not address the following:

- A. Contracts with the private sector (see MD 11.1, "NRC Acquisition of Supplies and Services"),
- B. General Services Administration (GSA) schedule contracts (see MD 11.1),
- C. Orders placed against Governmentwide acquisition contracts (GWACs) and multi-agency contracts (see MD 11.1),
- D. Grants and cooperative agreements (see MD 11.6, "Financial Assistance Program"), or
- E. IAAs for reimbursable work performed by the NRC for other agencies or interagency employee details to or from other agencies (see MD 4.2 for additional guidance).

#### V. DIRECTIVE HANDBOOK

Handbook 11.7 contains detailed guidelines, procedures, and management controls for planning, placement, and monitoring of work with other Federal agencies and DOE laboratories.

#### VI. REFERENCES

##### ***Code of Federal Regulations (CFR)***

10 CFR Part 20, Appendix G, "Requirements for Transfers of Low-Level Radioactive Waste Intended for Disposal at Licensed Land Disposal Facilities and Manifests."

10 CFR Part 26, "Fitness for Duty Programs."

Federal Acquisition Regulation (FAR)—

48 CFR Subpart 2.101, "Definitions."

48 CFR Part 6, "Competition Requirements."

48 CFR Section 6.002, "Limitations."

48 CFR Part 7, "Acquisition Planning."

48 CFR Part 10, "Market Research."

48 CFR Part 15.404-1, "Proposal Analysis Techniques."

48 CFR Subpart 17.5, "Interagency Acquisitions under the Economy Act."

48 CFR Part 35, "Research and Development Contracting."

48 CFR Part 45, "Government Property."

48 CFR Section 2009.570-3, "Criteria for Recognizing Contractor Organizational Conflicts of Interest."

36 CFR Part 1194, "Electronic and Information Technology Accessibility Standards."

### ***Executive Orders***

Executive Order 12931, "Federal Procurement Reform," October 13, 1994, available at <http://www.archives.gov/federal-register/executive-orders/pdf/12931.pdf>.

Executive Order 13526, "Classified National Security Information," December 29, 2009, available at <http://www.archives.gov/isoo/policy-documents/cnsi-eo.html>.

### ***Nuclear Regulatory Commission Documents***

OEDO Procedure 0290, "International Travel" ([ML103280041](#)).

#### Management Directives—

2.8, "Information Technology/Information Management (IT/IM) Governance Framework."

3.7, "NUREG-Series Publications."

3.53, "NRC Records and Document Management Program."

4.1, "Accounting Policy and Practices."

4.2, "Administrative Control of Funds."

7.4, "Reporting Suspected Wrongdoing and Processing OIG Referrals."

10.6, "Use of Consultants and Experts."

11.1, "NRC Acquisition of Supplies and Services."

11.6, "Financial Assistance Program."

12.2, "NRC Classified Information Security Program."

12.3, "NRC Personnel Security Program."

12.5, "NRC Cybersecurity Program."

12.6, "NRC Sensitive Unclassified Information Security Program."

12.7, "NRC Safeguards Information Security Program."

Memorandum from Chairman Klein to R.W. Borchardt, Executive Director for Operations, "Updated List of Recurring, Non-Discretionary Activities Under Delegation of Contractual Authority," dated December 10, 2008 ([ML083240099](#)).

Memorandum from R.W. Borchardt, Executive Director for Operations, to Kathryn O. Greene, Director, Office of Administration, "Designation of the Agency Chief Acquisition Officer," dated May 15, 2009 ([ML091260493](#)).

Memorandum from Gregory B. Jaczko to R.W. Borchardt, Executive Director for Operations, "Delegation of Contractual Authority," dated March 23, 2011 ([ML110540470](#)).

Memorandum from R.W. Borchardt, Executive Director for Operations, to Kathryn O. Greene, Senior Procurement Executive, "Delegation of Contractual Authority," dated March 31, 2011 ([ML110540450](#)).

Memorandum from K. O. Greene, ADM, to S. Stewart-Clark, ADM, "Delegation of Senior Procurement Executive and Chief Acquisition Officer Authority," dated December 28, 2011 ([ML11341A088](#)).

Memorandum from C. Carpenter, Senior Procurement Executive, to J. Corbett, Director, Acquisition Management Division, ADM, "Delegation of Contractual Authority," dated February 2, 2017 ([ML17032A060](#)).

NUREGs—

NUREG-0650, Rev. 2, "Preparing NUREG-Series Publications."

NUREG-0910, Rev. 4, "NRC Comprehensive Records Disposition Schedule."

Yellow Announcement YA-05-0077, "Policy Revision: NRC Policy and Procedures for Handling, Marking, and Protecting Sensitive Unclassified Non-Safeguards Information (SUNSI)," dated October 26, 2005 ([ML051220278](#)).

### **Other Documents**

The 12-month Employment Cost Index, available at <http://data.bls.gov/cgi-bin/surveymost>.

Federal Procurement Data System-Next Generation (FPDS-NG), available at [https://www.fpds.gov/fpdsng\\_cms/index.php?pageSource=loginPage](https://www.fpds.gov/fpdsng_cms/index.php?pageSource=loginPage).

“Guidance and Procedures for Federal Acquisition Certification for Contracting Officer Representatives (FAC-COR),” available at <http://neat.nrc.gov/>.

“Memorandum of Understanding between the Nuclear Regulatory Commission and the Department of Energy Governing Nuclear Regulatory Commission Funded Work Performed at the Department of Energy Laboratories,” dated November 24, 1998 ([ML090510701](#)).

“National Industrial Security Program Operating Manual,” February 28, 2006, available at <http://www.fas.org/sqp/library/nispom.htm>.

NRC Forms Library, available at <http://fusion.nrc.gov/nrcformsportal/default.aspx>.

Office of Federal Procurement Policy (OFPP) Memorandum for Chief Acquisition Officers (CAOs) and Senior Procurement Executives (SPEs), “Improving the Management and Use of Interagency Acquisitions,” June 6, 2008, available at [https://obamawhitehouse.archives.gov/sites/default/files/omb/assets/procurement/iac\\_revised.pdf](https://obamawhitehouse.archives.gov/sites/default/files/omb/assets/procurement/iac_revised.pdf).

Office of Management and Budget (OMB) Circular No. A-11, “Preparation, Submission, and Execution of the Budget,” available at [http://www.whitehouse.gov/sites/default/files/omb/assets/a11\\_current\\_year/a\\_11\\_2010.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/a11_current_year/a_11_2010.pdf).

“Work for Others (Non-Department of Energy Funded Work)” DOE Order 481.1C, available at <http://energy.gov/gc/downloads/doe-o-4811c-work-others-non-department-energy-funded-work>.

### ***United States Code***

Atomic Energy Act of 1954, as amended (42 U.S.C. 2011 et seq.).

Economy Act of 1932, as amended (31 U.S.C. 1535).

Energy Policy Act of 2005, P.L. No. 109-58, Sec. 639, August 8, 2005;  
S. Report No. 109-100, 109th Cong., 1st Session (June 30, 2005).

Energy Reorganization Act of 1974, as amended (42 U.S.C. 5801 et seq.).

Executive Agency Responsibilities (42 U.S.C. 414).

Employment of Experts and Consultants: Temporary or Intermittent (5 U.S.C. 3109).

Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 et seq. and  
31 U.S.C. Chapter 11).

Federal Information Security Management Act (FISMA) (44 U.S.C. 3541 et seq.).

MD 11.7 NRC PROCEDURES FOR PLACEMENT AND  
MONITORING OF WORK WITH FEDERAL  
AGENCIES AND U.S. DEPARTMENT OF ENERGY  
LABORATORIES

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Government Organization and Employees (5 U.S.C. 3109).

Rehabilitation Act of 1973 (29 U.S.C. 701).

Resource Conservation and Recovery Act of 1976, Subtitle C, "Cradle-to-Grave Requirements" (42 U.S.C. 6901 et seq.).

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## I. INTRODUCTION

### A. Overview

1. The U.S. Nuclear Regulatory Commission follows an agencywide standard for project management that applies to placing and monitoring interagency agreements (IAAs) with other Federal agencies and U.S. Department of Energy (DOE) laboratories. The NRC issues IAAs through DOE in order to access technical expertise provided by DOE laboratories. IAAs may be in form of stand-alone IAA agreements, DOE enterprisewide agreements (EWA), DOE task-ordering agreements (TOAs), or DOE task orders (TO). The term “orders” is used generically in this handbook to refer to task orders. Application of this standard affords an orderly, fully documented process and ensures that NRC offices carry out their project management responsibilities in a consistent manner.
2. The assigned contracting officer’s representative (COR) is responsible for the management of all aspects of a project, as detailed below, to ensure the project objectives are accomplished within budget and on schedule. The term COR is used throughout this handbook consistent with Governmentwide use of this term.
3. Before being appointed in writing as a COR, an employee must be certified by the NRC Office of Administration (ADM), Acquisition Management Division (AMD), as possessing the minimum qualifications required to perform the COR role. The minimum training and experience requirements necessary to achieve and maintain a Federal Acquisition Certification for Contracting Officer’s Representative (FAC-COR) are discussed in Section I.C of this handbook.
4. This handbook describes the COR’s major responsibilities during each phase of the acquisition process:
  - (a) Project Planning,
  - (b) Request for Proposal (RFP) Preparation,
  - (c) Proposal Evaluation and Discussion,

- (d) Work Authorization and Initiation (including matters concerning organizational conflicts of interest (OCOI)),
  - (e) Project Administration, and
  - (f) Work Termination and Project Closeout.
5. In the context of this handbook, the following terms are used interchangeably:
- (a) "Servicing agency" means "Federal agency" (excluding the NRC).
  - (b) "Requesting agency" means the "NRC."
  - (c) "Order" means "task order."

## **B. Roles and Responsibilities**

1. Contracting Officer's Representative (COR)
  - (a) Submits advanced procurement plans (APP) in accordance with agency policy.
  - (b) Develops statements of work (SOW), independent Government cost estimates (IGCE), and source selection justifications (SSJ).
  - (c) Submits complete requisitions in the Strategic Acquisition System (STAQS) for award of new agreements and agreement modifications for any changes that impact cost, schedule, overall scope of the project, and administrative changes, and obtains necessary approvals. Note: The agency uses STAQS to generate new IAA agreements, orders, and modifications.
  - (d) Monitors the technical, cost, and progress of the IAA or DOE laboratory agreement.
  - (e) Monitors the status of IAA-funded property to ensure that tax dollars and fees collected from NRC-regulated organizations are spent in support of the NRC mission.
  - (f) Maintains a complete file (preferable electronic) in accordance with agency policies and procedures to ensure that others, including auditors or follow-on CORs, are able to understand the project and the rationale for decisions made.
    - (i) The file documents why and how the funds were expended and what the project accomplished.
    - (ii) The file describes the complete story of the project in a disciplined, organized manner. The official file provides sufficient detail to enable a third party to answer

questions about how the project supports the NRC's mission. For required file documentation, see Section XI, "Documentation and Filing," of this handbook.

- (g) Identifies any possibility of a personal conflict of interest (COI) or OCOI that might jeopardize the results of the project and immediately refers the possible conflict to AMD and to the Office of the General Counsel (OGC) so that the conflict is avoided, eliminated, or mitigated.
- (h) Approves Intragovernmental Payment and Collection System (IPAC) submissions and resolves any discrepancies with the vendor.
- (i) Provides technical direction to other Federal agencies or DOE laboratories.
- (j) Provides input into annual performance evaluations for DOE laboratories.
- (k) Closes out any agreements that expired by October 1, 2013.

## 2. Contracting Officer (CO)

- (a) Provides oversight and responsibility for all agreement actions delegated by the Director, AMD, including, but not limited to, the release of RFPs, evaluation of proposals (in conjunction with the COR), conducting negotiations, preparation and release of any IAA awards for new work or modifications to existing work, issuing and cancelling stop-work orders, the termination of agreements, and closeout of any agreements that expired after October 1, 2013.
- (b) Authorizes any changes that impact cost, schedule, overall scope of the project, or administrative changes.
- (c) Awards IAAs and DOE laboratory orders using STAQS.
- (d) Maintains official IAA/order files in STAQS.
- (e) Coordinates and resolves possible personal COI or OCOI with OGC, the COR, or other officials, as necessary.
- (f) Administers agreements awarded to other Federal agencies.
- (g) Approves the SSJ or Determination and Findings (D&F), as applicable, before entering into an IAA/order. Templates are available in AMD's acquisition repository (i.e., NRC Enterprise Acquisition Toolset (NEAT)).

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### **C. Training Requirements**

1. The Office of Management and Budget (OMB), Office of Federal Procurement Policy (OFPP), requires that an employee receive mandatory training in order to become Federal Acquisition Certification in Contracting (FAC-C), FAC-COR or Federal Acquisition Certification for Program and Project Managers (FAC-P/PM) certified.
2. The office director (or designee) is responsible for ensuring that all mandatory training and certification requirements are met and that employees possess relevant technical expertise and skills prior to nominating them as CORs.
3. The training and certification requirements for each FAC program are available in NEAT.

### **D. Access to Referenced Documents and Exhibits**

Documents discussed in this handbook are available in NEAT. Section XII of this handbook contains a glossary with definitions. Section XIII of this handbook contains acronyms.

## **II. STATUTORY AND REGULATORY REQUIREMENTS FOR ESTABLISHING INTERAGENCY AGREEMENTS**

### **A. Methods for Acquiring Supplies or Services from Another Federal Agency**

The Federal Acquisition Regulation (FAR), Subpart 17.5, provides for two methods for acquiring supplies or services from other Federal agencies:

1. Obtain them using another agency's contract; or
2. Use another Federal agency to provide acquisition assistance (i.e., assisted acquisition), such as awarding and administering an IAA or order on the NRC's behalf.

### **B. Legal Authority for Acquiring Supplies or Services from Another Federal Agency**

IAAs are used by the NRC (requiring agency) to acquire supplies or services from other Federal agencies and DOE laboratories. Before establishing an IAA, the Federal agency and the NRC must have legal authority to enter into the IAA.

1. Legal Authority for IAAs With Required Sources of Supplies or Services
  - (a) If Congress has designated a Federal agency to provide other agencies with specific supplies or services, this agency is referred to as the required source of supplies and services. These required sources have separate statutory authority.

Both the servicing agency (Federal agency) and requiring agency (NRC) cite the same authority to establish the IAA. Justifications are not required when acquiring the services of a required source.

(b) Section III of this handbook provides further guidance for required sources.

## 2. Legal Authority for IAAs Without Required Sources of Supplies or Services

(a) In some cases, the Federal agency is not a required source, but has specific legal authority to provide its services to the NRC. Generally, the NRC must prepare a SSJ or D&F to use these services and cite the appropriate legal authority for establishing the IAA.

(b) The most common authorities used by the NRC to establish an IAA are Section 205(e) of the Energy Reorganization Act (42 U.S.C. 5845) and the Economy Act (31 U.S.C. 1535). If the project requires the Federal agency to provide technical assistance for research that directly supports the NRC nuclear mission, then the Energy Reorganization Act should be cited as the legal authority. If the work is administrative in nature, such as financial services, then the Economy Act is usually cited as the authority.

(c) The Federal Acquisition Regulation (FAR) does not apply to IAAs where the work (or a substantial amount of the work) will be performed by Federal employees (other than assisted acquisitions), interagency activities where contracting is incidental to the purpose of the transaction, or orders of \$550,000 or less issued against General Service Administration (GSA) Federal Supply Schedules.

(d) The Economy Act—

(i) Authorizes agencies to enter into mutual agreements to obtain supplies or services by interagency acquisition.

(ii) May not be used by an agency to circumvent conditions and limitations imposed on the use of funds.

(iii) Does not exempt acquisitions from the requirements of FAR Subpart 7.3, "Contractor Versus Government Performance."

(iv) May not be used to make acquisitions conflicting with any other agency's authority or responsibility (for example, that of the Administrator of General Services under the Federal Property and Administrative Services Act).

- (e) The procedures for preparing the justifications (SSJ or D&F) establishing IAAs pursuant to each of these Acts are discussed in Sections IV.D and IV.E of this handbook.
  - (f) The deobligation requirement of 31 U.S.C. Section 1535(d) does not apply where the appropriation originally obligated is a no-year appropriation.
3. Legal Authority for Assisted Acquisitions
- (a) The NRC and the Federal agency enter into an assisted acquisition IAA when the Federal agency performs acquisition activities on the NRC's behalf, such as awarding a contract or order. The IAA must ensure the roles and responsibilities of both agencies are clearly defined.
  - (b) An assisted acquisition IAA may be entered into pursuant to either the Energy Reorganization Act or the Economy Act. The NRC must comply with the guidance provided in the OFPP Memorandum for Chief Acquisition Officers and Senior Procurement Executives, "[Improving the Management and Use of Interagency Acquisitions](#)," June 6, 2008, and the FAR Subpart 17.5. Further guidance is provided in Section IV.C of this handbook.

### **III. PROCEDURES FOR ESTABLISHING AND MONITORING INTERAGENCY AGREEMENTS WITH REQUIRED FEDERAL SOURCES**

#### **A. Overview**

This section applies to IAAs for supplies or services that are required by law to be placed with certain Federal agencies charged with Governmentwide responsibilities. Examples include, but are not limited to—

1. Building services supplied by the GSA,
2. Printing services supplied by the Government Printing Office (GPO), and
3. Security investigations performed by the Office of Personnel Management (OPM) and the Federal Bureau of Investigation (FBI).

#### **B. Procedures for Structuring Agreements with Required Sources**

1. In determining how to structure the IAA, the COR, in conjunction with the CO, must consider the requirement and type of agreement that best meets the NRC's needs.
2. For required sources, the NRC orders from a well-defined program in which the Federal agency has established price lists for supplies or services. The NRC does

- not negotiate the price of the supplies or services but may compare the price list to past price history for the same supplies or services. If there is a significant difference in the prices then this anomaly should be brought to the attention of the Federal agency. The resolution should be documented in the file.
3. The COR is responsible for submitting a requisition to AMD to initiate the formal acquisition process. The CO develops and then forwards the RFP to the Federal agency for a proposal. Additional guidance for RFP preparation is available in Section V, "Request for Proposal Preparation and Issuance."
  4. When the Federal agency submits a proposal, the COR completes the IAA proposal evaluation checklist and provides the checklist to the CO.
  5. The CO is responsible for preparing and awarding the IAA or agreement modification.

### **C. Agreement Administration and Documentation Requirements**

1. The COR is responsible for administering the IAA/order or DOE laboratory agreement in accordance with Section VIII of this handbook and the IAA will be terminated and/or closed out in accordance with Section IX of this handbook.
2. Generally, the required file documentation for an IAA/order or DOE laboratory agreement includes, but is not limited to, the following:
  - (a) Copy of agreement/order,
  - (b) Status reports (Monthly Letter Status Report (MLSR) for DOE laboratory agreements),
  - (c) IPAC,
  - (d) Agreement/order modifications,
  - (e) Annual performance assessments for multiple year projects (DOE only),
  - (f) Final performance assessment (DOE only),
  - (g) Project File Closeout (For DOE, see "DOE Agreement Project Completion Checklist."), and
  - (h) Voucher/Expenditure Log or similar document for IPACs.
3. It is expected that STAQS will contain pre-award documents or information, such as, but not limited to the following: requisition, approvals, funds certification, acquisition



plan, statement of work, period of performance (including options), market research, independent Government cost estimate (IGCE), D&F or SSJ, RFP, and successful proposal. For further information on documentation requirements, see Section XI, "Documentation and Filing," of this handbook.

## **IV. ACQUISITION PLANNING FOR INTERAGENCY AGREEMENTS**

### **A. Project Planning**

1. The program or technical office is responsible for ensuring fulfillment of the agency need in a timely manner and at a reasonable cost. In order to support the strategic acquisition process, the office shall consider the following when reviewing ongoing and future requirements:
  - (a) Historical data,
  - (b) Market research,
  - (c) Resources available to perform the work in-house,
  - (d) NRC's socio-economic procurement goals in cooperation with the Office of Small Business and Civil Rights (SBCR), and
  - (e) Funding constraints.
2. Once the office has identified a need for a procurement, the office director or designee nominates a certified and qualified COR and project team to develop the project objectives. The objectives address the purpose of the work by defining the expected outcome of the project. Clear and concise objectives help determine acquisition strategy. Ultimately, the CO determines the procurement strategy and approves D&Fs and SSJs, as applicable.
3. Market research is used to identify any viable acquisition alternatives, including the following:
  - (a) In-house expertise,
  - (b) EWAs,
  - (c) Federally Funded Research and Development Center (FFRDC) (Southwest Research Institute or SwRI),
  - (d) Commercial contractor,

- (e) DOE laboratory, and
  - (f) Other IAAs.
4. AMD, in collaboration with the COR, develops a detailed acquisition strategy around the selected course of action. The major considerations of acquisition planning should be addressed regardless of the NRC cost review threshold. The major considerations for acquisition planning are listed in the FAR Part 7, "Acquisition Planning."
  5. The Strategic Sourcing Group (SSG) (see Section III.S of the directive to MD 11.1, "NRC Acquisition of Supplies and Services") must approve the following acquisitions:
    - (a) Acquisitions that reach an established cost threshold (currently \$1,000,000) (see the 2008 memorandum from Chairman Klein ([ML083240099](#))); and
    - (b) Acquisitions that support efforts of significant interest to the Commission.

#### **B. Advance Procurement Plan**

1. Funding for new awards must be included in the APP. An APP item must be entered into STAQS for all new awards valued at \$25,000 or more. New awards may include IAAs, IAA orders, DOE laboratory agreements and DOE laboratory task orders.
2. Based on the schedule and funding availability, the COR prepares the APP. All planned awards are reflected in the APP regardless of the source of funds used to perform the work, including IAAs/orders and DOE laboratory agreements. The period of performance should normally not exceed 5 years, including options, as discussed in Section VIII.E.7 of this handbook. If option years are used, ensure that the statement of work and authorizing documents (i.e., D&F or SSJ) cover all planned option years.

#### **C. Assisted Acquisition IAA**

1. Prior to requesting that another agency conduct an acquisition on the NRC's behalf, the NRC shall make a determination that the use of an IAA represents the best procurement approach. As part of the best procurement approach determination, the NRC shall obtain the concurrence of the servicing agency's contracting office.
2. In an assisted acquisition IAA, a best procurement approach determination is required by FAR 17.502-1(a)(1). The CO makes a determination after the requisition has been submitted in STAQS. The CO drafts the determination with the COR's assistance. The determination, at a minimum, shall include an analysis of

procurement approaches, including an evaluation by the NRC (requesting agency) that using the acquisition services of another agency—

- (a) Satisfies the requesting agency's schedule, performance, and delivery requirements (taking into account factors such as the servicing agency's authority, experience, and expertise as well as customer satisfaction with the servicing agency's past performance);
- (b) Is cost effective (taking into account the reasonableness of the servicing agency's fees); and
- (c) Will result in the use of funds in accordance with appropriation limitations and compliance with the requesting agency's laws and policies.

**D. Source Selection Justification Pursuant to the Energy Reorganization Act**

1. The NRC adheres to the FAR Part 6, "Competition Requirements." Specifically, FAR 6.002, "Limitations," states: "No agency shall contract for supplies or services from another agency for the purpose of avoiding the [competition] requirements of this part." The NRC also adheres to FAR Subpart 17.5, which states that the agency can contract from another servicing agency when it is more economical or convenient.
2. A SSJ is required for IAAs when citing the Energy Reorganization Act as the authority. An SSJ also is required when the NRC places work with a FFRDC. The COR shall prepare an SSJ (see "U.S. Department of Energy Laboratory Source Selection Justification" or "Enterprise Wide Agreement Task Order Justification"), under the following circumstances:
  - (a) The acquisition strategy is to award an agreement or IAA order to another servicing agency or DOE laboratory; or
  - (b) During the administration of the agreement, "new work" is to be added through contract modification.
3. If new work is outside the scope of the original agreement, it must be supported with a new SSJ. The scope of an agreement is always subject to judgment of the circumstances involved in each acquisition and can be highly subjective and controversial. The basic question to ask is whether or not an action anticipated is what both parties actually contemplated when they signed the agreement. Scope analysis requires an integrated assessment of multiple factors, including specification or statement of work, cost, and performance period.

4. Market research is discussed in detail in the FAR Part 10, "Market Research." Market research is based, in part, on the following:
  - (a) Contacting knowledgeable individuals in Government and industry regarding market capabilities;
  - (b) Reviewing technical or scientific papers, journals, and business publications; and
  - (c) Publishing formal requests for information in technical or scientific journals or in the Government's FedBizOpps, such as a sources sought notice.
    - (i) A sources sought notice may be requested by the COR of the requesting office and issued by AMD or regional office contracting officer.
    - (ii) AMD may conduct sources sought inquiries upon request, as appropriate.
    - (iii) The supporting information must document the market research results and support for the criteria to justify not using a commercial source.
5. When completing the SSJ, the COR must cite and support one or more of the following criteria for using a servicing agency, as opposed to a commercial source.
  - (a) Unique Technical Disciplines or Combinations of Disciplines
    - (i) The NRC may place work with another Federal (servicing) agency or DOE laboratory when there is a reasonable basis to conclude that the NRC's minimum needs can only be satisfied by another Federal (servicing) agency or DOE laboratory possessing unique technical disciplines or capabilities, or
    - (ii) A unique combination of technical skills and highly specialized experience is necessary to undertake and successfully complete the project.
  - (b) Specialized Facilities or Equipment

Specialized facilities or equipment may be necessary when the effort requires their use to successfully complete the project.
  - (c) Use of Patents, Copyrights, Proprietary Information, or Secret Processes

Use of patents, copyrights, proprietary information, or secret processes may be required when the following apply:

    - (i) One or a combination of patents, copyrights, proprietary information, or secret processes are essential to the successful completion of the effort, or
    - (ii) The requirement cannot be revised to permit competition and open disclosure in the commercial sector.

(d) Accrued Knowledge and Equipment or Facilities

Accrued knowledge and equipment or facilities may necessitate timely placement of work with a servicing agency or DOE when another source cannot realistically perform the necessary work without expending significant time and effort to understand previous project work and achieve results that are essential to the successful completion of the current project phase. In these cases, the agency does not have the time or financial resources to permit another source to undertake the current phase of the requirement. This criterion should not be used for follow-on work without sufficient market research to confirm the lack of a viable commercial source.

(e) Urgent Requirements

Urgent requirements may necessitate immediate initiation of work under a project in order to fulfill the office mission. This determination shall be made by the CO, in consultation with the NRC office director or designee. The CO shall document the basis for the urgency in the SSJ and place the basis in the file as soon as practicable. However, this requirement shall not delay placing the work. The use of this criterion is not appropriate if the urgency is due to the lack of planning and/or funding. Work that is subcontracted out by the servicing agency or DOE laboratory does not meet the urgency criterion. Refer to Section VII.C of this handbook for additional guidance in processing an urgent requirement.

(f) Engineering, Developmental, or Research Capability

Award to a DOE laboratory is supported if DOE headquarters and/or the NRC determine that the work under the project supports essential engineering, research, or developmental capability or facilities at the DOE laboratory that must be maintained in the event of a national emergency.

6. In accordance with DOE Order 481.1C, "Work for Others (Non-Department of Energy Funded Work)," DOE does not accept work that puts it or its contractors "in direct competition with the domestic private sector." Therefore, unless Section IV.D.5(f) of this handbook is cited as the reason for award, the conclusion of the SSJ will include the following statement: "Based on my knowledge of the technical requirements and the market research conducted, the work requested will not place DOE and its contractors in direct competition with the domestic private sector."

7. If NRC intends to use a FFRDC, other than a DOE FFRDC, the COR must provide documentation in the SSJ that the requested work does not place the FFRDC in direct competition with the domestic private industry.
8. The CO is responsible for approving the SSJ.

**E. Determination and Findings Pursuant to the Economy Act**

1. The Economy Act is used when a more specific legal authority does not exist. Examples of more specific authority are 40 U.S.C. 501 for GSA Federal Supply Schedules (FAR Subpart 8.4), and 40 U.S.C. 11302(e) for Governmentwide acquisition contracts (GWACs). IAAs are either a direct or assisted acquisition (i.e., the Economy Act allows contracting to be performed by another servicing agency on the NRC's behalf).
2. Each Economy Act order to obtain supplies or services by interagency acquisition shall be supported by a determination and findings (D&F). The D&F is submitted by the COR and approved by the CO. The COR must complete and submit an appropriate agency D&F template. At a minimum, the D&F shall—
  - (a) State the use of an interagency acquisition is in the best interest of the Government,
  - (b) State that the supplies or services cannot be obtained as conveniently or economically by contracting directly with a private (commercial) source, and
  - (c) Include a statement that at least one of the following circumstances applies:
    - (i) The acquisition will be made appropriately under an existing contract of the servicing agency, entered into before placement of the order, to meet the requirements of the servicing agency for the same or similar supplies or services.
    - (ii) The servicing agency has the capability or expertise to enter into a contract for such supplies or services that is not available within the requesting agency.
    - (iii) The servicing agency is authorized specifically by law or regulation to purchase such supplies or services on behalf of other agencies.
3. AMD performs an independent review of the D&F and SOW to determine if the facts and rationale presented support the COR's conclusions to ensure that the work clearly supports an award to another Federal (servicing) agency. Note: A D&F is not

required for an assisted acquisition where another agency is used to provide acquisition assistance.

4. The D&F shall be signed and dated by the COR and approved by a warranted contracting officer in AMD or regional procurement office.
5. AMD shall include the approved D&F with all the supporting documentation in the official IAA file. In the context of this handbook, STAQS is the official system of record for the agreement file.
6. The D&F will be reviewed by AMD in accordance with the current criteria for pre-award review.
7. The D&F shall be signed and dated by the CO.
8. The CO shall furnish a copy of the D&F to the servicing agency with the request for task or delivery order.

#### **F. Organizational Conflict of Interest**

1. The Memorandum of Understanding (MOU) between the NRC and DOE titled, "Governing Nuclear Regulatory Commission Funded Work Performed at the Department Energy Laboratories," effective November 24, 1998, sets out the NRC/DOE OCOI requirements (Agencywide Documents Access and Management System (ADAMS) Accession Number ([ML090510701](#))).
2. When the IAA, issued pursuant to the Energy Reorganization Act, calls for nuclear research and/or the support of NRC's mission, the servicing agency must comply with NRC's OCOI policy as required by Section 170A of the Atomic Energy Act as amended by the Energy Policy Act of 2005.
3. Procedures for Implementing NRC OCOI Policy
  - (a) Section 170A of the Atomic Energy Act, titled, "Conflicts of Interest Relating to Contracts and Other Arrangements," requires that any person proposing to enter into a contract, agreement, or other arrangement, including Federal agencies and DOE laboratories supporting the NRC's mission, disclose any potential or actual conflicts of interest to the NRC.
  - (b) These requirements are implemented, in part, by inclusion of an OCOI clause in all RFPs and resulting awards, including stand-alone IAA agreements, DOE laboratory EWAs, DOE laboratory TOAs, and DOE laboratory TOs.

- (c) If an increase in the scope of the SOW is necessary, the OCOI clause will be included in the modification to the IAA.
  - (d) In the event that any contracts are awarded by the servicing agency to support an IAA, the OCOI clause will flow down to its contractor(s) and/or subcontractor(s), regardless of whether they are organizations or individual consultants.
  - (e) The OCOI clause requires that the servicing agency and DOE laboratories review its past (usually limited to the past 5 years), current, and planned future work and disclose the following information in the proposal (For DOE labs, see "DOE Laboratory Cost Proposal Template"):
    - (i) Any work that is being performed for the servicing agency or others that is in the same technical area, and
    - (ii) Any work that is being performed for the servicing agency or others that is similar to the work described in the NRC's SOW.
4. If Section IV.F.3(e) of this handbook applies, then the DOE laboratory should disclose the following information in its proposal:
- (a) The scope of work (including specifications) performed, being performed, and/or planned to be performed by the servicing agency;
  - (b) The period of performance;
  - (c) The financial impact; and
  - (d) The name and telephone number for a point of contact at the servicing agency knowledgeable about the work.
5. Criteria for Recognizing OCOIs
- (a) Recognizing and avoiding OCOIs is not always easy or apparent. In a competitive environment, the competitors help identify potential OCOIs. In the IAA environment, it is the responsibility of the NRC and the servicing agency CORs, as well as its contractors, to identify potential and actual OCOIs.
  - (b) In its OCOI decisions, the U.S. Government Accountability Office (GAO) has generally classified OCOIs into three groupings:
    - (i) Biased Ground Rules
      - Biased ground rules can occur when the offeror or its subcontractor(s) is in a position to affect a subsequent competition in its favor. For example, if the



servicing agency and/or its contractors help develop an SOW as part of an NRC project that is later used in a competitive procurement, then the servicing agency and/or its contractors could skew the SOW to play to its strengths or that of one of its affiliates. This type of OCOI may be mitigated by including in the SOW that the servicing agency and/or its contractors and its affiliates are excluded from any follow-on procurements.

(ii) Unequal Access to Information

Unequal access to information also can be present in the above example. In this case, the servicing agency and/or its contractors would have source data that would better prepare them to respond to the subsequent RFP. This type of OCOI may be mitigated by requiring that all data reviewed and/or used for the development of the subsequent SOW be made available to all offerors in the subsequent procurement, or require that any affiliate of the servicing agency, DOE laboratory, and/or its contractors be excluded from any follow on procurements.

(iii) Impaired Objectivity

Impaired objectivity may occur when a servicing agency is reviewing standards or technologies that it or one of its divisions developed. In effect, it is self-evaluating, which may impair its objectivity. This type of OCOI is the hardest to mitigate or eliminate. Below are additional examples of situations or relationships that may give rise to “impaired objectivity” OCOIs.

- The NRC asks the servicing agency or DOE laboratory A to review certain aspects of an accident analysis code for nuclear power plants. The servicing agency or DOE laboratory A previously developed the code.
- The NRC asks the servicing agency or DOE laboratory B to assist in maintenance inspections at ten nuclear power plant sites. The servicing agency or DOE laboratory B is developing a comprehensive maintenance program for the nuclear utility industry at the request of the Electric Power Research Institute.
- The NRC asks the servicing agency or DOE laboratory C to review the instrumentation and control systems of an advanced reactor design. The Federal agency or DOE laboratory C has applied to the NRC for design approval of the same advanced reactor.
- The NRC asks the servicing agency or DOE laboratory D to analyze the potential consequences of sodium fires in liquid metal fast breeder reactors (LMFBRs) as part of an advanced reactor design review. The servicing agency, DOE laboratory D, or its contractor is currently funding work performed at the servicing agency, DOE laboratory D, or its

contractor that supports design enhancements that would mitigate the potential for sodium fires in commercial LMFBRs.

6. OCOI Role and Responsibilities

- (a) It is the COR's and CO's responsibility to screen for potential OCOIs. To make an informed decision regarding potential OCOIs, the COR and CO are responsible for the following:
  - (i) Understanding the criteria for recognizing an OCOI;
  - (ii) Analyzing the servicing agency's or DOE laboratory's proposal, especially any data disclosed pursuant to the OCOI clause concerning the same or similar technical work performed by the servicing agency or DOE laboratory and other relationships that the servicing agency or DOE laboratory discloses that may give rise to potential or actual OCOIs; and
  - (iii) Eliciting from informed sources all relevant OCOI information. These sources include but are not limited to the following: DOE laboratory/servicing agency's principal investigator, DOE CO, NRC staff working in the same technical area or on the same design, information on a DOE laboratory/servicing agency's ongoing projects compiled by the cognizant contracting office, DOE laboratory/servicing agency's Web site, published journals or studies, and information conveyed at symposiums and professional meetings.
- (b) With the various types of OCOIs in mind, after the review and analysis of the relevant information, the NRC COR should ask, "Are there conflicting roles that might bias the servicing agency's judgment in relation to its work for the NRC?" If the answer to this question is "No," the COR should document this decision in the DOE Laboratory Proposal Evaluation. (See "DOE Lab Cost and Technical Proposal Evaluation Template.") Of particular concern is the documentation of the analysis of disclosed data by the servicing agency and its contractors. This documentation must show that the COR did a thorough analysis of the data and why it does not constitute a potential or actual OCOI.
- (c) If the COR determines that there may be a potential or actual OCOI, then the COR shall comply with the procedures set forth in Section IV.F of this handbook.

7. Procedures for Addressing Potential OCOI Situations When Identified at a Servicing Agency/DOE Laboratory

- (a) When a COR becomes aware of a situation that poses the potential for an OCOI, the COR should discuss the situation with management and notify the CO.

(b) The CO will arrange a meeting or a series of meetings with all necessary parties, including OGC, to decide if the potential OCOI gives rise to a real OCOI and, if so, whether steps need to be taken to eliminate or mitigate the OCOI, or whether it is appropriate to issue a waiver as described in Section IV.F.10 below.

(c) The NRC makes the final decision on OCOI matters for NRC work placed with the servicing agency.

8. Actions to Eliminate an OCOI

The NRC may take the following actions to eliminate an OCOI:

(a) Request that the servicing agency or DOE laboratory transfer the non-NRC work that is creating the OCOI to another facility;

(b) Request that the servicing agency or DOE laboratory forgo the work that is creating the conflict;

(c) Transfer the NRC project, in whole or in part, to another DOE laboratory; or

(d) Stop work until the situation is resolved, if the severity of the issue so warrants.

9. Opportunity to Eliminate the OCOI Before Waiver

Generally, the DOE laboratory or servicing agency will be given the opportunity to eliminate the OCOI before the NRC makes its final decision. If the NRC's final decision is that an OCOI exists and the requiring office still wants the DOE laboratory or servicing agency and/or its contractors to do the work, then the office may request a waiver. The waiver will allow the DOE laboratory or servicing agency to do the work if it is in the best interest of the Government, in accordance with the procedures set out below (see Section IV.F.8 of this handbook).

10. Procedures for Requesting a Waiver of Commission Requirements for Avoidance of OCOIs from the Executive Director for Operations

(a) It is the policy of the NRC to avoid, eliminate, or neutralize OCOIs. However, the NRC recognizes that it may be in the best interest of the Government to award projects to a DOE laboratory or servicing agency with OCOI issues. Section 170A of the Atomic Energy Act of 1954, as amended by the Energy Policy Act of 2005, allows the NRC to contract for the specialized experience of a DOE laboratory or servicing agency even though an OCOI may exist and cannot be mitigated. However, the statute requires adequate justification to proceed despite an OCOI. Although adequate justification may be based on many different considerations associated with the NRC's needs, this authority was not

intended for extensive use, but is to be limited to “extraordinary circumstances” when required expertise does not exist elsewhere.

- (b) There may be instances in which a DOE laboratory or other Federal agency is the only available source to perform vital work for the NRC, but the DOE laboratory or servicing agency would have an OCOI in performing the project work. In such cases, and where the cognizant NRC office wishes to start or continue the project at that DOE laboratory or servicing agency, the cognizant NRC office shall first consult with AMD and OGC to address the following issues:
- (i) The reason(s) why an OCOI would exist if the DOE laboratory or servicing agency performs the work.
  - (ii) Whether or not project results have the potential to be biased because the DOE laboratory or servicing agency is performing work in the same technical area or on the same or similar matter for the nuclear industry or because the DOE laboratory or servicing agency would be reviewing its own work or that of an affiliate, such as a system that the DOE laboratory or servicing agency designed for a licensee.
  - (iii) The contractual and/or technical review and surveillance methods that can be used to mitigate and neutralize the impact of having a DOE laboratory or servicing agency operator with an OCOI perform the project. For example, an independent third party with no OCOI could perform a peer review of project results. It would also be prudent to request that the DOE laboratory or servicing agency develop a mitigation plan if there are actions that the DOE laboratory or servicing agency and/or its contractors can do to mitigate the OCOI. The COR is to ensure that the plan is dated and signed by an individual who has the authority to commit the DOE laboratory or servicing agency.
  - (iv) An explanation of why the work is vital to the NRC.
  - (v) Alternative sources considered to perform the proposed work and why they are deficient or not feasible. If there is any doubt as to the availability of alternative sources, the CO, in coordination with appropriate program office staff, will publish a “sources sought” market research notice to determine if alternative sources exist to perform the project free of OCOI.
- (c) After all relevant information is considered, if the NRC concludes that only the DOE laboratory or servicing agency and/or its contractor with an OCOI can perform the vital work for the NRC, then the cognizant NRC office shall prepare a

Request for Waiver of Commission Requirements for Avoidance of Organizational Conflict of Interest.

- (i) The cognizant NRC office director or designee obtains concurrences from the CO, agency Competition Advocate in AMD, OGC, and the appropriate Deputy Executive Director for Operations (DEDO).
- (ii) The office director then signs and forwards the waiver to the Executive Director for Operations (EDO) for consideration.
- (iii) The required format for the request for waiver is available in NEAT.
- (d) The EDO shall notify the Commission within 5 working days that a waiver has been received for EDO consideration. Once the EDO has decided to approve or disapprove the waiver, the EDO shall notify the Commission of the intent to approve or disapprove a waiver request.
- (e) If the EDO approves the requested waiver of an OCOI, then the justification and approval documents for the waiver must be placed in ADAMS, subject to applicable law, regulation, or policy on the disclosure of agency documents to the public.
- (f) If the EDO disapproves the waiver, the project shall not commence. For an ongoing project, the CO shall terminate the project or the portion of the project that creates the OCOI as expeditiously as possible in accordance with this management directive (MD).
- (g) The COR is also responsible for determining if a potential or actual OCOI arises after the project award. If the COR becomes aware of potential or actual OCOI issues, then the COR should follow above procedures.
- (h) If a violation of the NRC's OCOI rules is discovered regarding any projects, then the COR shall notify the Office of the Inspector General (OIG) and the CO.

#### **G. Pre-award Documentation Assessment**

1. Pre-award documentation and processes for the establishment of an IAA typically involve the following:
  - (a) Determination of the appropriate statutory authority,
  - (b) Preparation of the SOW,
  - (c) IGCE,
  - (d) Requisition,

- (e) D&F or SSJ,
  - (f) RFP,
  - (g) Proposal evaluation, and
  - (h) Negotiation or review of the project's terms, conditions, and proposed cost (i.e., labor categories and staff hours), as appropriate.
2. An IAA that supports another servicing agency's project is sometimes referred to as a "collaborative agreement." The NRC agrees to support the other agency with resources in exchange for the right to access any reports or data generated as a result of the project. This type of agreement may be awarded pursuant to the Energy Reorganization Act or the Economy Act. If it is awarded pursuant to the Economy Act, a D&F is required.
  3. The CO makes the decision on the degree of documentation needed for these types of IAAs.

#### **H. Structuring IAAs**

1. In determining how to structure the IAA, the COR must consider the requirement and type of agreement that best meets the NRC's needs, in collaboration with the CO.
2. There are two types of IAA agreements: single IAA and multiple order IAA. For a one-time requirement, the CO would establish a single IAA. For continuing services, the COR may wish to establish a multiple year agreement or utilize an existing EWA.
3. Single IAAs include mechanisms such as collaborative agreements. These are agreements that typically require a Memorandum of Understanding (MOU) or Memorandum of Collaboration (MOC), where agencies have mutual or common areas of interest. For IAAs with task ordering arrangements, orders would be issued as the services are needed or a requirement is identified and sufficiently defined. This type of an arrangement requires the COR to develop the SOW for the order, establish an IGCE, and for the CO to determine that the costs are reasonable as the services are ordered.

#### **I. Types of DOE Laboratory Actions**

1. Stand-alone DOE Laboratory Agreement

The stand-alone agreement, usually referred to as DOE laboratory agreement, is the most commonly used arrangement for an overall project. This agreement may have many separate tasks described in the SOW with defined milestones or due dates for

each task and their associated deliverables. The agreed-to-cost is for the completion of the entire project, which includes all of the tasks described in the SOW. The cost is usually tracked on the overall project basis but may be tracked on each task if the CO determines that it is necessary.

## 2. Enterprisewide Agreement

- (a) An EWA is used when services are needed from other Federal agencies, but the specific tasks are not known at the time of award. Rather, the tasks are defined in individual TOs issued by the NRC to other Federal agencies. Use of existing EWAs is preferred when the scope sufficiently covers the desired work, rather than awarding new IAAs.
- (b) An EWA is similar to an indefinite delivery/indefinite quantity (IDIQ) contract. It is useful when only the general requirement or overall project objective is known and the details of the specific tasks under the requirement are not known at the time of EWA award.
- (c) The EWA defines the scope of the project in the SOW, including the following:
  - (i) The required technical expertise and the estimated number of staff hours needed,
  - (ii) The period of performance for the entire project, and
  - (iii) The ceiling cost of the total project.
- (d) Funds are not obligated on the awarded EWA.
- (e) When the details of a specific task within the scope of EWA are defined, a TO referencing the base EWA is issued with its own SOW, which may include suggested labor categories and staff hours. Each TO is funded separately and may be incrementally funded.
  - (i) When awarded, the TO includes the detailed requirements, the agreed to estimated cost, and the delivery requirements.
  - (ii) Funds are obligated on the awarded TO base on an agreed to expenditure (spending) plan for the TO.
  - (iii) Obligated funds are tracked by each TO using the Budget Formulation System (BFS) Spend Plan System, and the COR must ensure that the sum of the obligations on all TOs does not exceed the ceiling cost specified in the EWA.

## **J. Developing the Statement of Work**

### **1. Purpose of the SOW**

The SOW is the most important element of the entire agreement. The SOW serves as the foundation of every agreement, including EWAs and associated TOs. All other elements of an agreement evolve from the SOW. The SOW provides the servicing agency with the information needed to prepare its proposal.

### **2. Guidelines for SOW Development**

#### **(a) Development of the SOW**

CORs assigned to develop SOWs must have the necessary technical expertise to determine agency minimum needs and maintain a level of independence when developing SOWs. However, when the NRC COR determines that it is in the NRC's best interest to obtain technical information before developing the SOW, the COR may hold fact-finding sessions with the servicing agency or DOE laboratory. These sessions may deal with cutting-edge technology, general concepts, methods, agency expertise, available equipment, and the general time frames for project completion. Notwithstanding the above, the NRC COR has the sole responsibility for drafting the SOW.

#### **(b) Subcontracting**

The COR must not structure the SOW so that it requires the servicing agency to subcontract the majority of the project effort or subcontract with a specific contractor. This is considered "pass-through" contracting. It is the servicing agency's responsibility to determine the most efficient way to accomplish the project and the selection of its contractors. If the IAA is an assisted acquisition IAA, see Section IV.C of this handbook for guidance.

#### **(c) Avoidance of Personal Services Relationship**

(i) A personal services relationship occurs if the SOW or the actions of NRC personnel create or give the appearance of an employer-employee relationship. For example, Government personnel may create a personal services relationship by preparing contractor work schedules, supervising contractor employees, allowing the contractor to make policy decisions, or using contractor staff interchangeably with Government employees. Personal services contracts shall not be awarded unless specifically authorized by statute (for example, 5 U.S.C. 3109, "Government Organizations and Employees"). If an employee-employer relationship is required, it is the policy of the NRC to employ the services of individual consultants and experts by



hiring them under the personnel appointment process in accordance with the procedures set forth in MD 10.6, "Use of Consultants and Experts."

- (ii) A definitive SOW safeguards against personal services relationships because it provides sufficient information to enable the agency and its contractors to work independently without the need for direction. However, the NRC COR is allowed to provide technical direction within the bounds of the SOW and the agreed to terms and conditions. Accordingly, the NRC, not its contractors, makes policy decisions and remains accountable for inherently governmental functions that may be based on contractor performance and work products.

### 3. Performance-Based SOW or Performance Work Statement (PWS)

- (a) A performance-based SOW emphasizes the purpose of the work to be performed with the project requirements set forth in clear, specific, and objective terms with measurable outcomes. This type of SOW is helpful when the NRC does not possess sufficient knowledge in a given technical area since it allows the NRC to leverage the expertise of a servicing agency. Since a performance-based SOW does not describe how the work is to be done, it gives the servicing agency the freedom to propose the most efficient method to meet the project objectives. Payment is tied to achieving these measurable outcomes. The principles used can be applied to less defined outcomes, but the measurable parameters are where the agency will focus its efforts. In developing a performance-based SOW, the COR should—
  - (i) Define the desired outcomes by listing what needs to be accomplished in order to satisfy the project's overall requirement. This is a top-level perspective and answers the question: "What must be accomplished to satisfy the requirement?"
  - (ii) Conduct an outcome analysis based on the list of desired outcomes to identify performance objectives. Performance objectives are the tasks you want performed and delivered to the Government. This analysis answers the question: "What tasks must be accomplished to achieve the desired outcome?"
  - (iii) Identify the appropriate performance standards and acceptable quality levels using the performance objectives. This step will answer the question: "When and how will I know the outcome has been satisfactorily achieved and at what level of quality?"
  - (iv) Develop a performance requirement summary matrix using the data derived in the three steps above to clearly communicate to the agency the NRC's desired outcomes and quality requirements.

- (v) Develop an NRC performance assessment plan based on the performance requirement summary matrix. The plan should state when, where, and how often the assessments will be conducted. The results of the assessments should form the basis of the agency's performance evaluations during project monitoring.
- (b) The guidance regarding standard provisions in SOWs for IAAs is in keeping with Executive Order 12931, "Federal Procurement Reforms," dated October 13, 1994.

## **K. SOW Special Considerations**

### 1. Technical Reporting Requirements

- (a) The technical reports required may be classified, sensitive or non-sensitive, safeguarded, or unclassified. The SOW must specify the technical reporting requirements. The technical reports may be one or more of the following:
  - (i) Technical evaluation reports (TERs),
  - (ii) Draft or final formal technical reports for publication in the NRC Technical Report Designation (NUREG) series (see MD 3.7, "NUREG-Series Publications"), or
  - (iii) Draft or final material for inclusion in NRC safety evaluation reports (SERs) or environmental impact statements (EISs) as specified in Sections IV.K.1(b)-(h) of this handbook below.
- (b) TERs are interim or final letter reports that provide information on the technical aspects of the work. Interim technical letter reports may be required at various stages of a project. These interim letter reports are usually followed by a final technical letter report or a formal technical report. See MD 3.7.
- (c) Interim technical letter reports may include, but are not limited to, the following:
  - (i) Informal interim progress reports,
  - (ii) Quick-look reports,
  - (iii) Data reports,
  - (iv) Status summary reports,
  - (v) Project descriptions,
  - (vi) Pretest predictions,
  - (vii) Model verifications,

- (viii) Experimental safety analyses,
  - (ix) Experimental operating procedures,
  - (x) Facility certification reports, or
  - (xi) Test result reports.
- (d) These reports must be identified with the cost center assigned to the project. In the SOW, the NRC will specify the number of copies to be prepared and the distribution of those copies.
- (e) Final technical letter reports are usually specified in situations in which the technical work involves the review and evaluation of the work of others or work to be used by the staff in the licensing and regulation process.
- (f) All unclassified technical letter reports that do not contain proprietary information, Safeguards Information (SGI), or other Sensitive Unclassified Non-Safeguards Information (SUNSI) must be made publicly available by the office by sending a copy to the NRC Public Document Room through ADAMS. Each technical letter report must be identified with the cost center assigned to the project.
- (g) Formal technical reports are the final product of research and original investigation or are a significant compilation of information. These accepted formal technical reports will be published in the NUREG series. Formal monthly, quarterly, or semi-annual and annual technical reports may be required for extensive long-term projects. A draft of the final or periodic report may be requested for comment before preparation of the camera-ready copy.
- (h) Draft material for inclusion in SERs or EISs consists of written material requested for input in SERs or EISs to be issued as NUREG-series reports. Such material may be abstracted and used by NRC staff as necessary. The NRC requires patent review and management review of this material by the servicing agent.
- (i) The content of formal technical reports should follow generally accepted technical writing practices, with appropriate flexibility to meet the author's specific needs. NUREG-0650, Rev. 2, "Preparing NUREG-Series Publications," provides additional guidance. The most current version should be cited in the SOW. Scientific and technical reports should not include administrative, managerial, or fiscal information that is unsuitable for wide dissemination. Further, scientific and technical reports must not contain proposals for additional work.

## 2. Status Report Requirements

- (a) The servicing agency shall submit a Status Report in accordance with the IAA/order requirements, as applicable, to the NRC CO and COR, with a copy to the Office of Administration/Acquisition Management Division to [ContractsPOT.Resource@nrc.gov](mailto:ContractsPOT.Resource@nrc.gov).
- (b) The status report is a required deliverable, unless a waiver applies, and is normally due monthly to the NRC. For DOE laboratory agreements, a Monthly Letter Status Report (MLSR) is required. The COR must attach a copy of this document to the SOW to ensure compliance. The COR is not authorized to waive this requirement without CO approval. The waiver must be included in the official CO and COR files.
- (c) If the SOW is for nuclear research or in support of the NRC regulatory mission, then the SOW should require the servicing agency to submit status reports. The COR is not authorized to waive this requirement without the approval of the office director (or designee approval) for the requiring office and the CO.
- (d) If the SOW is for well-defined requirements, such as debt collection, then a quarterly status report should be sufficient. The COR may modify the NRC content and format based on the SOW requirements or may accept the servicing agency's content and format as long as it meets the NRC's needs for IAA administration. In discussing report content and format with the servicing agency, the COR should keep in mind that requiring a specific content and format may incur an additional cost to the NRC, and that no additional costs may be incurred without approval from the CO.

## 3. Information Technology: Systems Development Considerations

If software or hardware systems development is contemplated, the COR, after consultation with the Office of the Chief Information Officer (OCIO) shall include specific language in the SOW addressing computer security and quality assurance. In addition, any systems developed by an agency must be in a format compatible with NRC equipment and software.

## 4. Information Technology: Resource Considerations

- (a) When work to be placed with an agency involves the acquisition of information technology (IT) resources, the COR may need to submit additional documentation for review and approval before issuing an RFP to the servicing agency. Contact OCIO to determine documentation review and approval requirements.

- (b) If the servicing agency's proposal indicates the need for IT resources that were not included in the SOW, the COR may need to submit additional documentation for review and approval before IAA award. Contact OCIO for specific guidance in this area.
- (c) When it has been determined that IT resources are required for IAAs, the COR, in consultation with OCIO and the CO, shall determine whether it is in the NRC's best interests to have the servicing agency acquire the IT resources or whether the IT acquisition can and should be separated from the NRC IAA and be provided by the NRC.
- (d) When it is in NRC's best interests to supply the IT resources to the servicing agency as Government-furnished property, the resources may be available at the NRC, obtained through OCIO, or acquired from the commercial sector. In the latter instance, a requisition will be developed in STAQS and sent to ADM/AMD or regional CO, to initiate the procurement action.
- (e) Circumstances may indicate that it is in NRC's best interests to have the servicing agency purchase the IT resources, as in the following instances:
  - (i) The specifications for the IT resources required by the servicing agency are unique.
  - (ii) The schedule for project work calls for delivery of the IT resource at a certain required time and as part of a series of servicing agency-controlled efforts such that purchasing the IT resource separately could cause project schedule delays.
  - (iii) The purchase of IT resources by other than the servicing agency is more costly and less efficient.
- (f) When IT resources are to be delivered to the NRC, OCIO reviews and approves the required documentation.
- (g) All automated information processing systems developed or used as part of a project effort must comply with the Federal Information Security Management Act (FISMA) (44 U.S.C. 3541 et seq.). The servicing agency must demonstrate compliance by submitting a copy of the letter from the servicing agency's Designated Approving Authority stating that the system(s) are accredited.
- (h) All electronic and information technology deliverables, including reports, must be compliant with Section 508 of the Rehabilitation Act (29 U.S.C. 794d) as implemented in the "Electronic and Information Technology Accessibility

Standards” (36 CFR Part 1194), available at <http://www.gpo.gov/fdsys/pkg/FR-2000-12-21/pdf/00-32017.pdf>, unless an exception applies. The SOW must include the Section 508 requirements.

5. Waste Characterization, Packaging, and Disposal Considerations

- (a) For projects that will generate chemical or radiological waste, the SOW shall describe those aspects of the project that will result in the generation of waste and the servicing agency’s responsibility for the characterization, packaging, and disposal of the waste. NRC’s financial responsibilities for these activities also should be described. Assistance for projects involved with waste characterization, packaging, and disposal can be provided by the Office of Nuclear Material Safety and Safeguards (NMSS).
- (b) Categories of waste streams, materials, components, and facilities that may require characterization, packaging, and disposal include activated metals, contaminated materials, ion-exchange resins, and other low-level waste streams. Characterization of the waste streams should be designed to collect data that will fulfill the requirements of the disposal facility (for example, the data should demonstrate that the waste meets the acceptance criteria of the disposal facility) and the uniform manifest requirements of 10 CFR Part 20, Appendix G, “Requirements for Transfers of Low-Level Radioactive Waste Intended for Disposal at Licensed Land Disposal Facilities and Manifests,” when that form is needed. The agency proposal shall include a copy of the disposal site manifest requirements that explicitly provide the information required with the shipment.
- (c) Chemical waste is any waste that includes a chemical (for example, nickel, iron, and ethylenediaminetetraacetic acid, commonly known as EDTA) that is not classified as radioactive waste and requires special handling for its disposal. The chemical waste also may need to be characterized to meet the requirements of the waste disposal facility. Mixed waste (waste containing both Resource Conservation and Recovery Act Subtitle C (42 U.S.C. 6901 et seq.) hazardous waste and low-level radioactive waste) shall not be generated without prior express written approval of the NRC. The agency shall institute measures to minimize the amount of waste generated. If mixed waste streams are accepted by a servicing agency contractor for analysis, an agreement for dispositioning of the samples (for example, returning to the place of origin) should be established before the sample is accepted for analysis.
- (d) The servicing agency is responsible for the costs of decommissioning a servicing agency’s facility. When a facility, or part of a facility, is dedicated exclusively to an

NRC project and the residual radioactivity to be removed during decommissioning can be solely attributed to the NRC project, the NRC is responsible for these costs. When an NRC project is conducted within an existing servicing agency facility, the NRC is responsible for costs associated with the removal of project materials and waste, including specialized tooling and equipment, dedicated to that project. These costs shall be explicitly identified and addressed by the servicing agency in accordance with the provisions cited in this section.

- (e) The agency proposal shall provide a full description of specific activities necessary for the NRC project, including waste characterization, packaging, and disposal activities and the associated costs for conducting these activities for which the NRC is responsible.
- (f) Guidance to determine responsibility for payment of the costs of characterization, packaging, and waste disposal follows:
  - (i) The NRC, which generally serves as project designer, is responsible for the costs of characterization, packaging, and disposal of waste when the waste is generated as an essential part of the project.
  - (ii) The NRC is not responsible for the costs of waste volume generated beyond what can reasonably be expected in the performance of the project because of the servicing agency's noncompliance with its policies or other good practices.
- (g) When the NRC is responsible for payment of the costs associated with characterization, packaging, and disposal of waste, then the cognizant COR shall—
  - (i) Ensure that the project SOW contains a task for the characterization, packaging, and disposal of waste generated under the project; and
  - (ii) Include, as part of the IGCE, costs for waste characterization, packaging, and disposal.
- (h) The CO shall—
  - (i) Evaluate the agency proposal to ascertain whether costs proposed for the waste characterization, packaging, and disposal are reasonable;
  - (ii) Determine a reasonable amount for such costs and document the basis for such agreement in the CO's negotiation memo and the COR's "DOE Laboratory Proposal Evaluation"; and

- (iii) Review the status reports submitted by the agency to ensure that expended costs for the waste characterization, packaging, and disposal are reasonable and are in accordance with the project spending plan.

#### 6. SOW Security Considerations

- (a) The COR shall keep apprised of, and adhere to, appropriate policy and regulations found in the following documents:
  - (i) MDs in Volume 12, "Security"—MD 12.2, "NRC Classified Information Security Program," MD 12.3, "NRC Personnel Security Program," MD 12.5, "NRC Cybersecurity Program," MD 12.6, "NRC Sensitive Unclassified Information Security Program," MD 12.7, "NRC Safeguards Information Security Program," and NRC Yellow Announcement YA-05-0077, "Policy Revision: NRC Policy and Procedures for Handling, Marking, and Protecting Sensitive Unclassified Non-Safeguards Information (SUNSI)," October 26, 2005 (ADAMS Accession No. ML051220278);
  - (ii) "National Industrial Security Program Operating Manual," February 28, 2006, available at <http://www.fas.org/sqp/library/nispom.htm>; and
  - (iii) Executive Order 13526, "Classified National Security Information," December 29, 2009 (material related to classified or potentially classified contracts or agreements ensure compliances with security provisions and resolve problems involving access to licensee sites).
- (b) The COR shall complete NRC Form 187, "Contract Security and/or Classification Requirements," for work requiring access to classified or sensitive unclassified information.
- (c) The COR must obtain required approvals for use of classified material in a project. The COR should refer to MDs in Volume 12 for guidance on the approval process.

#### 7. International Affairs

As necessary, the NRC may request participation of foreign nationals in the conduct of research work performed at DOE laboratories. All such requests shall be in writing and provide sufficient lead time for DOE Operations headquarters review and approval. A copy of each request will be provided to the Office of International Science and Technical Cooperation in DOE and the Office of International Programs in NRC.



#### **L. Special SOW Considerations for Assisted Acquisition Agreements**

1. If the servicing agency awards a contract action to a small business and it is funded by the NRC, then the small business credit is given to the NRC. The small business award credit is based on the Federal Procurement Data System-Next Generation (FPDS-NG) report prepared by the contracting office providing the contracting support. To ensure that the NRC receives the small business credit, the IAA SOW must—
  - (a) Identify the “Funding Office ID” (Data Dictionary Element 4D) for the FPDS-NG as “3100,” which is the NRC’s funding office identification;
  - (b) Require a copy of the FPDS-NG report by the servicing agency’s CO be delivered to the NRC; and
  - (c) Include a copy of the FPDS-NG report in the IAA file.
2. The CO may print a copy of the report from the FPDS-NG Web site.

#### **M. Independent Government Cost Estimate**

1. After the SOW tasks and deliverables are defined, the IGCE is prepared. The IGCE estimate is not based on the budget estimate but on the scope of work defined in the SOW. If the estimate exceeds the budget and no additional funding is available, the project should be restructured to stay within the budget. In no event should a project be awarded where the project will exceed the estimated budget. The purpose of the IGCE is to compare it to the servicing agency’s cost proposal during the proposal evaluation process to ensure the labor mix and other direct cost categories are appropriate.
2. An IGCE is required when costs are estimated to be \$150,000 or more for new IAAs/orders as well as modifications which will increase or decrease the estimated cost by \$150,000 or more.
3. There are two basic methods used to analyze prices or costs. Price analysis is generally used for supplies, equipment, and simple services that are routinely available on the open market at competitive or catalog prices. Cost analysis requires a breakdown of project costs by element.
4. The IGCE is developed by the COR to assist the CO in evaluating the servicing agency’s price or cost proposal. There are several methods used to develop an IGCE. The most appropriate methods for developing an IGCE for an IAA/order are the cost comparison method and the detailed cost method.

- (a) The cost comparison method is used for estimating standardized services where the agency has fixed charges (fixed price) for a service. A previous service similar to the current requirement is selected. The known costs are adjusted by adding or subtracting elements of material, time, and economic or inflationary changes as necessary. This method is used when relatively few adjustments are needed to develop the estimate. Whenever a record of costs previously paid for the requirement is available, the COR uses the actual costs charged by the servicing agency for past services to project what the future services should cost. This type of IGCE may be documented in a memo to the file. The COR should ensure that the memo clearly marks that it is the IGCE for the IAA and include it in the requisition package in STAQS.
  - (b) The detailed cost method is used to estimate projects that require a detailed SOW to define the requirement. This method requires the COR to estimate the cost elements of the requirement. These cost elements include direct costs (such as labor, supplies, equipment, or transportation) and indirect costs (such as labor overhead, material overhead, and general and administrative (G&A) expenses).
5. Each IGCE must be submitted with a requisition in STAQS, as applicable. A brief narrative of how the costs were developed, the source material used, and assumptions made to develop the IGCE must be included in the file with the IGCE. Never release or discuss an IGCE with entities outside of the NRC, unless otherwise authorized by the CO. NRC staff should release or discuss an IGCE on a need-to-know basis.

#### **N. Advance Payments for IAAs**

1. It is the NRC's policy not to pay in advance of services rendered or goods provided for IAAs. Advanced payments are not authorized unless required by statute or the Federal entity providing the goods and services. In accordance with MD 4.2, the Controller must approve any proposed interagency agreement that provides for making advance payments. The IAA shall include the following:
  - (a) Adequate procedures for making the advance payments;
  - (b) Requirement for cost reports submitted quarterly, at a minimum; and
  - (c) A stipulation that a refund will be made to the NRC promptly when the advance payments exceed the actual cost of goods and services later provided.
2. See Section VI, "Commitment and Obligation of Funds," of MD 4.2, "Administrative Control of Funds," for further information on advance payments.

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## **V. REQUEST FOR PROPOSAL PREPARATION AND ISSUANCE**

### **A. Preparation of the IAA and DOE Laboratory RFP**

1. The agency uses STAQS to generate and award new IAAs and IAA modifications.
2. The CO, in coordination with the COR, develops and provides the RFP to the servicing agency for a proposal.
3. When the servicing agency submits a proposal, the COR receives instructions from the CO to perform a proposal evaluation.
4. The CO is responsible for preparing and awarding IAAs and IAA modifications.
5. To be considered a valid IAA, the agreement must be executed (signed) by both parties, the NRC (requesting agency) and the servicing agency.
6. At a minimum, the servicing agency should be asked to address all deliverables that include a status report or MLSR.

### **B. Request for the IAA and DOE Laboratory Proposal Content**

1. The RFP documentation for IAAs consists of the following:
  - (a) Letter or e-mail request,
  - (b) SOW,
  - (c) Standard terms and conditions, and
  - (d) IAA proposal preparation instructions.
2. The RFP documentation for TOs consists of the following:
  - (a) Letter or e-mail request,
  - (b) SOW,
  - (c) OCOI clause, and
  - (d) TO proposal preparation instructions.
3. The remaining standard terms and conditions were incorporated into the EWA at award and apply to all TOs issued under the authority of the EWA.

### **C. Standard Terms and Conditions**

1. The standard terms and conditions applicable to the project are generated in STAQS for all new agreements, whether they are stand-alone IAAs or EWAs. All terms and conditions flow down and apply to subcontractors, including consultants.
2. With the exception of the OCOI clause, the applicable standard terms and conditions are not included in TO RFPs. The standard terms and conditions are part of the IAA or EWA (at time of award) and apply to all TOs subsequently issued them, as applicable.
3. The standard terms and conditions are not provided with in-scope modifications to an IAA or EWA, or TOs since they are part of the initial award.
4. For new work which is outside the scope, the OCOI clause must be recertified by the DOE laboratory before performance. If applicable, the OCOI clause must be recertified by the subcontractors and/or consultants before performance.

### **D. Issuance of the RFP**

1. The RFP is issued by the CO. For RFPs with DOE laboratories, a “DOE Laboratory Cost Proposal” template is provided. These documents are attached to the RFP letter or e-mail to the servicing agency for its consideration. The RFP letter or e-mail should include proposal delivery instructions and the proposal due date.
2. The RFP for a new agreement is issued after the approval of the SSJ or the Economy Act D&F, if required in accordance with Sections IV.D and IV.E of this handbook. If the estimated cost exceeds the SSG review threshold, the RFP shall not be released until authorized in accordance with current guidance.

### **E. Receipt of Proposals**

The servicing agency shall prepare a written technical and cost proposal if required by the RFP. The proposal package is submitted to the CO for review and evaluation. The initial review should identify any missing information required by the RFP. If information is missing, the servicing agency point of contact should be contacted promptly by the CO about the missing information.

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## **VI. PROPOSAL EVALUATION AND DISCUSSION**

### **A. Evaluation of Servicing Agency and DOE Laboratory Proposals**

1. The COR shall evaluate the technical proposal, if provided. The purpose of the evaluation is to determine if the proposed technical approach, level of effort, and the level of personnel expertise proposed is consistent with the project objectives.
2. Upon receipt of a DOE proposal, the CO forwards to the NRC COR. The NRC COR then evaluates the proposal and provide results to the CO using a “DOE Laboratory Proposal Evaluation.”
3. After the technical evaluation is completed, the CO must compare the proposed cost/price with the IGCE and the SOW. The CO should prepare a spreadsheet that shows the IGCE and the proposal to document the comparison. Any differences must be noted and resolved during discussions.
4. Past performance of the servicing agency shall be considered before award, if available. In the case of DOE proposals, in addition to considering the office’s experience with the DOE laboratory and changes in DOE laboratory contractor management, the COR should check any past performance data available. The results of this review should be documented in the technical evaluation.
5. If there are any exceptions taken to the NRC terms and conditions (T&Cs), the COR should assess the impact, and, if appropriate, questions should be prepared and any differences resolved. Any changes to the T&Cs must be coordinated with the CO and OGC before accepting the other agency’s position. The CO is the official with delegated authority and acts as the central point of contact for the NRC with the servicing agency and communicates the agency’s responses on this and all other pre-award matters.
6. If the servicing agency attached clauses, the COR must share the information with the CO to assess the impact, and, if appropriate, questions should be prepared and issued by the CO to resolve any differences or discrepancies. Additional guidance may be requested from the CO and OGC. Again, the CO will communicate the NRC’s response to the servicing agency.

### **B. Discussions/Negotiations**

1. Based on the proposal evaluation, the CO should develop, in collaboration with the COR, any specific technical and cost questions that must be addressed by the servicing agency during the discussions. The servicing agency’s response to the

questions should convey the degree of understanding it has of the project scope, the reasonableness of the technical approach, staffing requirements, and the overall project cost, given its technical approach.

2. The objective of discussions is to ensure that the NRC and the servicing agency personnel reach an agreement regarding, at a minimum, technical approach, proposed personnel skill mix, and technical and cost issues, as well as all terms and conditions set forth in the IAA.
3. After discussions, the servicing agency should submit a revised proposal clearly annotating the changes. The COR, under the guidance of the CO, shall evaluate any revised proposals in the same manner as the original proposal.

### **C. Summary of Discussions**

The CO shall summarize the salient aspects of the discussions in a memorandum of negotiations and store in the official IAA file. The CO should document the resolution of all questions. In deciding the level of detail to be documented, the CO should provide enough information that an independent reviewer would understand the issues and the rationale for decisions made.

## **VII. WORK AUTHORIZATION AND INITIATION**

### **A. Establishing the IAA**

Following evaluation of the proposal and subsequent discussions, if required, the IAA/order is generated in STAQS, signed by the CO, and forwarded to the appropriate servicing agency or DOE laboratory official for their signature.

### **B. Awarded IAA Content and Award Documentation**

The CO shall ensure that all required IAA/order file documentation, as specified by AMD, are properly generated and maintained in STAQS.

### **C. Work Initiation for Urgent Requirements**

1. The cognizant NRC office director (or designee) provides approval that work is required on an urgent basis to the CO for execution. This written approval explains how the mission would be impacted if the work does not begin immediately. The IAA/order must be executed (signed by both parties) before issuing an order on an urgent basis.

2. Work that is needed and should be accomplished as soon as practicable to avoid an adverse impact on public health and safety with regard to the civilian use of nuclear power.
3. This determination is made by the cognizant NRC division director (or designee) and submitted to CO for proper prioritization.
4. Since total project costs will be determined after work begins, the estimated amount may not be accurately known. If the amount is anticipated to exceed the budgeted amount, funds should be provided or appropriately transferred to cover the necessary costs in advance of work initiation. If the estimated amount proposed by the servicing agency exceeds the anticipated amount and available funding, the NRC will either restructure the SOW or partially or totally terminate the work. There are no assurances to the servicing agency to fund the project beyond the initial funding per the "Limitation of Funds" clause.
5. The "Limitation of Funds" clause shall be incorporated into the urgent agreement as follows:
  - (a) If this is a new IAA/order, the CO shall generate the IAA clauses to include the "Limitation of Funds" clause to the IAA/order.
  - (b) If this is a new order on an existing IAA and the "Limitation of Funds" clause is not included, the CO shall attach the "Limitation of Funds" clause to the order.
  - (c) If this is a modification to an existing IAA/order, the CO shall attach the "Limitation of Funds" clause if not previously incorporated into the agreement.
6. The IAA for urgent work must contain the following information:
  - (a) SOW,
  - (b) Estimate of the level of effort required,
  - (c) Statement that the work is urgently required,
  - (d) Funding estimated to provide adequate funds for work performance while the proposal is being prepared and evaluated,
  - (e) Due date for the proposal, and
  - (f) Statement that there are no assurances to the servicing agency beyond the amount of incremental funding provided per "Limitation of Funds" clause.

7. The CO forwards the IAA/order to the servicing agency for review and acceptance. Upon acceptance by the servicing agency, the NRC CO signs the IAA/order and work may commence.
8. As soon as practicable after work initiation, the COR shall generate the required SSJ or D&F and the IGCE, and obtain any authorizations and approvals, in coordination with the CO, as required for initiation of an IAA/order in accordance with this MD. Proposal preparation should not hamper commencement of the urgent work.
9. Upon receipt of the servicing agency's proposal, the COR shall evaluate the proposal in accordance with Section VI of this handbook.

## **VIII. INTERAGENCY AND DOE LABORATORY AGREEMENT ADMINISTRATION**

### **A. NRC-Furnished Property**

1. If the NRC is required to furnish property, which includes documents and/or materials or equipment, then the COR should ensure that these are provided to the servicing agency in accordance with the SOW milestone schedule. See 48 CFR Part 45, "Government Property."
2. Failure to provide these items in a timely manner may affect the servicing agency's ability to proceed with the work.
3. If this happens, the CO, in collaboration with the COR, should contact the servicing agency and discuss any necessary schedule changes and modify the period of performance accordingly.

### **B. Technical Direction Guidelines**

1. CORs are provided written delegations from their cognizant CO that outlines their responsibilities and limitations, including technical direction.
2. Technical direction given to the servicing agency by the COR must be consistent with the NRC SOW and the servicing agency proposal.
  - (a) Technical direction must be documented in writing and forwarded to the servicing agency with a copy to the CO. The COR must document any discussions, including meetings and phone calls, held with servicing agency or DOE laboratory officials where technical direction was provided.
  - (b) The CO-appointed COR is the only individual with delegated authority to provide technical direction under an IAA/order.



3. Technical direction may include the following:
  - (a) Approval of approaches, solutions, designs, or refinements;
  - (b) Interpretation of specifications; and
  - (c) Shifting of emphasis among work areas or tasks.
3. Technical direction does not constitute new assignments of work. Therefore, technical direction will not change the estimated project cost or the scope or specifications contained in the current SOW.

### **C. Monitoring**

1. Once the NRC CO and the servicing agency's authorized official have signed the IAA/order, project work can be initiated and funds can be expended.
  - (a) Project monitoring is designed to ensure that a project is performed in accordance with the requirements of the SOW and the technical approach stated in the servicing agency's proposal.
  - (b) Project monitoring shall ensure that work remains on schedule and within the agreed-upon cost. To carry out this function, the NRC COR monitors the work as it proceeds and conducts reviews of the servicing agency's actions in compliance with project requirements.
2. Effective project monitoring results from—
  - (a) Reviewing the status report or MLSR;
  - (b) Communicating frequently with servicing agency project personnel;
  - (c) Conducting meetings with servicing agency technical staff on project progress in order to be active in providing technical oversight;
  - (d) Documenting substantive conversations with the servicing agency, as well as actions taken to keep the project on schedule, within cost limitations, and in conformance with the SOW; and
  - (e) Prompt IPAC invoicing and financial reconciliation.

### **D. Review and Analysis of the IAA Status Report and Monthly Letter Status Report**

1. For IAAs, the primary tool for monitoring is the status report. For DOE laboratory projects, the primary tool for monitoring is the MLSR. The status report and MLSR should provide adequate information for the NRC COR to fully understand the

- technical progress of the project and to identify any potential problems that may impede progress or lead to undesirable results.
2. The MLSR also should provide spending plan updates for the project, in accordance with MLSR requirements. The BFS spend plan system is used to ensure that the budgetary progress is commensurate with expected costs.
  3. When completing the Monthly Letter Status Report Review (MLSR-R), the COR must address the following questions:
    - (a) Did the DOE laboratory submit required deliverables and meet scheduled milestones during the reporting period?
    - (b) Is the quality of the deliverables and/or services acceptable and in compliance with the terms of the statement of work?
    - (c) Is the current status of the spending plan on track with original plan and is spending to date commensurate to progress of the work?
    - (d) If the laboratory acquired property, was it properly reported?
    - (e) If the laboratory developed software, was it properly reported?
    - (f) If travel costs were reported, were the costs anticipated and reasonable?
    - (g) If encumbered costs were reported, were the costs anticipated and reasonable?
    - (h) Has the NRC met its obligation during the reporting period, including provision of Government-furnished property and timely review and comments on reports/deliverables?
    - (i) Are there any present or future problems that may adversely affect the DOE laboratory's performance and/or costs?
  4. To analyze the MLSR or status report, the COR shall review—
    - (a) Basic information, including the following:
      - (i) Cost Accounting Codes (CAC), and/or
      - (ii) Technical Assignment Control (TAC) Numbers.
    - (b) Labor hours.
    - (c) Cost elements, including the following:
      - (i) Direct labor,

- (ii) Travel,
  - (iii) Equipment,
  - (iv) Subcontracting costs (including uncosted values pending invoicing),
  - (v) Materials, and
  - (vi) Indirect costs.
- (d) Technical performance including the following:
- (i) Staffing levels by category. Determine the composite rate that the servicing agency is charging the project. If there is a significant difference between the rate proposed and the rate currently charged, the COR should determine if the difference represents a cost or technical risk to the project.
  - (ii) Changes in personnel.
  - (iii) Agreement milestones or due dates.
  - (iv) Acceptance of deliverables.
  - (v) SOW problems.
  - (vi) Any reportable items identified in the agreement.
5. The COR shall take the following steps to address any concerns identified as a result of the Status Report review:
- (a) Discuss all inconsistencies and problems with the CO and servicing agency.
  - (b) Determine the impact of problems, including the following:
    - (i) Increased costs,
    - (ii) Revised milestones or due dates, or
    - (iii) Failures in attaining technical objectives.
  - (c) Determine if the impact of problems is acceptable to the NRC.
  - (d) Coordinate with the CO to take appropriate action to ensure that delays on agreements are minimized. When the servicing agency indicates either verbally or by a written notification, such as in the IAA status report, that the project is experiencing a delay, the NRC CO shall take prompt action to resolve all issues or, if appropriate, take action to terminate the agreement if the servicing agency has not made necessary efforts to resolve the issue(s) causing the delay.

- (e) Determine if the impact of problems and/or any proposed solutions will require the agreement to be modified.
- (f) Inform CO of situations affecting the agreement and document the review, including resolution of issues and problems, in a memorandum to the file or on DOE laboratory "Monthly Letter Status Report Review" (MLSR-R) Checklist.

**E. Modifications to Interagency Agreements/Orders and DOE Laboratory Agreements**

1. Any change to the IAA/order and DOE laboratory agreements is accomplished by executing a modification by the NRC CO. The COR is required to review the IAA/order periodically to ensure it is accurate, complete and current. If not, the COR is required to submit a requisition to modify the IAA/order in STAQS.
2. All modifications to the IAA/order, excluding administrative modifications, must be signed by the servicing agency and NRC CO.
3. Modifications range from administrative in nature, such as incremental funding actions pursuant to the "Limitation of Funds" clause and no cost extensions of agreements, to more complex technical changes or actions, such as modifying the SOW to add additional work. Modifications involving the simpler actions may be accomplished without requesting a proposal when agreement cost is not affected. The order modification signed by the NRC CO and servicing agency effects the change. Some modifications such as a request for change in key personnel may require a technical proposal even though costs may not be affected.
4. Modifications that affect agreement costs require a proposal. For example, if an additional task is added to the SOW, the servicing agency must prepare a proposal. The COR shall evaluate the proposal and participate in discussions/negotiations, if necessary, subject to CO instructions and guidance. Once the IAA/order modification is agreed to by both parties and funds are certified, the CO will sign the IAA/order modification.
5. The COR is not authorized to omit, skip, or delete a task and/or deliverable without modifying the IAA/order. Only the CO may modify the IAA/order to decrease its scope.
6. If for programmatic reasons, it is necessary to modify the agreement/order period of performance beyond the agreement period, the agreement must be amended. If the modification to the IAA/order exceeds 5 years, the programmatic reasons must be documented and signed by the office director or designee. The signed document must be included in the official IAA file.

7. For urgent modifications, see the process described in Section VII.C of this handbook.
8. All IAA/order modifications must be signed by the CO in accordance with the delegated contracting authority.

#### **F. Performance Evaluation Process**

1. An evaluation of DOE laboratory performance shall be prepared for all active agreements using the optional evaluation form titled, "DOE ANNUAL PERFORMANCE REPORT (Optional Format)."
2. Such evaluations normally must be prepared by the COR annually, in coordination with the CO, for multiple year agreements and at project completion.
3. These evaluations shall be provided to the servicing agency for its review and comment.
4. The IAA file shall reflect when the evaluation was provided to the servicing agency and any servicing agency response to the evaluation must be included in the agreement file.

#### **G. Interagency Billing Review Process**

1. The servicing agency shall ensure that the status reports are sent to the COR in a timely manner to enable the COR to compare the status report costs against the amount on the IPAC. The status reports are due on the 20th of the month following the month or quarter (if billings are quarterly) being reported. The NRC may charge back billed costs to the servicing agency if the status reports are not received in time for the COR to perform a timely review of the interagency bill.
2. The servicing agency shall ensure that a consolidated bill is prepared each month or quarter for each IAA/order.
  - (a) In most instances, the amount billed should closely approximate or equal the cost reported in the status report.
  - (b) If the status report constitutes the bill received from the servicing agency, a copy of the status report's financial report shall be submitted with the IPAC. If the status report costs differ from the IPAC amount, the servicing agency shall provide an explanation of the difference.
3. The COR shall compare the IPAC amount with the costs reported in the status report. In comparing the amounts, the COR determines the following:

- (a) Whether or not the charges are within the scope of the SOW,
  - (b) Whether the charges accurately reflect the work performed (including their individual elements reported in the status report, if required by the IAA), and
  - (c) Whether the charges in the IPAC are supported by deliverables, status reports, or other applicable documents that have been received.
4. If the conditions articulated in Section VIII.G of this handbook have been met, then the COR shall approve the payment and return the IPAC within 20 calendar days of the date on the OCFO's transmittal document. A copy of the e-mail forwarding the COR's approval shall be maintained in the file.
5. Amounts billed that are lower than the status report may be a partial billing, reflect a credit, or be due to a mathematical error.
  - (a) In the case of a partial billing, the COR shall check to see that the difference is billed on the next month's interagency bill.
  - (b) The COR shall ensure that the amount(s) credited is (are) accurate.
  - (c) Amounts billed that are different from the status report and are due to mathematical errors shall be brought to the attention of the servicing agency immediately.
  - (d) The servicing agency shall correct all mathematical errors in the following status report and either credit or bill the difference in the next monthly bill. The COR shall annotate the approval form and ensure that the servicing agency follows through with this procedure.
6. The interagency bill should be filed accompanied by a voucher/expenditure log or similar record in which the COR may keep a running tally of obligations and expenditures to ensure that the total amount approved for payment to the servicing agency does not exceed the obligated amount for a specific IAA/order. Each IAA/order requires a separate voucher/expenditure log or similar record.
7. The COR shall not approve costs—
  - (a) Involving a discrepancy, other than mathematical, found between the interagency bill and the work performed and costs reported in the corresponding period's status report;
  - (b) When the reasonableness of costs cannot be confirmed by additional documentation provided by the servicing agency with the interagency bill; or

- (c) When costs and work reported for the payment period do not appear to be within the parameters of the SOW.
8. If possible, the COR must resolve any discrepancies by contacting the servicing agency and obtaining additional documentation that clarifies or supports the billed costs
- (a) When more time is needed to resolve the billing discrepancies, the COR shall request a time extension from the OCFO in accordance with office procedures.
  - (b) The COR shall annotate their agreement file stating the reason for the delay.
9. When the COR cannot resolve the differences between the billed amount and the status report within a reasonable amount of time, the COR will be responsible for coordinating with OCFO on the following:
- (a) Indicating the disapproved amount,
  - (b) Indicating disapproval,
  - (c) Providing an explanation to support the disapproval,
  - (d) Providing the servicing agency contact name and telephone number,
  - (e) Signing the form,
  - (f) Returning the form to the OCFO in accordance with office procedures,
  - (g) Informing the servicing agency that a chargeback will be processed by the NRC to recoup the disputed payment,
  - (h) Annotating the agreement file to show that this step has been completed, and
  - (i) Discussing any matters remaining in dispute that must be brought to the attention of the CO.
10. Upon receipt of an IPAC on which the COR has disapproved all or part of the amounts billed, the OCFO will contact the servicing agency involved to resolve the difference.
- (a) If the difference can be fully or partially resolved, the OCFO will provide the information in writing to the COR and request written approval of the billed costs.
  - (b) If the disputed costs cannot be resolved in part or in total, then the OCFO will take the following actions:

- (i) Charge back the disputed amount to the appropriate servicing agency,
  - (ii) Provide a copy of the chargeback to the COR, and
  - (iii) Enter the credit into the NRC financial accounting system.
- (c) The servicing agency shall include the chargeback amount in the next status report.
- (d) Upon receipt of an NRC IPAC with a chargeback amount listed, the COR shall verify that the amount is properly credited in the status report and document in the file.
11. The servicing agency shall reflect any chargeback (including disputed costs) in the status report. Before rebilling any disputed costs, the servicing agency shall provide written justification to the COR, with a copy to the CO.

#### **H. Foreign Travel**

Foreign travel requests shall be submitted on an NRC Form 445, "Request for Approval of Official Foreign Travel," (available in the NRC Forms Library) to the OIP no later than 30 calendar days prior to departure. For further guidance on procedure for these requests see OEDO Procedure 0290, titled "International Travel" (ML103280041).

#### **I. Post Award Approval to Purchase Additional NRC-Funded Software or Property**

After award of the agreement, the servicing agency may wish to develop additional NRC-funded software or purchase additional property with an estimated acquisition cost of \$500 or more.

- 1. The servicing agency shall submit a written request to the CO for approval.
- 2. The CO shall approve or disapprove the acquisition or development of any additional items in writing.

#### **J. Funds Management**

- 1. Only the CO is authorized to obligate the U.S. Government, in accordance with the delegations of authority and warrants issued by the Head of Contracting Authority (HCA). Therefore, the COR has no legal authority to bind or commit the NRC in any way.
- 2. For additional information, see MD 4.1, "Accounting Policy and Practices," and MD 4.2, "Administrative Control of Funds."



### **K. Reporting Suspected Wrongdoings to the Office of the Inspector General**

1. The NRC policy for reporting suspected wrongdoings is set forth in MD 7.4, "Reporting Suspected Wrongdoing and Processing OIG Referrals," which states—  
  
Employees are required to report to OIG all suspected violation of law, rules, or regulations; mismanagement or substantial and specific danger to health and safety; incidences of fraud, waste, and abuse; diversion of NRC assets by NRC employees or contractors; and other allegations of criminal wrongdoing covered under the Inspector General Act. Contractors and other individuals employed in NRC programs and/or present in NRC spaces are encouraged to report these matters.
2. In the event that an employee or contractor suspects criminal wrongdoing, then he or she should consult MD 7.4 and follow the procedures outlined therein.

## **IX. WORK TERMINATION AND CLOSEOUT**

### **A. Remedies for Failure to Make Satisfactory Progress on the IAA and Project**

1. Circumstances may arise that adversely affect the servicing agency's progress on an IAA. For example, technological advances or external events may diminish the value of a project's goals. Perhaps data gathered under a project indicate that continuing pursuit of the SOW objectives is not worth the agency's investment, the servicing agency's efforts on a task have not produced the desired result, or the servicing agency's staff dedicated to the project is not making satisfactory progress.
2. When instances of this nature occur, the COR shall work with the CO to take decisive action to either satisfactorily resolve the problem(s) or terminate the IAA in part or in its entirety. The CO is encouraged to consult with the COR, OGC, and the servicing agency, as appropriate, to assess the estimated impact of stopping or terminating the work. A stop-work order or termination of an IAA requires a written authorization from the CO.

### **B. Use of a Stop-Work Order**

1. During the course of an IAA/order, it may become necessary to stop the technical work to resolve a problem or determine a course of action so as to limit further expenditure of NRC funds and resources. Reasons for stop-work orders include, but are not limited to, the following:
  - (a) A change in technical needs or focus on the part of the NRC, or
  - (b) The lack of progress by the servicing agency.

2. A stop-work order may be in effect up to 90 days. The period of the stop-work order may be extended when justified.
3. The NRC CO is the official who determines whether there is a need to issue a stop-work order.
4. A stop-work order is issued by the CO by letter.

**C. Cancellation of a Stop-Work Order**

1. When the issues are resolved and the order is to be continued, the CO shall cancel the stop-work order by issuing a modification to the servicing agency and sending a copy to the DOE laboratory for DOE laboratory agreements/orders.
2. If a scope change is required, the COR provides the revised SOW and the associated level of effort to the CO who then issues an RFP letter. If this is an urgent requirement, the procedures in Section VII.C of this handbook apply.
3. In cases in which the stop-work order was issued for a reason that does not affect the SOW, the modification to the order issued to reinitiate the work will request the servicing agency to submit a cost impact statement. If this is an urgent requirement, the procedures in Section VII.C of this handbook apply.

**D. Termination of the Agreement**

1. In accordance with the "Termination" clause in the IAA, either party unilaterally may terminate the IAA, orders, and DOE laboratory agreements. If the CO (after consultation with the COR) decides to terminate the IAA/order, the provisions of the termination clause must be followed.
2. The CO shall generate the modification in STAQS and send the IAA amendment to the servicing agency for review and execution. If a dispute arises between the parties concerning the termination action, a manager one level higher than the NRC CO shall resolve the matter.
3. After both the NRC and the servicing agency agree to terminate the IAA, then the NRC requests that the servicing agency develop and submit a termination settlement proposal, if appropriate. The CO shall ensure that costs are evaluated to determine if they are allowable up to the effective date of cancellation.
4. After final costs are agreed to and reflected in a modification to the IAA/order for a termination and signed by both parties, the COR shall begin the closeout process

discussed below and shall submit a requisition in STAQS requesting closeout of the IAA/order by the CO.

**E. Closing Out the IAA/Order and DOE Laboratory Agreement**

1. The COR shall begin action to close out the IAA upon expiration or termination, in collaboration with the CO. The closeout process begins with evaluating the servicing agency's performance using the "IAA Project Completion Checklist" or "DOE Lab Agreement Project Completion Checklist".
2. CORs should promptly identify completed IAAs/orders with unexpended obligations.
  - (a) The COR shall request the deobligation of unexpended funds by submitting a requisition for a modification to the IAA/order. The CO shall forward the modification to the servicing agency for review and acceptance.
  - (b) The NRC CO signs the modification to the IAA/order and funds are deobligated in STAQS, and the IAA/order is closed.
  - (c) This deobligation process will generally be completed within 90 days of the expiration of the agreement or completion of the work.
3. Whenever no billing has occurred for 6 months or more, the IAA/order should be reviewed by the COR for the potential for closeout and deobligation of excess funds. Closeout procedures for IAAs/orders with no billing for 12 months should begin unless a compelling reason exists to keep the IAA/order active.
4. IAAs/orders requiring a final audit of a commercial subcontractor should not be closed out until the final audit is completed. Within 90 days of IAA/order completion, the servicing agency shall notify the NRC COR of the amount considered necessary for retention on the IAA/order pending final subcontractor audit.
5. Following final audit completion, the servicing agency shall notify the NRC CO and COR of any remaining funds that may be deobligated.
  - (a) The NRC shall deobligate remaining funds and complete closeout of the IAA/order.
  - (b) Conversely, if additional funds are needed after final audit completion, the servicing agency shall notify the NRC in writing of the additional amount required.
6. The COR shall conduct an intra-office utilization screening review to determine if the property utilized under the IAA/order can be used by another office.

7. The CO shall reconcile project funds. The CO shall prepare a modification to the IAA/order stating that the agreement is completed or closed.
8. Closeout should be completed within 12 months of the expiration date of the IAA/order(s) for multiple order IAAs, except in cases in which a subcontractor audit is required.
9. For DOE, input regarding performance is provided annually for active DOE laboratory agreements/orders.
10. Orders under TOAs are closed-out prior to the basic IAA agreement being closed.

## **X. PROCEDURES FOR MANAGING PROPERTY ACQUIRED UNDER INTERAGENCY AGREEMENTS AND DOE LABORATORY AGREEMENTS**

### **A. Property Management Procedures**

1. The servicing agency or DOE laboratory is responsible for ensuring that property, excluding software, reported in the status report that is sensitive or has an acquisition cost of \$5,000 or more is consistent with the servicing agency's property records. The NRC COR shall ensure that the property or NRC-funded software listed in the status report was previously approved by the NRC for the IAA/order or DOE laboratory agreement. When this is not the case, the COR shall notify the CO who will ensure that the unauthorized purchase is charged back to the servicing agency. If no property was acquired or NRC-funded software development completed during the reporting period, the servicing agency shall include a statement to that effect in the status report.
2. Property and software reported in the status report that has an acquisition cost of \$50,000 or more and that has a useful life of 5 or more years needs to be reported to the OCFO, DOC, for proper accounting treatment as prescribed by Statements of Federal Financial Accounting Standards 6 and 10.

### **B. Annual and Final Reporting and Disposition of Property**

1. In the final status report for the agreement, the servicing agency shall provide a closeout property report to the CO and COR certifying that sensitive property, excluding software, acquired by the servicing agency under the NRC agreement with an acquisition cost of \$5,000 or more is included in the servicing agency's official property records and that the list is complete.

2. Sensitive property consists of items, regardless of value, that are considered susceptible to being appropriated for personal use or that can be readily converted to cash. Sensitive property could include such items as personal computers, printers, and cameras. For each item listed, the report shall contain the same elements as described above for status reports. The closeout property report shall also identify any ongoing or contemplated NRC projects on which the property could be used. If no property was acquired under an agreement, the servicing agency will provide a negative report. All acquired property requiring special handling for security, health, safety, or other reasons shall be noted as part of the report.
3. Upon receipt of the servicing agency-certified closeout property report for each IAA/order, the COR shall circulate the report within the office to determine whether or not the office needs the property. The internal office review should be completed within 2 weeks of receipt of the servicing agency's report.
4. Upon completion of the office review, the office shall notify the CO of the results. The "Sample Disposition of Acquired Property (Optional)" template.
5. Upon receipt of the results of the office's review, the CO may request other offices to review the report to determine if the property can be used. The agency review shall be completed within 30 days.
6. Within 2 weeks after receiving the results of the review of the other offices, the CO shall notify the initiating office of the review results.
  - (a) Other office(s) desiring to use identified property for other projects shall submit a completed NRC Form 493, "Property Transfer Request," to the CO and the initiating office.
  - (b) The CO shall issue a modification to the IAA/order to the servicing agency identifying any property needed internally or for another project and relinquishing NRC rights for first use to the balance of the property.
  - (c) After the modification is issued to the servicing agency, it is the responsibility of the office assuming ownership of the property to take action associated with affecting the property transfer, including the provision of any funds that may be needed to complete the transfer.
  - (d) If the servicing agency does not receive a modification identifying property transfer within 8 weeks of submittal of the certified closeout property report to the NRC, the servicing agency should notify the NRC COR and CO.

7. Property No Longer Required

The servicing agency and the NRC COR shall monitor sensitive property and property, excluding software, acquired under an agreement with an acquisition cost of \$5,000 or more on a regular basis. When property is no longer required for an agreement, it must be identified as such in the next status report.

8. Utilization Review and Transfer for Ongoing Projects

NRC offices shall follow the above procedures (detailed in Sections X.B.1-6) for utilization reviews and transfer of the property conducted at closeout.

9. AMD Property Tracking

AMD maintains annual reports submitted by the servicing agencies or DOE laboratories reflecting the inventory of property valued at \$5,000 or more.

10. DOE Annual Property Report

By November 15 of each year, DOE shall prepare a comprehensive annual property report as follows and submit the entire report to the CO.

(a) Section 1: Property (Excluding NRC-Funded Software With a Useful Life of 2 or More Years) Acquired in the Reporting Year. This section shall contain the following:

- (i) Sensitive property with a useful life of two (2) or more years, and
- (ii) Property that had an acquisition cost of \$5,000 or more that had been acquired in the reporting year.

(b) The following information must be listed in Section 1:

- (i) Property acquired, and
- (ii) Any property disposed of during the project.

(c) For each NRC office, DOE laboratory, and cost center, the report shall provide the following information:

- (i) Item description or name,
- (ii) Manufacturer,
- (iii) Model number,
- (iv) Serial number,

- (v) Acquisition cost,
  - (vi) Receipt date, and
  - (vii) DOE or DOE laboratory property identification number, as appropriate.
- (d) Section 2: NRC-Funded Software
- (i) This section shall contain the following:
    - NRC-funded software with a useful life of two (2) or more years, and
    - A development cost of \$5,000 or more for which development was completed in the reporting year.
  - (ii) All analytical codes will be considered NRC-funded software regardless of where the code will run.
  - (iii) It should be noted that NRC-funded software is not recognized as property and is not tracked in the official DOE property records.
  - (iv) Section 2 shall include only DOE laboratory costs and exclude NRC staff-developed software and NRC employee costs.
  - (v) At a minimum, the NRC-funded software report section shall include the following information for each developed software item:
    - Software name and function,
    - Development cost,
    - Computer language used,
    - System on which it will operate,
    - Physical location of the software and/or the hardware system,
    - Date development of the software was completed,
    - Date of scheduled replacement or projected useful life (If none can be determined, use a date five (5) years from the date the software became operational.),
    - Name and telephone number of the COR for the system,
    - Cost center for which the software was developed, and
    - DOE laboratory's name.

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## **XI. DOCUMENTATION AND FILING**

### **A. Agreement/Order File**

1. The NRC CO is responsible for establishing and maintaining the “official” agency record for an IAA/order or DOE laboratory agreement in STAQS, subject to AMD policies and procedures for specific file documentation requirements.
2. The COR is responsible for maintaining a reading file containing relevant IAA/order or DOE laboratory agreement information. Files may be stored electronically on NRC internal protected servers to facilitate a paperless process, subject to AMD policies and procedures for specific file documentation requirements. Those documents located in STAQS, including supporting documents for requisitions, do not need to be separately stored.

### **B. File Content**

In addition to documents typically stored in STAQS, the following is an illustrative list of documents that must be maintained in the “official” files of an IAA/order and DOE laboratory agreement, with the exception of agreements for required sources discussed in Sections II.B and III.C of this handbook:

1. Sources sought notices and evaluation of sources sought responses, as well as any other market research documentation.
2. Approvals, including but not limited to—
  - (a) Urgency,
  - (b) SSJ,
  - (c) D&F, or
  - (d) Advance payments, if applicable.
3. OCOI Waivers.
4. Waiver of Commission Policy Requests.
5. IT Reviews and Approval if applicable.
6. Security Requirements (NRC Form 187, “Contract Security and/or Classification Requirements”).
7. Independent Government Cost Estimate (IGCE) spreadsheets.



8. RFP.
9. IAA/Order Proposals.
10. IAAs/EWAs, including all orders and modifications.
11. Summary of Negotiations.
12. COR's negotiation/discussion notes.
13. Record of Past Performance Check.
14. All attachments to the IAA.
15. Memoranda that document meetings, telephone conversations, technical direction and guidance, changes to work scope, schedule, cost estimates, trip reports, and meeting agenda.
16. Correspondence, including memoranda, letters, and e-mails (interagency or interoffice).
17. Status reports and DOE laboratory agreement MLSRs.
18. MLSR review (MLSR-R) form.
19. Copies of IPACs.
20. Voucher/Expenditure Log for IPACs.
21. Expenditure notice to the NRC when servicing agency exhausts 75 percent of funding.
22. Annual performance assessments for multiple year projects (Annual Performance Report for Interagency Agreements (Optional Form)).
23. Final performance assessment.
24. Project File Closeout ("DOE Agreement Project Completion Checklist").
25. Publication releases (NRC Form 426, "Authorization to Publish a Manuscript in the NUREG Series").
26. The ADAMS Accession Number for interim and draft reports, unless the information is classified, sensitive, or safeguards.
27. The ADAMS Accession Number for final deliverables.
28. Other supporting documentation.

### **C. Agreement/Order File Disposition**

1. The official NRC file for each IAA/order shall be maintained for the active period of the IAA/order. Upon completion of the closeout process, the file shall be forwarded to the NRC Records Officer for disposition in accordance with the current versions of—
  - (a) U.S. General Records Schedule, NUREG-0910, Rev. 4, “NRC Comprehensive Records Disposition Schedule,” and
  - (b) MD 3.53, “NRC Records and Document Management Program.”
2. Official documents are placed in the agency document management electronic records system, currently ADAMS, unless the information is classified, sensitive, or safeguards, including the following:
  - (a) Signed and redacted IAAs/orders, DOE laboratory agreements and modifications thereto; and
  - (b) Final NUREG documents.

## **XII. GLOSSARY**

### **Acquisition**

Purchasing, renting, leasing, or otherwise obtaining supplies and/or services for Government use.

### **Acquisition Repository**

This NRC’s central location for acquisition information (i.e., NRC’s Enterprise Acquisition Toolset – NEAT).

### **Allocable**

To be allocable, a cost must be either a direct cost, which is specifically incurred for performance of the work, or an indirect cost that benefits several aspects of the operation or is necessary for the overall conduct of the business even though it cannot be shown to benefit any specific elements of the business.

### **Allowable**

To be an allowable cost under the agreement, the cost must be reasonable, allocable, properly accounted for, and not limited or excluded by the terms of the agreement.

### **Assisted acquisition**

A contract, delivery, or task order awarded by a servicing agency on behalf of the NRC. The agency providing the assistance may also administer the contract action. Assisted acquisition is a type of interagency agreement where a servicing agency performs acquisition activities on a requesting agency's behalf, such as awarding and administering a contract, task order, or delivery order. Assisted acquisition is a subset of interagency agreements entered into for the primary purpose of obtaining services or products from contractors. Agreements for assisted acquisitions are also referred to as acquisition assistance IAs.

### **Budget Object Classification (BOC) Code**

A code that classifies budget activity by type of cost (e.g., supplies, equipment). The basic function of BOC codes is to provide a mechanism for reporting obligations and costs across the agency for similar goods or services. BOC codes are not a basis for capturing office-specific information.

### **Business line**

A framework for controlling funds in a manner consistent with the structure in the NRC budget and defining responsibilities of allowance holders for funding obligations for particular purposes.

### **Certification of Funds Availability**

The formal acknowledgment by the Funds Certifying Official (FCO) in STAQS that sufficient funds are available in the current allowance for entering into obligations.

### **Chief Information Officer (CIO)**

The senior NRC individual reporting to the EDO who is responsible for the agency's IT and information management resource programs.

### **Closeout**

A process used after expiration or termination of an agreement to ensure that the servicing agency has satisfactorily performed the work, property utilization screening has been accomplished, project funds have been reconciled, overhead rate adjustments have been completed, and the funds remaining after the payment of all vouchers have been deobligated.

### **Contracting Officer (CO)**

Has the delegated authority to obligate and legally bind the Government. The CO designates a COR to monitor the progress and performance of the IAA or IAA order.

### **Contracting Officer's Representative (COR)**

The NRC COR is a technical expert who is trained and certified to fulfill a full range of oversight activities, including monitoring, documenting and evaluating performance. (Note: A list of COR responsibilities can be found in the "Contracting Officer's Representative Delegation and Appointment Memorandum.") However, the COR does not have the delegated authority to legally obligate or bind the agency in any way.

### **Cost Center**

Code that defines a specific NRC project (formerly referred to as Job Code Number or JCN). All NRC commitment and obligation transactions require the designation of a cost center. Each cost center ties to a business line (formally Budget and Reporting or B&R number).

### **Cost Overrun**

Occurs when expended costs for a project exceed the agreed to costs for the scope of work.

### **Deobligation**

The cancellation or downward adjustment of a previously recorded obligation. Deobligation may be attributable to the cancellation of a project or contract, price revisions, or corrections of estimated amounts previously recorded as obligations.

### **Determination and Findings (D&F)**

A structured form of written approval by an authorized official that is required by statute or regulation as a prerequisite to taking certain contract actions. Determination is a conclusion or decision supported by the findings. Findings are statements of fact or rationale essential to support the determination and must cover each requirement of the statute or regulation.

### **Discussions (used interchangeable with "negotiations")**

Written or oral discussions held before the award of an IAA/order or DOE laboratory agreement, based on the technical/cost relationship that is most advantageous to the NRC.

### **Documentation**

Includes any formal or informal notes, forms, letters, and memoranda that provide a record of the project, the deliverables required and received, and the funding obligated and paid.

FAR 17.6 states that “management and operating contract” means an agreement under which the Government contracts for the operation, maintenance, or support, on its behalf, of a Government-owned or -controlled research, development, special production, or testing establishment wholly or principally devoted to one or more major programs of the contracting Federal agency.

### **DOE Laboratory**

There are currently 17 DOE laboratories nationwide, and all labs are managed and operated by non-Government entities under contract with DOE, known as DOE Facilities Operators.

### **Electronic and Information Technology (EIT)**

Information technology that includes any equipment or interconnected system or subsystem of equipment that is used in the creation, conversion, or duplication of data or information. The term EIT, includes, but is not limited to, telecommunication products (such as telephones), information kiosks and transaction machines, worldwide Web sites, multimedia, and office equipment (such as copiers and fax machines).

### **Enterprisewide Agreements (EWA)**

A type of IAA awarded to DOE laboratories that enables the NRC to meet specialized agencywide requirements on an as-needed basis through the issuance of task or delivery orders.

### **Federal Agency**

Any executive agency or any independent establishment in the legislative or judicial branch of the U.S. Government (except the Senate, the House of Representatives, the Architect of the Capitol, and any activities under the Architect’s direction).

### **Funds Certifying Official (FCO)**

Individual that certifies commitment of funds and funds availability on a requisition before obligation by approving the requisition in STAQS.

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### **General Terms and Conditions (GT&C)**

Establishes the relationship between Federal agencies entering into the agreement, the authority permitting the agreement, the agreement action, period, and type.

### **Government-furnished Property (GFP)**

Property owned by or acquired on behalf of the Government that is furnished to a contractor for the performance of a contract or agreement.

### **Governmentwide Acquisition Contracts (GWACs) and Multiple Award Contracts for IT Equipment and Services**

Vehicles for placing orders for IT equipment and services under another agency's contract. Under the Information Technology Management Reform Act (also known as the Clinger/Cohen Act), OMB designates an agency to serve as an executive agency with the authority to enter into a contract for IT equipment and services. Refer to ADM/AMD and the OCIO for these requirements. (NOTE: The authority to issue these task orders resides in AMD.)

### **Head of Contracting Activity (HCA)**

The official who has overall responsibility for managing the contracting activity. This role is held by the Director, Acquisition Management Division (AMD).

### **Independent Government Cost Estimate (IGCE)**

Developed by the COR to estimate the cost of work specified in a SOW.

### **Information Technology (IT)**

Any equipment, or interconnected system(s) or subsystem(s) of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the agency. See FAR Subpart 2.101, "Definitions," for a complete definition of IT.

### **Inherently Governmental Function**

As a matter of policy, a function that is so intimately related to the public interest as to mandate performance by Government employees. These functions include those activities

that require either the exercise of discretion in applying Government authority or the making of value judgments in making decisions for the Government.

Governmental functions normally fall into two categories:

1. The act of governing (for example, the discretionary exercise of Government authority), and
2. Monetary transactions and entitlements.

### **Interagency Agreement (IAA)**

A written agreement entered into between two Federal agencies under which the servicing agency provides goods and services to the requesting agency (NRC), in exchange for payment. The IAA must contain general terms and conditions, order requirements, and funding information.

### **Intragovernmental Payment and Collection (IPAC)**

The system used by most Federal agencies for interagency disbursements and funds transfers.

### **Key Personnel**

Those individuals identified by the parties to perform work identified in the IAA/order who are considered to be essential to the successful completion of the work. A change in key personnel requires a modification to the IAA/order, as applicable.

### **Memorandum of Understanding (MOU) or Collaboration (MOC)**

Agreement between agencies whenever there is agreement to exchange information or coordinate programs. An MOU or MOC is used to clarify roles and responsibilities, including contributions of resources. MOUs or MOCs do not involve the payment or transfer of funding. If the agreement involves funding, an IAA must be executed.

### **Modification**

Any formal change in STAQS to the IAA/order or DOE agreement.

### **Monthly Letter Status Report (MLSR)**

A monthly report submitted by the DOE laboratory through the DOE site or field office that provides details regarding the DOE laboratory's technical progress, problems encountered or expected, and incurred cost information.

### **North American Industry Classification System (NAICS)**

Used by business and Government to classify business establishments according to type of economic activity.

### **Obligation**

An action that creates a liability or definite promise on the part of the Government to make a payment at some later time. It is also defined as a binding agreement that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally. The initial recognition of an obligation occurs when the IAA/order or DOE laboratory agreement is executed, even though the actual payment may not take place until the following fiscal year. Obligations must be supported by appropriate documentation, such as written binding agreements, purchase orders, travel authorizations, grant awards, and so forth, and retained in the agency records to facilitate audit and reconciliation. The obligation of funds is recorded in STAQS/FAIMIS.

### **Order**

An order under an IAA creates a fiscal obligation between agencies and delineates specific product and/or service requirements, funding information, and authorized signatures to obligate the funding.

### **Organizational Conflict of Interest (OCOI)**

Exists when the results of a project could be biased or an economic advantage could accrue by having a servicing agency perform work both for the NRC and industry in the same or similar technical areas.

### **Payment**

An amount disbursed to the servicing agency through IPAC.

### **Project**

A definable, programmatic need or a specific acquisition of goods and/or technical services, which is assigned a unique cost center and satisfies the attainment of either a single or homogeneous group of objectives to meet the agency's mission.

### **Property**

All property owned by the Government that is acquired through use of NRC funds. This includes all personal and real property, such as equipment and furniture.



### **Reimbursable Agreement**

An IAA for which the NRC is either the servicing agency or the requesting agency. In most cases, the requesting agency will be the NRC who reimburses the servicing agency for services it provides.

### **Requesting Agency**

A requesting agency (NRC) with a bona-fide requirement (need) that can be provided (fulfilled) by another Federal agency (servicing agency) in exchange for payment, through an interagency agreement.

### **Request for Proposal (RFP)**

A document that solicits a proposal from the DOE laboratory based on the terms and conditions of the IAA.

### **Scope of Work**

A concise description of the work required. It delineates the specific tasks to be performed and as well as the actions required of the contractor.

The scope of work should explain if tasks are to be performed concurrently or sequentially.

If the scope of work deals with required technical reporting, information technology, and/or nuclear waste, then the COR should consult Section IV.K, "SOW Special Considerations," of this handbook.

### **Sensitive Property**

Consists of items, regardless of value, that meet the following criteria:

1. Are considered to be susceptible to being appropriated for personal use, or
2. Can be readily converted to cash (e.g., personal computers, printers, and cameras).

### **Servicing Agency**

A Federal agency that has the unique skills or knowledge that can meet the needs of the NRC (requesting agency) in exchange for payment. The servicing agency provides goods or services with agency resources or contracts for the service on behalf of the requesting agency under the terms and conditions of an interagency agreement.

### **Sources Sought Notice**

A synopsis published on the Federal Business Opportunities Web site referred to as FedBizOpps (FBO) at <https://www.fbo.gov/>. It states that the agency is seeking possible sources for a project. It is not a solicitation for work, nor is it a request for proposal. A sources sought notice is the Government's way of identifying the interests and capabilities of the marketplace by requesting specific information prior to the release of a solicitation.

### **Stop-Work Order**

A formal suspension of work.

For example, a stop-work order may be issued if technical needs change or if the work is not satisfactory and efforts to correct the project deficiencies have failed.

A stop-work order gives parties a specified period of time to resolve issues. If issues are resolved, the office cancels the stop-work order. If issues remain unresolved, then project termination should be considered.

### **Subcontract**

A contract between a DOE laboratory and another organization to furnish a part of the goods or services required under the IAA/order. The subcontractor reports directly to the laboratory and does not have privity of contract with the NRC. Therefore, NRC employees do not engage directly with DOE laboratory subcontractors.

### **Task Order (TO)**

Type of order that contains a specific SOW with definable tasks and associated deliverable products and delivery dates issued under a DOE task-ordering agreement (TOA). When a specific need is identified in one of the technical areas specified in the TOA, a TO is written, costs agreed to and funded, awarded, and administered.

### **Task-Ordering Agreement (TOA)**

Agreement that states the terms and conditions and general technical areas under which TOs may be written. A TOA is not funded. An EWA is a type of TOA.

### **Technical Direction**

Interpreting technical specifications provided by a trained and certified COR with relevant technical expertise, providing needed details, suggesting possible lines of inquiry, and shifting emphasis between project tasks to the Federal agency or DOE laboratory. Technical

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direction does not constitute new work or affect overall project cost or period of performance and does not materially impact the IAA/order or DOE laboratory agreement. Only a COR with a formal written delegation from a CO can provide technical direction.

### **Termination**

Cancelling of all or portions of a contract, an agreement, or a subcontract before its completion.

### **Urgent Work**

Work that is needed and should be accomplished as soon as practicable to avoid adverse impacts.

## **XIII. ACRONYMS**

ADAMS	Agencywide Documents Access and Management System
ADM	Office of Administration
AEA	Atomic Energy Act of 1954, as amended
AMD	Acquisition Management Division
APP	Advance Procurement Plan
BFS	Budget Formulation System
BOC	Budget Object Classification (BOC) Code
CAC	Cost Accounting Code
CAO	Chief Acquisition Officer
CFO	Chief Financial Officer
CFR	<i>Code of Federal Regulations</i>
CIO	Chief Information Officer
CO	Contracting Officer
COR	Contracting Officer's Representative
DEDO	Deputy Executive Director for Operations
D&F	Determination and Findings

DFS	Division of Facilities and Security
DOE	U.S. Department of Energy
DSO	Division of Security Operations
EDO	Executive Director for Operations
EDTA	Ethylenediaminetetraacetic Acid
EIS	Environmental Impact Statement
EIT	Electronic and Information Technology
EWA	Enterprise wide Agreement
FAC-C	Federal Acquisition Certification in Contracting
FAC-COR	Federal Acquisition Certification for Contracting Officer's Representative
FAC-P/PM	Federal Acquisition Certification for Program and Project Managers
FAI	Federal Acquisition Institute
FAIMIS	Financial Accounting and Integrated Management System
FAITAS	Federal Acquisition Institute Training Application System
FAR	Federal Acquisition Regulation
FBI	Federal Bureau of Investigation
FCO	Funds Certifying Official
FFRDC	Federally Funded Research and Development Center
FPDS-NG	Federal Procurement Data System-Next Generation
FISMA	Federal Information Security Management Act
G&A	General and Administrative [Expenses]
GAO	Government Accountability Office
GFP	Government-furnished Property
GPO	Government Printing Office
GSA	General Services Administration

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GWAC	Governmentwide Acquisition Contract
GT&C	General Terms and Conditions
HCA	Head of Contracting Activity
IAA	Interagency Agreement
IDIQ	Indefinite Delivery Indefinite Quantity
IGCE	Independent Government Cost Estimate
IPAC	Intragovernmental Payment and Collection System
ISD	Information Security Directorate
IT	Information Technology
LMFBR	Liquid Metal Fast Breeder Reactors
MD	Management Directive
MLSR	Monthly Letter Status Report
MLSR-R	Monthly Letter Status Report Review
MOU	Memorandum of Understanding
NAICS	North American Industry Classification System
NEAT	NRC's Enterprise Acquisition Toolset
NISPOM	National Industrial Security Program Operating Manual
NMSS	Office of Nuclear Material Safety and Safeguards
NRC	U.S. Nuclear Regulatory Commission
NSIR	Office of Nuclear Security and Incident Response
NUREG	NUREG-series Publication
OCFO	Office of the Chief Financial Officer
OCHCO	Office of the Chief Human Capital Officer
OCIO	Office of the Chief Information Officer
OCOI	Organizational Conflict of Interest

OFPP	Office of Federal Procurement Policy
OGC	Office of General Counsel
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PWS	Performance Work Statement
RFP	Request for Proposal
SER	Safety Evaluation Report
SGI	Safeguards Information
SOW	Statement of Work
SPE	Senior Procurement Executive
SSG	Strategic Sourcing Group
SSJ	Source Selection Justification
STAQS	Strategic Acquisition System
SUNSI	Sensitive Unclassified Non-Safeguards Information
SwRI	Southwest Research Institute
TAC	Technical Assignment Control [number]
T&C	Terms and Conditions
TER	Technical Evaluation Report
TO	Task Order
TOA	Task-ordering Agreement
USC	United States Code