

Review of NRC's Administration of Selected
Contracts and Acquisition Workforce Training

OIG-04-A-10 February 19, 2004

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**OFFICE OF
THE INSPECTOR GENERAL**

**U.S. NUCLEAR
REGULATORY COMMISSION**

Review of NRC's Administration of Selected
Contracts and Acquisition Workforce Training

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AUDIT REPORT



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February 19, 2004

MEMORANDUM TO: William D. Travers
Executive Director for Operations

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

SUBJECT: REVIEW OF NRC'S ADMINISTRATION OF SELECTED
CONTRACTS AND ACQUISITION WORKFORCE TRAINING
(OIG-04-A-10)

Attached is the Office of the Inspector General's audit report titled *Review of NRC's Administration of Selected Contracts and Acquisition Workforce Training*.

This report addresses the NRC's contract administration/oversight of selected contracts and acquisition workforce training. The auditors found that NRC's acquisition management was generally adequate; however, opportunities for improvement exist. Specifically, guidance is needed on **(OUO Redacted)** security guard services need increased monitoring. Additionally, acquisition training for project managers is not completed timely and course content needs improvement.

During an exit conference on January 15, 2004, NRC officials generally agreed with the report's findings and recommendations and provided comments concerning the draft audit report. OIG incorporated those comments, as appropriate, into the report.

If you have any questions, please contact me at 415-5915 or Steven Zane at 415-5912.

Attachment: As stated

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OPA-RIV

EXECUTIVE SUMMARY

BACKGROUND

During FY 2002, the U.S. Nuclear Regulatory Commission (NRC) executed procurement actions¹ totaling \$96.2 million. This included 1,026 contract actions totaling \$70.2 million and 1,119 purchase orders valued at \$26 million.² Agency procurement of products and services is governed by the Federal Acquisition Regulation and the NRC Acquisition Regulation.

PURPOSE

The audit objective was to review the economy, efficiency and effectiveness of NRC's contract administration program. The audit focused primarily on:

- (1) NRC management of selected contracts, and
- (2) acquisition workforce training.

RESULTS IN BRIEF

The review of NRC's acquisition management³ practices for ten selected contracts⁴ and acquisition workforce training found that NRC's acquisition management was generally adequate. ***Official Use Only Sentence Redacted***

NRC Management of Selected Contracts

Official Use Only Paragraph Redacted

¹ The term procurement actions include initial contracts (including grants, cooperative agreements, and interagency agreements excluding agreements with the Department of Energy), task orders, contract and task order modifications, and purchase orders.

² We previously reviewed NRC's purchase order processing and issued memorandum report OIG-03-A-17, dated June 9, 2003. That report concluded that NRC needs to maintain its current efforts to develop a single integrated E-Procurement system rather than continuing to use overlapping stand-alone systems.

³ For purposes of this review, acquisition management refers to administration of the contract after award.

⁴ The ten selected contracts are listed in Appendix B. The FY 2002 obligations for the ten contracts amount to \$29.4 million, which represents 31 percent of the \$96.2 million of FY 2002 procurement obligations.

Although the contract for security guard services provides that performance will be monitored through sample inspections, a review of the agency's records disclosed that walk-around inspections are conducted only during regular business hours. No walk-around inspections were documented during non-business hours. This deficiency occurs because the agency has not established written inspection procedures that cover both business and non-business hours. Such limited monitoring of the guard services results in a heightened security risk at headquarters during non-business hours.

Acquisition Workforce Training

Contrary to the best practices of other Federal agencies, NRC permits its staff to serve as project managers prior to completing required training. NRC's *Acquisition Certification and Training Program* mandates specific acquisition training for project managers and prescribes time frames within which the training must be completed. The mandatory training is frequently not completed within the prescribed time frames because of the lack of a central database to track training, inadequate monitoring, and infrequent course offerings. The course content of NRC's project manager acquisition training also needs improvement. Specifically, the training materials for some courses are not comprehensive and/or contain certain information that is either obsolete or incorrect based on current FAR requirements. Consequently, the agency has an increased risk that improprieties in the acquisition process will go undetected.

RECOMMENDATIONS

Official Use Only Paragraph Redacted

MANAGEMENT COMMENTS

During an exit conference on January 15, 2004, NRC staff generally agreed with the findings and recommendations in this report and provided comments to clarify certain sections. We modified the report, as we determined appropriate, in response to those comments. Management chose not to provide written comments for inclusion in this report.

ABBREVIATIONS AND ACRONYMS

ADM	Office of Administration
CFR	Code of Federal Regulations
COI	Conflict of Interest
Contracts	Division of Contracts
FAR	Federal Acquisition Regulation
GAO	U.S. General Accounting Office
GS	General Schedule
HR	Office of Human Resources
IT	Information Technology
MD	Management Directive
NRC	U.S. Nuclear Regulatory Commission
NRCAR	NRC Acquisition Regulation
OFPP	Office of Federal Procurement Policy
OGC	Office of the General Counsel
OIG	Office of the Inspector General
OMB	Office of Management and Budget

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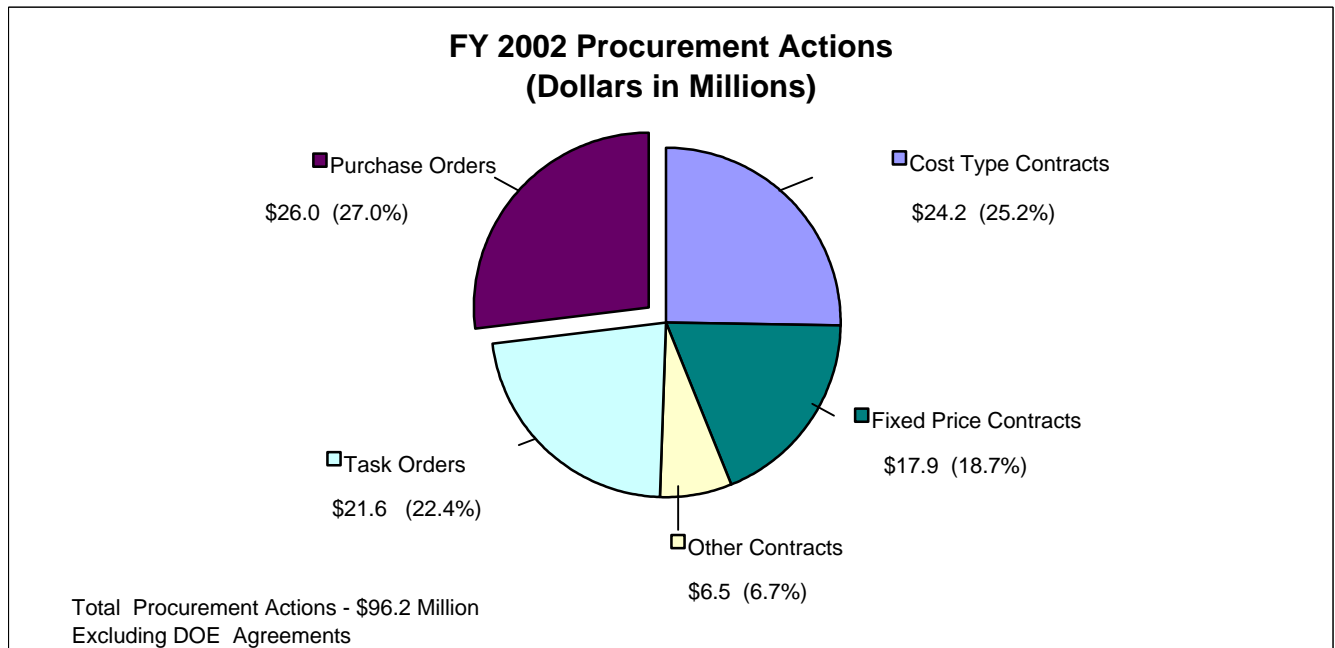
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I. BACKGROUND

During FY 2002, the U.S. Nuclear Regulatory Commission (NRC) executed procurement actions totaling \$96.2 million. This included 1,026 contract actions totaling \$70.2 million and 1,119 purchase orders valued at \$26 million. The following chart presents a breakdown of NRC's FY 2002 procurement actions.



This report addresses the NRC's contract administration/oversight of selected contracts and acquisition workforce training.

Contract Administration/Oversight

Agency procurement of products and services is governed by the Federal Acquisition Regulation (FAR)⁵ and the NRC Acquisition Regulation (NRCAR).⁶ FAR Part 42, Contract Administration and Audit Services,⁷ describes responsibilities and functions for contract administration and contracting officers. NRC Management Directive (MD) 11.1, revised January 17, 2003, NRC Acquisition of Supplies and Services,⁷ establishes agency acquisition policy.

⁵ Title 48 Code of Federal Regulations (CFR) Chapter 1.

⁶ Title 48 CFR Chapter 20. The NRCAR is not, by itself, a complete document. It must be used in conjunction with the FAR.

⁷ The MD includes an associated Handbook 11.1, which contains explanations, guidelines, procedures, management controls for acquiring supplies and services, and provisions for fostering efficiency and economy in contracting.

The agency acquires a broad range of products and services, including technical assistance and research in nuclear fields, information technology (IT), facility management and administrative support. The Division of Contracts (Contracts) within the Office of Administration (ADM) develops and implements agency-wide contracting policies and procedures, directs and coordinates contracting activities for NRC, and provides advice, assistance, and oversight for program activities. Contracts/ADM is comprised of a procurement policy team and two contract management centers. The procurement policy team develops and implements agency-wide acquisition policies and procedures and oversees acquisition workforce training. The two contract management centers perform negotiation, award, administration and closeout of agency contracts, and other functions. During FY 2003, Contracts staff totaled 31, including 19 contracting officers and contract specialists.

II. PURPOSE

The audit objective was to review the economy, efficiency and effectiveness of NRC's contract administration program. The audit focused primarily on (1) NRC management of selected contracts and (2) acquisition workforce training.

III. FINDINGS

The review found that NRC's acquisition management was generally adequate. ***Official Use Only Sentence Redacted***

A. NRC's Acquisition Management Practices

The review found that NRC's acquisition management practices for ten selected contracts found that management controls in this area are generally adequate however, opportunities for improvement exist. ***Official Use Only Sentence Redacted***

A.1. Title Redacted

Official Use Only Paragraph Redacted

Official Use Only Paragraph Redacted⁸

Official Use Only Paragraph Redacted⁹

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Official Use Only Paragraph Redacted

⁸ Official Use Only Footnote Redacted

⁹ Official Use Only Footnote Redacted

Recommendations:

OIG recommends that the Executive Director for Operations:

1. ***Official Use Only Paragraph Redacted***

2. ***Official Use Only Paragraph Redacted***

3. ***Official Use Only Paragraph Redacted***

A.2. Security Guard Services Need Increased Monitoring

Although the contract for security guard services provides that performance will be monitored through sample inspections, a review of the agency's records disclosed that walk-around inspections are conducted only during regular business hours. No walk-around inspections were documented during non-business hours. This deficiency occurs because the agency has not established written inspection procedures that cover both business and non-business hours. Such limited monitoring of the guard services results in a heightened security risk at headquarters during non-business hours.

The contract for security guard services provides that sample inspections be conducted to determine if the contractor is performing in accordance with the terms and provisions of the contract. Additionally, *Standards for Internal Control in the Federal Government*, issued by the United States General Accounting Office (GAO), discusses monitoring and states that internal control should generally be designed to assure that ongoing monitoring occurs in the course of normal operations. It is performed continually...@

A review of the records maintained by the project manager showed that the earliest inspection was at 6:30 am and the latest at 5:00 pm. The lack of inspections during non-business hours exposes headquarters personnel and

facilities to a heightened security risk. Without inspections during non-business hours, there is no assurance that security guards are awake and performing their assigned duties and that guard posts are adequately staffed in accordance with the terms of the contract.

Recommendation:

OIG recommends that the Executive Director for Operations:

4. Institute a program of periodic walk-around inspections for the security guard services contract that includes both regular business hours and non-business hours to include evenings, weekends, and holidays.

B. Acquisition Workforce Training

Acquisition workforce training is required for contract specialists (GS-1102 series, which includes contracting officers) and project managers. The training required for each of these two groups is different. NRC's compliance with the training requirements for contract specialists was generally adequate. Mandatory acquisition training for project managers, however, is not completed timely and the course content needs improvement.

B.1. Project Manager Mandatory Training is Not Completed Timely

Contrary to the best practices of other Federal agencies, NRC permits its staff to serve as project managers prior to completing required training. NRC's *Acquisition Certification and Training Program* mandates specific acquisition training for project managers and prescribes time frames within which the training must be completed. The mandatory training is frequently not completed within the prescribed time frames because of the lack of a central database, inadequate monitoring, and infrequent course offerings. Consequently, project managers are not receiving training that is vital to an effective management control system over acquisition. This increases the agency's exposure to procurement fraud, waste, and abuse.

NRC's Project Manager Training Requirements

The Office of Federal Procurement Policy (OFPP), part of the Office of Management and Budget (OMB), was created to lead government agencies in the area of procurement. OFPP Policy Letters 92-3 and 97-01 provide guidance on the education, training, and experience required for acquisition personnel.

According to the OFPP guidance, the term acquisition workforce includes all positions in the General Schedule (GS-1102) contracting series, all contracting officers, all positions in the GS-1105 purchasing series, and Contracting Officer Representatives/Contracting Officer Technical Representatives.

In July 2000, Contracts/ADM issued a memorandum that revised NRC's Acquisition Career Development Program to reflect OFPP's revisions to the qualification standard for individuals in the GS-1102 contract specialist series. In addition, Contracts/ADM oversees agency acquisition training for project managers through the *Acquisition Certification and Training Program*. The Contracts Acquisition Career Development Program Manager is responsible for overseeing the day-to-day administration of the program which includes certain mandatory and highly recommended courses.

NRC's Executive Director for Operations approved the agency's *Acquisition Certification and Training Program* on May 12, 2000. The training program requires that project managers be certified by completing five specific acquisition courses. These five mandatory courses and other courses included in the program are listed in Appendix D. So as not to have an adverse impact on the agency's other program goals at that time, the original certification deadline was October 1, 2001. New project managers are currently given up to six months to complete the required courses. In summary, to complete the mandatory training, NRC allowed project managers appointed prior to April 1, 2001 (Group 1), anywhere from more than 6 months to 162 months (depending on the date appointed) and allowed project managers appointed after March 31, 2001 (Group 2), 6 months.

On October 2, 2000, the NRC Executive Director for Operations amended the *Acquisition Certification and Training Program* requirements by adding two additional mandatory training courses (see Appendix D) for employees who have a significant role in the acquisition of IT products and/or services. The guidance became effective on January 1, 2001, and originally allowed IT project managers one year to complete the training. Those new to project management are currently given up to six months to complete the required IT courses. In FY 2004, the two mandatory IT courses have been combined into one course.

Noncompliance with NRC's Prescribed Time Frames

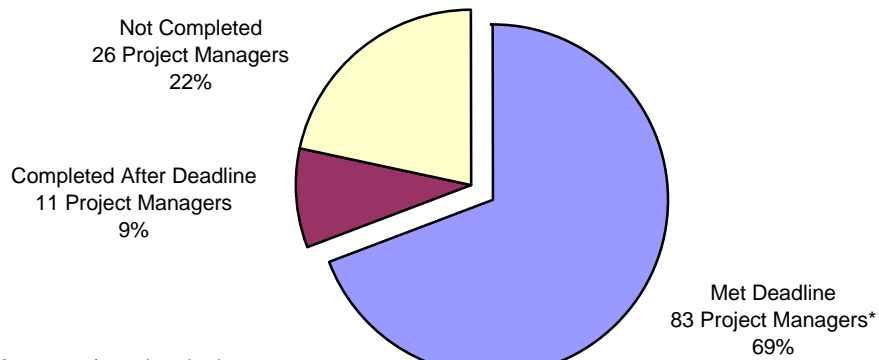
The mandatory training is frequently not completed within the prescribed time frames. As of July 2003, there were 144 project managers¹⁰ who should have completed the mandatory training modules.

¹⁰ Project managers who were grand fathered into the program and/or who work for the OIG are excluded.

Group 1 - Project Managers Appointed Prior to April 1, 2001

As shown below, 69 percent of the 120 project managers had completed the five mandatory acquisition courses (within a range of from more than 6 months to 162 months of appointment). As of July 2003, 22 percent (26 project managers) had not completed the training and 9 percent (11 project managers) completed the training after the deadline.

**Group 1
Project Manager Training - 5 Mandatory Courses
(Training Required from >6 to 16 1/2 Months)**



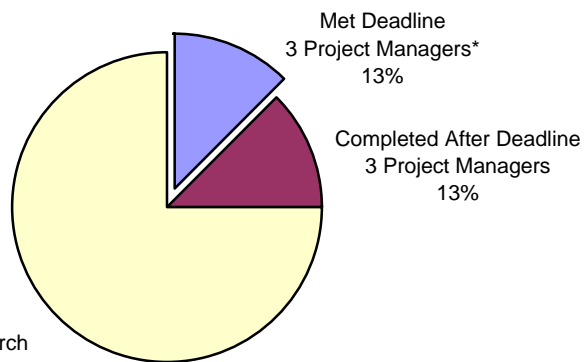
120 current Project Managers (appointed prior to April 1, 2001)

*Includes 28 Project Managers who completed 5 mandatory courses prior to appointment.

Group 2 - Project Managers Appointed After March 31, 2001

As shown below, 13 percent of the 24 project managers had completed the five mandatory acquisition courses within six months of appointment. As of July 2003, 74 percent (18 project managers) did not complete the training and 13 percent (3 project managers) completed the training after the deadline.

**Group 2
Project Manager Training - 5 Mandatory Courses
(Training Required within 6 Months)**

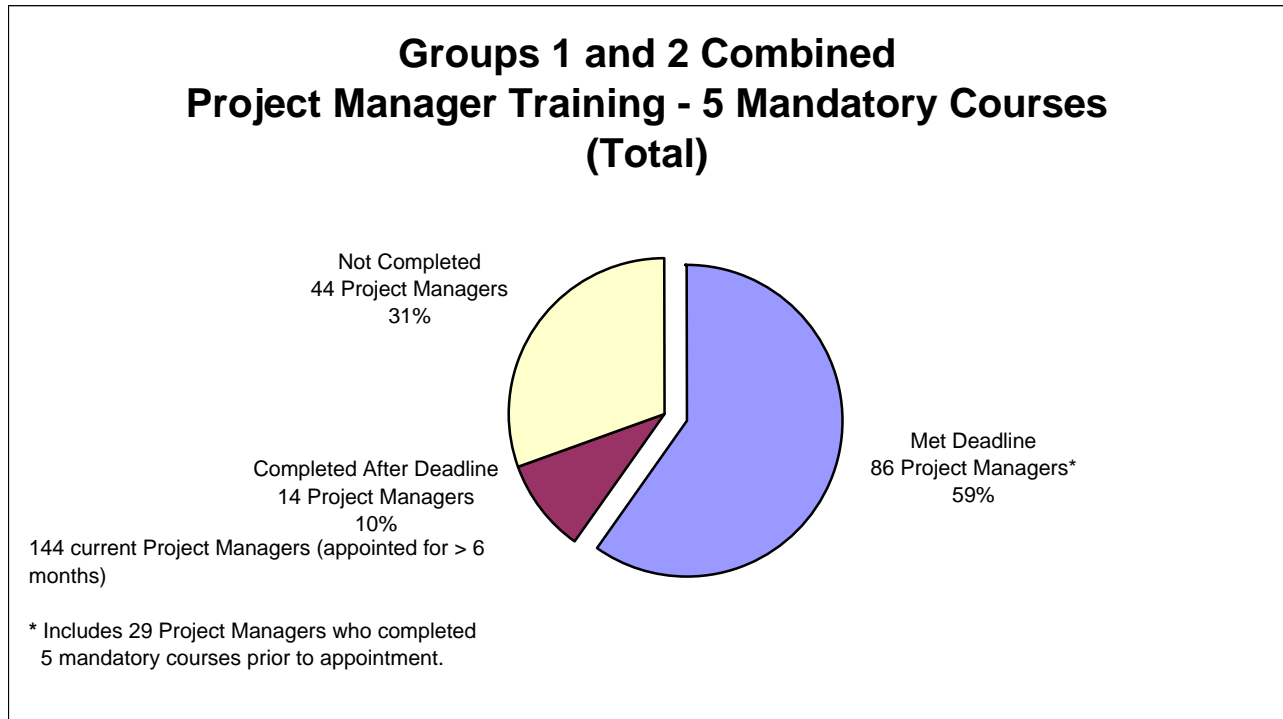


24 current Project Managers (appointed after March 31, 2001 and appointed for > 6 months)

*Includes 1 Project Manager who completed 5 mandatory courses prior to appointment.

Groups 1 and 2 Combined

As shown below, overall, 59 percent of the 144 project managers had completed the five mandatory acquisition modules within the deadline. As of July 2003, 31 percent (44 project managers) had not completed the training and 10 percent (14 project managers) completed the training after the deadline.



Information Technology Acquisition Training Courses

Project manager compliance with the requirements for completing the IT acquisition training courses could not be determined due to the lack of auditable data. No central database exists which indicates which project managers are required to take the IT courses.

Reasons for Noncompliance with Agency Time Frames

The mandatory training is frequently not completed within the prescribed time frames because of the lack of a central database, inadequate monitoring, and infrequent course offerings.

Lack of a Central Database

There is no central database containing the information needed to track project manager compliance with the requirements of the *Acquisition Certification and Training Program*. ADM's Contract Tracking System contains the names of

project managers and the execution date(s), which according to DC officials, represents the date(s) each project manager began serving as a project manager for administration of a particular contract. There is no indication as to which project managers are required to take the mandatory IT acquisition training. The Office of Human Resources (HR) has a separate database of the training courses individuals have completed (including the acquisition courses). To determine compliance with the timeliness requirement for the five mandatory acquisition training courses, one must refer to both of these independent databases.

Inadequate Monitoring

GAO's *Standards for Internal Control in the Federal Government* states that Monitoring is one of the five standards of internal control and explains the importance of ongoing monitoring. Due to the lack of a central database containing project manager training information, agency offices have developed their own databases in an effort to monitor compliance with the requirements of the *Acquisition Certification and Training Program*. Review of the databases used by four large NRC offices revealed that the databases are duplicative and ineffective. Each of the databases merely monitored completion of the individual training courses without regard to timeliness requirements and without indication as to whether the individual project managers are required to take the mandatory IT acquisition training.

Infrequent Course Offerings

The mandatory training courses are not always offered frequently enough to allow project managers to complete the training within the prescribed six-month period. For example, in FY 2004, of the five required acquisition courses, two have seven months between course offerings and two have eight months between course offerings. This means that four of the five required courses are not offered frequently enough.

Increased Risk of Procurement Fraud

Contrary to the best practices of two other Federal agencies,¹¹ NRC permits its staff to serve as project managers prior to completing required training. This policy, coupled with the agency's high level of noncompliance with its own prescribed time requirements for project manager completion of mandatory training, increases the agency's risk of exposure to procurement fraud, waste and abuse.

¹¹ The two other Federal Agencies contacted for bench marking purposes are the National Science Foundation and the U.S. Department of State.

Recommendations

OIG recommends that the Executive Director for Operations:

5. Revise the NRC policy to require staff to complete all mandatory acquisition training prior to appointment as a project manager and require the Director of the Division of Contracts to approve any temporary waivers.
6. Develop and maintain a central database to include for each current project manager:
 - The date certified as a project manager; and
 - The date certified as a project manager with significant responsibility for information technology acquisition, if applicable.
7. Include in the central database the following information for project managers who are serving under a waiver:
 - A list of each *Acquisition Certification and Training Program* course completed,
 - The date each course was completed, and
 - The expiration date of the waiver.
8. Make the project manager database available for query by NRC offices or provide a monthly status report to each office.
9. Review the schedule of mandatory course offerings and revise it, as necessary, to achieve compliance with agency requirements.

B.2. Course Content of Project Manager Acquisition Training Needs Improvement

The course content of NRC's project manager acquisition training needs improvement. Specifically, in some cases training materials are not comprehensive and/or contain certain information that is either obsolete or incorrect based on current FAR requirements. The out-of-date content of project manager acquisition training courses impairs the quality of the training, which, in turn, increases the risk that improprieties in the NRC acquisition process will go undetected.

Attributes of Effective Training Materials

The 12 courses (formerly 13) that comprise the NRC *Acquisition Certification and Training Program* are listed in Appendix D. To be optimally effective, the training materials must be current, accurate and complete and be sufficiently

comprehensive to serve as a detailed reference source for future use. Furthermore, the training materials must be in consonance with current procurement laws, acquisition regulations and agency policy. In addition, procurement fraud training is a vital component of any acquisition training program.

Course Content

The course content of NRC's project manager acquisition training needs improvement. Specifically, some training materials are not comprehensive and contain information that is either obsolete or incorrect based on current requirements such as the FAR. An Office of the General Counsel (OGC) official, in coordination with the OIG, reviewed the content of the training manuals for 11 of the 12 courses (formerly 13)¹² that comprise the *NRC Acquisition Certification and Training Program*. Identified deficiencies are summarized in Appendix E. For example, the training manual for Acquisition Workshop 5, *Negotiation of Project Terms and Conditions*, states that only "significant deficiencies" need to be pointed out during negotiations. However, GAO protest decisions and FAR 15.306, *Exchanges with Offerors After Receipt of Proposals*, require that all weaknesses, that would have an impact on the rating award selection, must be discussed with each offeror in the competitive range. As another example, the training manual for Acquisition Workshop 11, *Acquisition for Supervisors and Managers of Project Managers*, suggests that under the "Urgency" exception it is optional to solicit more than one vendor. However, the Competition in Contracting Act and the FAR require that as many sources as practicable be solicited. The details of the identified deficiencies were furnished to Contracts officials for their consideration.

Coordination of Course Updates

Acquisition training course updates for the above mentioned eleven courses are prepared by an NRC contractor. The updates are routinely reviewed by agency officials working in HR (Human Resources Development Team) and ADM (Agency Acquisition Career Development Program Manager). While the NRC's OGC employs attorneys who possess significant acquisition expertise, they are generally not consulted regarding the adequacy of the course updates. At OIG's suggestion, OGC officials expressed support for amending the practice of coordinating acquisition training course updates to routinely include OGC. In this manner, the quality and effectiveness of the training materials will be enhanced as a result of the insights and contributions that OGC attorneys can provide.

Procurement Fraud Training

Procurement fraud training represents an important area of course content in need of improvement. Presently, *NRC's Acquisition Certification and Training Program* contains only limited coverage of procurement fraud training in

¹² The content of the two courses dealing with IT acquisitions was not reviewed. In FY 2004, the two mandatory IT courses have been combined into one course.

Acquisition Workshop 1, the *Overview* course. The Association of Certified Fraud Examiners, *Contract and Procurement Fraud Course*, states in part, "Procurement Fraud is certainly the most common and costly of the white-collar crimes that impact private businesses and corporations. It also is probably the most serious problem affecting government agencies..." In light of NRC's large annual procurement expenditures, NRC would benefit by providing its project managers with additional mandatory procurement fraud training. Since NRC primarily contracts for services, the additional training should focus on procurement schemes and fraud indicators with an emphasis on labor mischarging. The additional training would heighten agency project managers' fraud awareness and better enable them to protect the agency from improprieties in the acquisition process.

At OIG's suggestion, agency efforts have been initiated to add additional mandatory procurement fraud training to the *Acquisition Certification and Training Program* curriculum. Specifically, NRC officials expressed intentions to expand mandatory Acquisition Workshop 6, *Contract Administration*, to include procurement fraud training.

Increased Risk of Acquisition Improprieties

The absence of effective coordination of acquisition training course updates and the inclusion of only limited procurement fraud training in the NRC's *Acquisition Certification and Training Program* curriculum results in project manager training courses with out-of-date content. This, in turn, increases the risk that improprieties in the NRC acquisition process will go undetected. In effect, the project managers are not receiving all necessary training vital to an effective control system over acquisition.

Recommendations

OIG recommends that the Executive Director for Operations:

10. Update the *Acquisition Certification and Training Program* courses to correct the deficiencies outlined in Appendix E.
11. Coordinate future updates to the *Acquisition Certification and Training Program* courses (excluding the courses on Information Technology acquisitions) with the Office of the General Counsel.
12. Enhance mandatory procurement fraud training in the *Acquisition Certification and Training Program* curriculum.

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IV. CONSOLIDATED LIST OF RECOMMENDATIONS

OIG recommends that the Executive Director for Operations:

1. ***Official Use Only Paragraph Redacted***
2. ***Official Use Only Paragraph Redacted***
3. ***Official Use Only Paragraph Redacted***
4. Institute a program of periodic walk-around inspections for the security guard services contract that includes both regular business hours and non-business hours to include evenings, weekends, and holidays.
5. Revise the NRC policy to require staff to complete all mandatory acquisition training prior to appointment as a project manager and require the Director of the Division of Contracts to approve any temporary waivers.
6. Develop and maintain a central database to include for each current project manager:
 - The date certified as a project manager; and
 - The date certified as a project manager with significant responsibility for information technology acquisition, if applicable.
7. Include in the central database the following information for project managers who are serving under a waiver:
 - A list of each *Acquisition Certification and Training Program* course completed,
 - The date each course was completed, and
 - The expiration date of the waiver.
8. Make the project manager database available for query by NRC offices or provide a monthly status report to each office.
9. Review the schedule of mandatory course offerings and revise it, as necessary, to achieve compliance with agency requirements.

10. Update the *Acquisition Certification and Training Program* courses to correct the deficiencies outlined in Appendix E.
11. Coordinate future updates to the *Acquisition Certification and Training Program* courses (excluding the courses on Information Technology acquisitions) with the Office of the General Counsel.
12. Enhance mandatory procurement fraud training in the *Acquisition Certification and Training Program* curriculum.

SCOPE AND METHODOLOGY

To accomplish the audit objectives, the OIG reviewed and analyzed pertinent laws, regulations, authoritative guidance and prior relevant GAO reports. In addition, OIG identified, analyzed and compared NRC's guidance with the aforementioned criteria. OIG conducted interviews with selected NRC officials to gain an understanding of both the agency's contract administration/oversight practices for selected contracts and the agency's acquisition workforce training program. Interviews were conducted to determine current issues, problems, known deficiencies and to assess management controls. OIG interviewed personnel from most Headquarters offices and three Regions. For benchmarking purposes, OIG contacted certain other Federal Agencies and obtained information about acquisition workforce training best practices.

Based on risk assessment factors developed by the OIG, a sample of ten active contracts (see Appendix B) was selected from the universe of FY 2002 contract actions. Auditors summarized the key terms and provisions of the ten contracts and performed various tests of the contract administration/oversight of the selected contracts. OIG also conducted various compliance tests of acquisition workforce training requirements.

OIG reviewed and analyzed management controls related to the audit objectives. OIG conducted this audit in accordance with Generally Accepted Government Auditing Standards from May through October 2003.

The major contributors to this report were Steven Zane, Team Leader; Kathleen Stetson, Audit Manager; Michael Steinberg, Senior Auditor; and Susan Jones, Auditor. OIG acknowledges contributions to this audit by Office of the General Counsel officials.

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CONTRACTS SELECTED FOR REVIEW

	Contract No. / Project Office	Vendor	FY 2002 Obligations
1	04-02-054 NMSS	Information Systems Labs	\$2,401,924
2	26-00-307 IRO	Digital Net	587,042
3	03-98-021 NRR	Beckman & Associates	1,029,099
4	21-01-309 ASB	Neal R. Gross & Co.	407,000
5	33-01-175 CIO	FileNet	109,712
6	10-99-141 ADM	NVT	1,440,640
7	10-03-153 ADM	Wackenhut Security Svc.	2,838,395
8	33-01-182 CIO	OAO	8,913,829
9	33-01-189 CIO	Information Manuf. Corp	1,666,538
10	01-0290 CIO	EER Systems, Inc. -10 POs	10,037,650
	Total		<u>\$29,431,829</u>

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FEDERAL ACQUISITION REGULATION CLAUSES

52.232-18 Availability of Funds.

As prescribed in 32.705-1(a), insert the following clause:

Availability of Funds (Apr 1984)

Funds are not presently available for this contract. The Government's obligation under this contract is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment may arise until funds are made available to the Contracting Officer for this contract and until the Contractor receives notice of such availability, to be confirmed in writing by the Contracting Officer.

(End of clause)

52.232-19 Availability of Funds for the Next Fiscal Year.

As prescribed in 32.705-1(b), insert the following clause in solicitations and contracts if a one-year indefinite-quantity or requirements contract for services is contemplated and the contract (a) is funded by annual appropriations and (b) is to extend beyond the initial fiscal year (see 32.703-2(b)):

Availability of Funds for the Next Fiscal Year (Apr 1984)

Funds are not presently available for performance under this contract beyond _____. The Government's obligation for performance of this contract beyond that date is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment may arise for performance under this contract beyond _____, until funds are made available to the Contracting Officer for performance and until the Contractor receives notice of availability, to be confirmed in writing by the Contracting Officer.

(End of clause)

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Acquisition Certification and Training Program Courses

Mandatory Training Module Workshops

Acquisition Workshop 1:	Overview
Acquisition Workshop 2:	Developing an Independent Government Cost Estimate
Acquisition Workshop 6:	Contract Administration
Acquisition Workshop 9:	Organizational Conflict of Interest
Acquisition Workshop 10:	Preparing Statements of Work

Mandatory Training Module Workshops - Information Technology Acquisitions

Capital Planning and Investment Control (CPIC) and System Development and Life-Cycle Management (SDLCM)

Highly Recommended Non-Mandatory Training Module Workshops

Acquisition Workshop 3:	Developing Proposal Evaluation Criteria
Acquisition Workshop 4:	Source Evaluation Panel Procedures
Acquisition Workshop 5:	Negotiation of Project Terms and Conditions
Acquisition Workshop 7:	Property Management
Acquisition Workshop 8:	Closing Out the Contract
Acquisition Workshop 11:	Acquisition for Supervisors and Managers of Project Managers

Appendix E

DEFICIENCIES IN TRAINING COURSES

	Additional Information Needed	Obsolete Information	Incorrect Information
Acquisition Workshop 3: Developing Proposal Evaluation Criteria	Cost realism is discussed, but a key part of cost realism - determining the "most probable cost" of an unrealistic cost proposal is not discussed. "Price realism" is not discussed. No mention of the difference between "price realism" and "cost realism."	"Focused Source Selection is discussed, but the NRC no longer conducts nor maintains the website."	Information suggesting that the competitive range is determined only from "scores and ratings" and would include offerors who have a "reasonable chance of award" is in error and contrary to current FAR provisions.
Acquisition Workshop 5: Negotiation of Project Terms and Conditions	The FAR standard is to award without negotiations, but this is not made clear in the materials.	Auctioning is characterized as prohibited. However FAR no longer has an express prohibition against auctioning.	The training manual states that only "significant deficiencies" need to be pointed out during negotiations. However, GAO protest decisions and FAR 15.306 require that all weaknesses must be discussed with each offeror in the competitive range. Technical leveling is incorrectly defined. Additionally, it is not mentioned in the current FAR.
Acquisition Workshop 4: Source Evaluation Panel (SEP) Procedures	OGC provided substantial additional comments to the Division of Contracts in January 2003, but the materials have not been updated to incorporate them.	The training materials are not up to date with the most recent version of MD 11.1.	
Acquisition Workshop 11: Acquisition for Supervisors and Managers of Project Managers		"Known Sources (Exceptions Permitted Under the Procurement Reinvention Laboratory)" is no longer authorized.	Training materials suggest that under the "Urgency" exception it is optional to solicit more than one vendor. The Competition in Contracting Act and FAR "Urgency" exception require that as many sources as practicable be solicited.
Acquisition Workshop 9: Organizational Conflict of Interest	NRC's unique statutory Conflict of Interest (COI) provisions are not adequately addressed. COI waiver procedures (MD 11.1, Handbook Part II) and examples of documenting waiver of COI are not included.		
Acquisition Workshop 2: Developing an Independent Government Cost Estimate	Statutory fee percentage limitations for cost type contracts are not discussed. Developing an Independent Government Cost Estimate for other Federal agencies (non-DOE) is not discussed.		

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