MEMORANDUM

DATE: March 25, 2016

TO: Jeffery M. Lupis, Director
Division of Acquisition and Cooperative Support (DACS)

FROM: Dr. Brett M. Baker
Assistant Inspector General for Audit


We contracted with the Defense Contract Audit Agency (DCAA) to review the Raytheon Technical Service Company Polar Services’ draft “Final Completion Invoice” under Contract No. NSFPRSS-000073, dated March 29, 2013, to ensure that sustained questioned costs and station proceeds were accurately credited to the contractor’s claimed costs and to the final invoice prior to final payment. The station proceeds are also the subject of separate OIG transmittal memoranda, NSF OIG Report No. OIG-16-1-014.

In the attached memorandum, dated August 13, 2015, DCAA explains that it verified that the direct costs claimed in the contractor’s claim for each year from 2005-2012 reconcile to the draft final invoice. For Calendar Years (CY) 2005 – 2011, there was no difference between the contractor’s claim and the draft final invoice. For CY 2012, the final invoice is $10,814,552 greater than the contractor’s claim.

To fulfill our oversight responsibilities, we monitored the review including:

- Reviewed the approach and planning of the review;
- Evaluated the qualifications and independence of the auditors;
- Monitored the progress of the work at key points;
- Attended periodic meetings with DCAA;
- Reviewed DCAA’s memorandum; and
- Coordinated issuance of the memorandum.

DCAA is responsible for the attached memorandum and resulting conclusions. We do not express an opinion on the conclusions presented in DCAA’s memorandum.
MEMORANDUM FOR NATIONAL SCIENCE FOUNDATION, 4201 WILSON BOULEVARD, ARLINGTON, VIRGINIA  22230

ATTENTION:  Ms. Sherrye McGregor, NSF Office of Inspector General (smegrego@nsf.gov)

SUBJECT:  National Science Foundation (NSF) Negotiation effort for Raytheon Technical Service Company (RTSC), Polar Services’ Draft Invoice under Contract No. NSFPRSS-000073

As requested on November 5, 2013, (IAA 1107325-0011-002), and continuous discussions between NSF and DCAA representatives through June 8, 2015, we have addressed the agreed upon areas for the RTSC Polar Services Draft “Final Completion Invoice” under Contract No. NSFPRSS-000073, dated March 29, 2013. We verified that the direct costs claimed in the contractor’s claim for each year reconcile to the draft final invoice.

<table>
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Note 1: For CYs 2005 through 2011, we verified that the direct costs claimed in the draft final invoice, dated March 29, 2013, are the same amounts claimed in the contractor’s incurred cost submission for each year.

Note 2: For CY 2012, the final invoice reflects the claimed costs excluding the CAS 418 credit. The actual credit was booked in CY 2012 as shown in Audit Report No. 2801-2012D10100001, dated September 25, 2014.
The scope of work performed does not constitute an audit or attestation engagement under generally accepted government auditing standards (GAGAS).

Any questions on this matter should be directed to, [Redacted], Acting Supervisory Auditor at [Redacted], email: [Redacted], or [Redacted] Auditor, at [Redacted], email: [Redacted].

Copy furnished to:
Ms. Pamela Franzel, Contracts (pfranzel@nsf.gov)
We thank you and your staff for the assistance extended during the review. If you have any questions about this memorandum, please contact Sherrye McGregor at (703) 292-5003 or Jannifer Jenkins at (703) 292-4996.


cc: Richard Buckius  
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