

## PART I: CAPITAL ASSET PLAN AND BUSINESS CASE (All Assets)

Agency *Nuclear Regulatory Commission*Bureau *N/A*Account Title *Salaries and Expenses*Account Identification Code *31-0200-0-1-276*Program Activity *Financial Management*Name of Project *Fees Systems Replacement*Unique Project Identifier: *429-00-01-01-01-2025-00*

(IT only)(See section 53)

Project Initiation Date

Project Planned Completion Date

This Project is: Initial Concept X Planning      Full Acquisition      Steady State     Mixed Life Cycle     

Project/useful segment is funded:

Incrementally      X Fully     

Was this project approved by OMB for previous Year Budget Cycle?

Yes      No X

Did the Executive/Investment Review Committee approve funding for this project this year?

Yes X No     

Did the CFO review the cost goal?

Yes X No     

Did the Procurement Executive review the acquisition strategy?

Yes X No     

Is this investment included in your agency's annual performance plan or multiple agency annual performance plans?

Yes X No     

Does the project support homeland security goals and objectives, i.e.,

1) improve border and transportation security, 2) combat bio-terrorism, 3) enhance first responder programs; 4) improve information sharing to decrease response times for actions and improve the quality of decision making?

Yes      No X

Is this project information technology? (See section 300.4 for definition)

Yes X No     

For information technology projects only:

a. Is this Project a Financial Management System? (see section 53.3 for a definition)

Yes X No     

If so, does this project address a FFMIA compliance area?

Yes X No     

If yes, which compliance area?

Financial Systems Requirements

b. Does this project implement electronic transactions or record keeping that is covered by the Government Paperwork Elimination Act (GPEA)?

Yes X No     

If so, is it included in your GPEA plan (and does not yet provide an electronic option)?

Yes      No X

Does the project already provide an electronic option?

Yes      No X

c. Was a privacy impact assessment performed for this project?

Yes X No     

Information in this record was deleted

in accordance with the Freedom of Information Act, exemptions 5FOIA- 2013-241

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d. Was this project reviewed as part of the FY 2002 Government Information Security Reform Act review process? Yes No X

d.1 If yes, were any weaknesses found? Yes No

d.2. Have the weaknesses been incorporated into the agency's corrective action plans? Yes No

e. Has this project been identified as a national critical operation or asset by a Project Matrix review or other agency determination? Yes No X

*Preparations for NRC's Project Matrix Review are in progress. Completion of the Review is expected during the first quarter of FY 2003.*

e.1 If no, is this an agency mission critical or essential service, system, operation, or asset (such as those documented in the agency's COOP Plan), other than those identified above as national critical infrastructures? Yes No X

### SUMMARY OF SPENDING FOR PROJECT STAGES

(In Millions)

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 and Earlier	PY 2002	CY 2003	BY 2004					
Planning:									
Budgetary Resources			.548 (a)	.405 (b)					
Outlays									
Full Acquisition :									
Budgetary Resources				.809 (c)					
Outlays									
Total, sum of stages:									
Budgetary Resources			.548	1.214					
Outlays									
Maintenance:									
Budgetary Resources									
Outlays									
Total, All Stages:									
Budgetary Resources			.548	1.214					
Outlays									

a 1 FTE and contractor services for an estimated 5 months (.048 + .500)

b 3 FTE and contractor services for an estimated 4 months (.121 + .284)

c 3 FTE and contractor services for an estimated 8 months (.242 + .567)

**I. A. Project Description**

1. Provide a brief description of this project and its status through your capital planning and investment control (CPIC) or capital programming "control" review for the current cycle.

*This proposed project entails replacing the existing legacy Fees Systems applications. The type of expenditure associated with this project is categorized as a "System/Application Project" and it is in the Select Phase of the Capital Planning and Investment Control (CPIC) process. A separate, but related, Exhibit 300 is being submitted this year for the legacy Fees Systems.*

*The Nuclear Regulatory Commission (NRC) is required to recover a major portion of its annual budget. In order to implement this requirement, the NRC assesses fees in compliance with the Omnibus Budget Reconciliation Act of 1990 (OBRA-90), as amended, and the Independent Offices Appropriation Act of 1952 (IOAA). Fees are recovered as established in 10 CFR Part 170 and 10 CFR Part 171 of the Commission's regulations. The Fees Systems applications are used by OCFO staff, as well as staff in the NRC's major program offices such as Nuclear Reactor Regulation (NRR) and Nuclear Material Safety and Safeguards (NMSS), and the four regional offices.*

*The Office of the Chief Financial Officer/Division of Accounting and Finance/License Fees and Accounts Receivable Branch (OCFO/DAF/LFARB) administers the License Fee Management Program through use of automated processes. The existing legacy Fees Systems are comprised of a number of sub-application systems that reside in multiple environments that include mainframe, client/server and PC/LAN. These applications primarily utilize text-based user interfaces, manual data exchange, hard-copy printed output and are based on outdated technology such as DOS.*

*In order to ensure that operational and business objectives are met, the legacy Fees Systems will be consolidated, improved, and migrated to a single environment. With rapidly changing business and regulatory requirements, as well as continued upgrades of the NRC's infrastructure technology, it is increasingly difficult and costly to provide an automated method of efficient and accurate billing and record handling. The legacy Fees Systems are beyond their capacity to operate in an integrated manner. Data is obtained from many sources through use of inflexible, mostly manual, interfaces. The Fees System Replacement project will modernize these legacy applications and simplify automated work processes to reduce costs, improve effectiveness, enable electronic collaboration and promote the use of current techniques throughout the NRC.*

*In FY 2003, a business case analysis to modernize the automated methods employed by the License Fee Management Program will begin. OCFO staff, in conjunction with the Office of the Chief Information Officer (OCIO), will begin the CPIC process to properly assess the environment, business, and technical needs. Use of commercial off-the-shelf (COTS), custom web-based and client/server solutions, and methods employed by other government agencies will be reviewed.*

2. What assumptions are made about this project and why?
  - *The NRC's technical infrastructure must continue to operate and utilize products and technology that include vendor support. It is anticipated that the current standard workstation desktop at the NRC will be migrated from Microsoft NT to Microsoft XP or other comparable upgrade. With each infrastructure upgrade, support for DOS-based systems diminishes.*

- *There is a continuing need for automation of the fee billing effort in order that the Commission can continue recovering costs of providing services as required under OBRA-90, as amended, and IOAA. The NRC does not anticipate this legislative mandate to change.*
  - *Modernization of the Fees Systems will primarily provide increased adaptability in accommodating growth in use, seamless interfaces with other Agency applications, and greater flexibility in meeting frequently changing business needs.*
  - *A CPIC business case will be prepared to identify requirements and weigh various alternatives. Likely benefits, costs, risks and success factors will be researched and included in detail sufficient to assess whether or not to proceed. At this time, only "seed money" has been allocated in the FY 2003 budget for this project. Actual estimated costs for the entire life cycle will not be known until the business case has been completed.*
  - *The License Fee Management Program will continue to support the NRC's license fee policies and regulations including the many complexities such as the small business entity certification process required by the Small Business Administration, biennial reviews of license fees as required by the Chief Financial Officers Act (CFO), exemptions, suspensions and terminations.*
3. *Provide any other supporting information derived from research, interviews, and other documentation.*

*The Fee Rule is published annually in the Federal Register, which becomes the legal document for the Agency's License Fee Management Program. Amendments to the NRC's regulations identified in the Fee Rule require on-going system changes and continual maintenance and operation.*

*Collaborative efforts such as the Intergovernmental Transaction Portal (ITP) and the Presidential mandate to utilize one of four service providers for functions such as payroll are currently underway at the NRC. Such efforts have a definite impact on the automated fee billing process. For the ITP effort, the NRC is both a receiver and provider of services. As a provider, it is initially necessary to improve the billing of services utilized by other government agencies. For the payroll consolidation effort, it is anticipated that this will eventually include the function of processing time and labor. Much of the fee billing data is based on electronic NRC staff manpower records. The continued use of non-integrated and legacy applications based on outdated technologies make these kinds of efficiencies very difficult to administer in a cost-effective manner.*

## I.B. Justification (All Assets)

## 1. How does this investment support your agency's mission and strategic goals and objectives?

NRC's Strategic Goals	NRC Strategies	Supports	How Does Your Initiative Support this NRC Goal or Corporate Management Strategy?
<p>1. Nuclear Reactor Safety: Prevent radiation-related deaths and illnesses, promote the common defense and security, and protect the environment in the use of civilian nuclear reactors.</p>	<ul style="list-style-type: none"> <li><i>We will make public participation in the regulatory process more accessible. We will listen to the public's concerns and involve our stakeholders more fully in the regulatory process.</i></li> <li><i>We will communicate more clearly. We will add more focus, clarity, and consistency to our message; be timely; and present candid and factual information in the proper context with respect to the risk of the activity.</i></li> <li><i>We will continue to enhance the NRC's accountability and credibility by being a well-managed, independent regulatory agency. We will increase efforts to share our accomplishments with the public.</i></li> <li><i>We will make agency decisions based on technically sound and realistic information.</i></li> <li><i>We will anticipate challenges posed by the introduction of new technologies and changing regulatory demands.</i></li> </ul>	X	<p><i>This goal and strategies are indirectly supported by this initiative as detailed below.</i></p> <ul style="list-style-type: none"> <li><i>The Fees Systems implement fee billing based on the NRC's fee policies and regulations. Annually, the Fee Rule is published and made available for public comment. Modernization of the Fees Systems will better enable the NRC to incorporate amendments to the Fee Rule based on public concerns.</i></li> <li><i>The legacy Fees Systems generate at least five different types of invoices with varying degrees of detail that are sent to approximately 6,000 licensees. One objective of the Fees Systems Replacement effort is to consolidate the number of invoices and present more appropriate detail in a consistent manner.</i></li> <li><i>An efficiently automated and more accurate billing process will reduce the number of challenges and inquiries made by licensees due to errors and other discrepancies associated with fee billing of facilities and material services.</i></li> </ul>

NRC's Strategic Goals	NRC Strategies	Supports	How Does Your Initiative Support this NRC Goal or Corporate Management Strategy?
<p>2. Nuclear Materials Safety: Prevent radiation-related deaths and illnesses, promote the common defense and security, and protect the environment in the use of source, byproduct, and special nuclear material for medical, academic, and industrial purposes</p>	<ul style="list-style-type: none"> <li><i>We will make public participation in the regulatory process more accessible. We will listen to the public's concerns and involve our stakeholders more fully in the regulatory process.</i></li> <li><i>We will communicate more clearly. We will add more focus, clarity, and consistency to our message; be timely; and present candid and factual information in the proper context with respect to the risk of the activity.</i></li> <li><i>We will continue to enhance the NRC's accountability and credibility by being a well-managed, independent regulatory agency. We will increase efforts to share our accomplishments with the public.</i></li> </ul>	<p>X</p>	<p><i>This goal and strategies are indirectly supported by this initiative as detailed below.</i></p> <ul style="list-style-type: none"> <li><i>The Fees Systems implement fee billing based on the NRC's fee policies and regulations. Annually, the Fee Rule is published and made available for public comment. Modernization of the Fees Systems will better enable the NRC to incorporate amendments to the Fee Rule based on public concerns.</i></li> <li><i>The legacy Fees Systems generate at least five different types of invoices with varying degrees of detail that are sent to approximately 6,000 licensees. One objective of the Fees Systems Replacement effort is to consolidate the number of invoices and present more appropriate detail in a consistent manner.</i></li> <li><i>An efficiently automated and more accurate billing process will reduce the number of challenges and inquiries made by licensees due to errors and other discrepancies associated with fee billing of facilities and material services.</i></li> </ul>

NRC's Strategic Goals	NRC Strategies	Supports	How Does Your Initiative Support this NRC Goal or Corporate Management Strategy?
<p>3. Nuclear Waste Safety: Prevent adverse impacts from radioactive waste to the current and future public health and safety and the environment, and promote common defense and security</p>	<ul style="list-style-type: none"> <li><i>We will make public participation in the regulatory process more accessible. We will listen to the public's concerns and involve our stakeholders more fully in the regulatory process.</i></li> <li><i>We will communicate more clearly. We will add more focus, clarity, and consistency to our message; be timely; and present candid and factual information in the proper context with respect to the risk of the activity.</i></li> <li><i>We will continue to enhance the NRC's accountability and credibility by being a well-managed, independent regulatory agency. We will increase efforts to share our accomplishments with the public.</i></li> </ul>	X	<p><i>This goal and strategies are indirectly supported by this initiative as detailed below.</i></p> <ul style="list-style-type: none"> <li><i>The Fees Systems implement fee billing based on the NRC's fee policies and regulations. Annually, the Fee Rule is published and made available for public comment. Modernization of the Fees Systems will better enable the NRC to incorporate amendments to the Fee Rule based on public concerns.</i></li> <li><i>The legacy Fees Systems generate at least five different types of invoices with varying degrees of detail that are sent to approximately 6,000 licensees. One objective of the Fees Systems Replacement effort is to consolidate the number of invoices and present more appropriate detail in a consistent manner.</i></li> <li><i>An efficiently automated and more accurate billing process will reduce the number of challenges and inquiries made by licensees due to errors and other discrepancies associated with fee billing of facilities and material services.</i></li> </ul>
<p>4. International Nuclear Safety Support: Support U.S. interests in the safe and secure use of nuclear materials and in nuclear non-proliferation</p>	<ul style="list-style-type: none"> <li><i>We will strengthen collaborative processes for conducting business among support offices and between support and program offices.</i></li> <li><i>We will strengthen our financial systems and processes to ensure that our financial assets are adequately protected consistent with risk and that our financial information is better integrated with decision-making.</i></li> </ul>	X	<p><i>This goal and strategies are indirectly supported by this initiative as detailed below.</i></p> <ul style="list-style-type: none"> <li><i>The fee billing process encompasses aspects of all the major program offices at the NRC. The Fees Systems Replacement Initiative will enable the NRC to conduct mutual business in a more timely, accurate, and efficient manner. Security measures to protect the financial assets associated with the Fees Systems will be strengthened and enhanced.</i></li> </ul>

NRC's Strategic Goals	NRC Strategies	Supports	How Does Your Initiative Support this NRC Goal or Corporate Management Strategy?
NRC Corporate Management Strategy 1: Employ innovative and sound business practices	<ul style="list-style-type: none"> <li>▪ <i>We will strengthen collaborative processes for conducting business among support offices and between support and program offices.</i></li>   <li>▪ <i>We will find new and better ways of doing business to increase effectiveness and efficiency of operations.</i></li>   <li>▪ <i>Strengthen our financial systems and processes to ensure that our financial assets are adequately protected consistent with risk and that our financial information is better integrated with decision-making.</i></li> </ul>	X	<ul style="list-style-type: none"> <li>▪ <i>OCFO will consult with OCIO, other support offices, Program, and Regional offices as appropriate to integrate this initiative with applicable business, operational and technical needs.</i></li>   <li>▪ <i>This initiative will ultimately provide OCFO with improved operating efficiencies by reducing complicated information collection burdens and by providing better adaptability in meeting future business demands. Reduced cost, increased quality, improved technical performance that result in productivity improvements and increased staff and licensee satisfaction are anticipated.</i></li>   <li>▪ <i>The consolidation of application systems and easier, user-friendly access to billing-related financial data will facilitate a more integrated decision-making process. Use of modern technology will better position OCFO to implement stronger security safeguards.</i></li> </ul>
NRC Corporate Management Strategy 2: Sustain a high-performing, diverse workforce.			



NRC's Strategic Goals	NRC Strategies	Supports	How Does Your Initiative Support this NRC Goal or Corporate Management Strategy?
NRC Corporate Management Strategy 3: Provide proactive information management and information technology services.	<ul style="list-style-type: none"> <li>We will work jointly with program and support offices to integrate information technology and business planning as a means of achieving agency goals and strategies.</li> <li>We will make it easier for the staff to acquire, access, and use the information they need to perform their work.</li> <li>We will provide and maintain a robust, reliable, cost-effective, and "user-friendly" information technology infrastructure that is driven by the agency business needs.</li> <li>We will work jointly with stakeholders to optimize the delivery of information technology and management service.</li> <li>We will improve the ability of the NRC and external entities to conduct our mutual business electronically.</li> </ul>	X	<ul style="list-style-type: none"> <li>OCFO will collaborate with Program and support offices in a manner most conducive to achievement of agency goals and strategies. The Fees Systems Replacement will be aligned with the agency's hardware/software infrastructure.</li> <li>Access to the legacy Fees Systems is very limited due to limitations imposed by use of outdated technology. The Fees Systems Replacement will potentially provide expanded accessibility and will replace text-based interfaces with the more commonly and easily used graphical interfaces.</li> <li>Consolidation of the many legacy fees applications will result in a much less cumbersome infrastructure as it pertains to utilization of fee billing information.</li> <li>Previously print-based information will be available electronically and improved query functionality will provide faster access to fee billing information.</li> <li>Integration of the many interfaces will be addressed to provide a more seamless sharing of data used in support of the fee billing effort.</li> </ul>
NRC Corporate Management Strategy 4: Communicate strategic change.	<ul style="list-style-type: none"> <li>We will respond to requests and inquiries from stakeholders in a timely, courteous, and professional manner.</li> </ul>	X	<ul style="list-style-type: none"> <li>Better integration of the many fee billing interfaces, improved query and reporting capabilities will facilitate quicker response to the various stakeholders.</li> </ul>

2. How does it support the strategic goals from the President's Management Agenda?

Presidents Management Agenda (PMA)	Supports	How Does Your Initiative Support This PMA Item?
Human Capital	X	<ul style="list-style-type: none"> <li>Through consolidation of the many sub-applications that currently comprise the Fees Systems and improved integration of the currently manual interfaces, it is anticipated that human resources will be further freed from time-consuming and duplicative processes. Knowledge and skills acquired by retiring staff will be retained by more thoroughly automating the fee billing process. Improved data retrieval and reporting capabilities will result in increased productivity.</li> </ul>
Competitive Sourcing	X	<ul style="list-style-type: none"> <li>Contractor support for the planning,</li> </ul>

Presidents Management Agenda (PMA)	Supports	How Does Your Initiative Support This PMA Item?
		<i>acquisition, and subsequent phases of this initiative will be competitively bid.</i>
Financial Performance	X	<ul style="list-style-type: none"> <li>▪ <i>Improve timeliness by providing a re-engineered and streamlined reporting process and possible use of web-based technologies.</i></li> <li>▪ <i>Enhance usefulness by more fully and better integrating financial information that is currently available in the Agency. The Fees Systems Replacement initiative will incorporate better methods of providing daily financial billing and collection data to the Federal Financial System (FFS/DOI) in support of the Agency's financial statement.</i></li> <li>▪ <i>Produce reliable and accurate information to facilitate better decision-making. Use of an improved Fees System will better support financial data relevant to the NRC's Strategic Plan (Strategic Arenas) and other federal financial requirements.</i></li> <li>• <i>Billing data produced by the Fees Systems will be easier to assemble thereby facilitating timely year-end reporting requirements and ensuring more reliable audits.</i></li> </ul>
E-Government	X	<ul style="list-style-type: none"> <li>• <i>Completion of this Fees Systems Replacement effort will better position OCFO to further support the electronic government initiatives. Existing interfaces will be enhanced to provide a more seamless integration when gathering source data for fee billing purposes and creating output that forms a basis of the accounts receivable and collection data that resides in FFS.</i></li> <li>• <i>Modernization of the technology and environments will also facilitate easier and cost-effective implementation of efforts such as the Intergovernmental Transaction Portal (IPT) to provide a single point of access. The assessment of alternatives will include the possibility of integrating bill presentation with electronic payment methods. Plans are also underway at the NRC to participate in the consolidation of basic services such as</i></li> </ul>

Presidents Management Agenda (PMA)	Supports	How Does Your Initiative Support This PMA Item?
		payroll and eventually time and labor reporting. Continued use of outdated technology and processes in the License Fee Management Program will hinder OCFO's ability to completely achieve these efficiencies and benefits.
Budget and Performance Integration	X	<ul style="list-style-type: none"> <li>It is expected that completion of this initiative will provide Managers with timely feedback pertaining to the License Fee Management Program in a more accurate manner as needed to more correctly measure performance of the program.</li> </ul>

3. Are there any alternative sources in the public or private sectors that could perform this function?

*With the many complexities and exceptions related to the NRC's License Fee Management Program, the collection and disbursement of monetary transactions are considered to be inherently governmental and are integral to supporting the mission of this Agency.*

*Alternative sources in the public and private sectors, to include commercially-developed COTS, will be researched as part of the Fees Systems Replacement effort insofar as obtaining an improved, better-automated method of implementing the License Fee Management Programs.*

4. If so, explain why your agency did not select one of these alternatives.

*The Fees Systems Replacement initiative is in the early conceptual phase. Appropriate alternatives have not yet been identified.*

5. Who are the customers for this project?

*The customers for this project include the U.S. Department of Treasury, individuals and program offices throughout the NRC, and the Office of Management and Budget. External customers are licensees that will receive a fee-billable service from the Agency. This includes over 50 categories of persons required to be licensed as well as, where applicable, applicants for facilities, materials, import and export licenses, holders of certificates of compliance, registrations, quality assurance program approvals and government agencies licensed by the NRC.*

6. Who are the stakeholders of this project?

*There are many participants that have an interest in the outcome of the Fees Systems Replacement effort. They include major program offices at the NRC such as OCFO, OCIO, the Office of Nuclear Material Safety (NMSS), the Office of Nuclear Reactor Regulation (NRR), the Office of National Safety Incident Response (NSIR) as well as the four Regional Offices, the U.S. Department of Treasury and the general public.*

7. If this is a multi-agency initiative, identify the agencies and organizations affected by this initiative.

*This is not a multi-agency initiative, but information generated by the Fees Systems will be electronically sent to the U.S. Department of Treasury via an automated interface with the Federal*

*Financial System (FFS). Completion of this initiative will also better position the NRC to participate in multi-agency initiatives such as the Intergovernmental Transaction Portal (ITP).*

8. How will this investment reduce costs or improve efficiencies?

*Continued use of the outdated technologies utilized by the legacy Fees Systems will eventually affect the NRC's mandate to collect its budget authority through its License Fee Management Program. We foresee this project providing a superior solution in many ways, including but not limited to, future cost reduction, better integration with other Agency assets, stronger access and security controls, reporting efficiencies, compatibility with the NRC's standard hardware and software infrastructure, and ease of use. Technology that ensures business objectives are met and that improves decision-making, accessibility, and performance will be utilized. The flexibility and scalability gained by the use of current technology will align activities to better serve governments, internal Agency operations and citizens. We expect a full cost/benefit analysis to be performed at a later date.*

*A related objective of this project will be to reduce the number of sub-applications that currently comprise the Fees Systems. Since much of the underlying functionality is similar, it is expected that some combination or redesign will result in the need for fewer separate modules. We, therefore, anticipate that future maintenance and operational support would likewise be less costly.*

9. List all other assets that interface with this asset. Have these assets been reengineered as part of this project?  
Yes\_\_\_\_, No X

*The legacy fees systems contain many internal and external interfaces that will remain factors in this project. Reengineering will be investigated as part of the business case. Where possible, better methods of sharing data will be incorporated.*

- *A majority of source manpower data is obtained from the Time & Labor module of the NRC's Human Resource Management System (HRMS).*
- *Certain data pertaining to Task Assignment Control (TAC) usage, staff and dockets are provided by the NRC's Reactor Program System (RPS).*
- *Inspection information as recorded on Inspection Reports is obtained from the NRC's Inspection Reports Tracking System (IRTS).*
- *Billing, payment and address related transactions are sent to the U.S. Department of Treasury via electronic transfer to the Federal Financial System (FFS/DOI).*
- *Address and materials fee information for various types of licensees are obtained from the NRC's License Tracking System (LTS), National Sealed Source and Device Registry System (NSS&DRS), as well as the Transportation Approval Package Information System (TAPIS) systems.*
- *Billing and address related information pertaining to the registration of generally licensed devices will be obtained from the NRC's General License Tracking System (GLTS).*
- *Contract cost data is obtained from the NRC's Technical Assistance Program Support System (TAPSS) and Technical Assistance Program Support Systems/NMSS (TAPNM) systems.*

- *Collection data is obtained from the U.S. Bank's lockbox payment services and sent to the U.S. Department of Treasury via electronic transfer to the Federal Financial System (FFS/DOI).*

#### **I.C. Performance Goals and Measures (All Assets)**

*The Fees Systems Replacement initiative is in the early conceptual phase, but there are some preliminary performance goals and measures. These will be refined and augmented during later stages of the project life cycle.*

*The goals and measures associated with this project can be segmented in two parts; i.e., interim and operational. The overall goal is to ensure that the NRC continues to comply with its mandate to assess appropriate fees. In order to do this, it has been determined that the existing conglomeration of legacy fees systems applications must be modernized, consolidated, and otherwise improved to provide lacking flexibility, scalability and performance benefits. Success will be measured through the development of specific, quantifiable and measurable metrics at each subsequent stage of the project.*

*Interim milestones include the development of a successful business case with an anticipated completion date in early 2004. This phase will employ all the various approval processes as required by CPIC and the NRC's SDLCM Methodology. Progression to the next step or activity will require appropriate review and approval. Known goals at this early conceptual stage include the following:*

- *Obtain initial approvals to proceed*
- *Procure contractor services*
- *Define roles and responsibilities*
- *Establish a project plan and schedule*
- *Define initial project requirements*
- *Analyze alternatives*
- *Design the solution*
- *Assemble the Business Case*

*To some extent, obtainment of the check point approvals will represent accomplishment of our goals as anticipated at this early conceptual stage. As the project progresses, specific goals and measures will be developed.*

*Operational milestones include the development of an appropriate solution with an anticipated completion date by the end of 2005. This phase will also adhere to the NRC's SDLCM Methodology and entail appropriate reviews and approvals. Known goals at this early conceptual stage include the following:*

- *Obtain CPIC approvals to proceed*
- *Engineer the solution*
- *Integrate the solution*
- *System test the solution*
- *Construct training plan and materials*
- *Deploy the solution*
- *Acceptance test the solution*
- *Cut over to a production environment*

*Benefits that may be derived and measured at this later stage include, but are not limited to, monetary savings and cost avoidance, performance and service improvements, increased staff performance, quality and timeliness of deliverables. Non-quantitative benefits may include, but are not limited to, comparison of the solution to the business need, improved integration with other Agency assets, increased data quality and integrity, enhanced security safeguards, and timely information management*

#### **I.D. Program Management [All Assets]**

1. Is there a program manager assigned to the project? If so, what is his/her name? Yes ☒ No ☐

*Diane Dandois is the Program Manager.*

2. Is there a contracting officer assigned to the project? If so, what is his/her name? Yes ☒ No ☐

*Sally Adams is the Contracting Officer.*

3. Is there an Integrated Project Team? Yes ☒ No ☐

*A core team will be formulated later in FY 2003 that has a solid grasp on the interplay between information technology (IT) capacity, user needs, financial management, and IT resource requirements. The team will consist of users, their managers, project and technical management, subject matter experts, programmers, testers, documentation specialists, senior financial management, and other high level executives directly responsible for the Agency's financial performance including representatives from OCIO and OCFO.*

- 3.A. If so, list the skill set represented.

*The anticipated skill set will include systems analysis, software design and development, client services, enterprise infrastructure, hardware support, technology evaluation and expertise, business and application expertise, project management, interpersonal skills, administrative skills, leadership and commitment to organizational structure and development.*

4. Is there a sponsor/owner? Yes ☒ No ☐

*Diane Dandois, OCFO Branch Chief, is the sponsor/owner.*

*The project proposal will be managed in accordance with the NRC's CPIC Directive and Handbook 2.2. OCFO is currently in the process of completing a screening form, as required to initiate the CPIC process. Upon completion, the form will be submitted to OCIO. NRC's CPIC process is a disciplined approach, which includes a structured review process, for proposed IT investments. OCIO will determine, based on the preliminary cost estimate, whether the proposal is screened by the Information Technology Business Council.*

*The project team will follow the guidance and adhere to the standards and procedures found in the NRC's SDLCM Methodology. This Methodology is a clearly defined and structured approach to designing, developing, maintaining, and decommissioning information systems. It addresses all aspects of an information systems solution from cradle to grave.*

#### **Part II: Additional Business Case Criteria for Information Technology**

## II. A. Enterprise Architecture

### II.A.1 Business

A. Is this project identified in your agency's enterprise architecture? If not, why?

*No, the Fees Systems Replacement is a new initiative and has not been specifically named in the NRC's in-progress EA, although a replacement is in compliance with the NRC EA, such as it is today. Even though this project is still in the conceptual stage, the NRC business need has been identified and the project conforms to the NRC EA in its current state.*

B. Explain how this project conforms to your departmental (entire agency) enterprise architecture.

*The Fees Systems Replacement falls within the scope of NRC's EA. As such, this system will support the performance of the business functions identified in the agency enterprise business model, documented in the NRC publication, "NRC Enterprise Model," will provide data required by the NRC's services to citizens revenue collection business area and internal operations/infrastructure financial management business area. The Fees Systems Replacement will utilize products and components that are aligned with the NRC's current application and technology standards and future direction as specified in the NRC's existing technology planning documents. Although the NRC's existing technology planning documents are being updated, the current documents identify some core technology needs. These core technology needs are in the process of being updated and expanded through an evolving organizational EA governance process that will ensure that all current and future technology needs are vetted by NRC business managers to validate links to NRC business drivers for identified technologies. When fully functional, NRC's integrated EA and CPIC processes will enable NRC to apply the same sound risk management strategies to its IT investments that have long characterized NRC's core business operations. NRC has also provided the Federal Enterprise Business Reference Model (FEBRM) with high level business functions and subfunctions derived from the "NRC Enterprise Model." NRC is working to uncover additional internal cross-cutting initiatives and has begun to look at other-agency business processes and State business processes to identify potential areas for collaborative efforts.*

*Over the past years, NRC has developed various architectural components of an EA. These components were delineated and enclosed in a letter from the NRC during the FY 2003 budget process. Taken together, these items include all components of an EA. However, the NRC has recently chosen to rely on the principles and practices of EA presented in the Federal CIO Council's "Federal Enterprise Architecture Framework," FEAF, to revitalize its EA program, fully integrate and align the EA with the CPIC process, update all existing EA artifacts, support sound project and change management utilizing the System Development and Life-Cycle Management (SDLCM) Methodology, and identify and foster understanding of how existing and future information technology can better support current and future NRC business activities and operations. The NRC has recently staffed an agency EA position to energize the program and is beginning to take the steps necessary to ensure agency-wide utilization of its EA. For example, NRC is currently working on EA strategy and planning documents that will ensure a sustained and fully integrated EA process and avoid the start-stop-resume cycle that has been a problem in past NRC EA endeavors. The NRC is now in the process of identifying the updates necessary to NRC Management Directive 2.1, "Information Technology Architecture," and NRC Management Directive 2.2, "Capital Planning and Investment Control," to fully integrate all needed changes in NRC's management processes. Purposeful business thinking, systematic technical analysis, careful political orchestration, change management and communication and outreach will underlay*

*all future NRC EA efforts. The component-based architectural approach taken from the FEA will enable the component focus necessary to achieve quick gains while the revamped NRC EA process develops over time and reaches the level of maturity necessary to more effectively address business problems. The FEA will provide the necessary foundation and support to link business investment and technology.*

- C. Identify the Lines of Business and Sub-Functions within the Federal Enterprise Architecture Business Reference Model that will be supported by this initiative.

*Since the FEA BRM is undergoing continual update, our responses are based upon the latest information that we have available:*

<b>FEA BRM Lines of Business:</b>	<b>FEA BRM Subfunctions Supported:</b>
<i>Revenue Collection (Service to Citizens)</i>	<i>Other Revenue Collection</i>
<i>Internal Operations/Infrastructure</i>	<i>Financial Management, Financial Reporting</i>

- D. Briefly describe how this initiative supports the identified Lines of Business and Sub-Functions of the Federal Business Architecture.

*This initiative supports the Revenue Collection Line of Business by providing an automated method of generating invoices for various fee billable services provided by the NRC for licensees. All revenue collected is deposited to the U.S. Department of Treasury as "miscellaneous receipts." The Fees Systems also produce a number of reports which support the Financial Management subfunction of the Internal Operations/Infrastructure Line of Business.*

- E. Was this project approved through the EA Review committee at your agency?

*Yes, the Fees System replacement was approved through the NRC EA Review committee. The project is in the initial stage of the NRC's CPIC process.*

- F. What are the major process simplification/reengineering/design projects that are required as part of this initiative?

*Since this project is in the early conceptual phase, process simplification/reengineering/design projects are yet to be determined.*

- G. What are the major organization restructuring, training, and change management projects that are required?

*Since this project is in the early conceptual phase, major organization restructuring, training, and change management projects are yet to be determined.*

- H. What are the Agency lines of business involved in this project?

*This project will indirectly support all NRC mission-related business areas. The direct lines of business at the NRC that are involved in this project include those associated with financial management. OCFO is responsible for all of the NRC's financial management activities which include administering the Agency's license fee program.*

- I. What are the implications for the agency business architecture?



*The Fees Systems Replacement will be harmonized with agency business architecture, utilizing official sources of data, in a manner consistent with agency business practices.*

## II.A.2 Data

### A. What types of data will be used in this project?

*The Fees Systems Replacement will use NRC personnel time/labor and contractor cost data for fee billing purposes. Licensee application information will also be utilized. In general, data requirements will be the same as those associated with the legacy Fees Systems.*

### B. Does the data needed for this project already exist at the Federal, State, or Local level? If so, what are your plans to gain access to that data?

*Sources for fee billing data do not reside outside of the NRC IT environment. Preliminary plans do, however, include gaining access to and providing data for E-Gov initiatives such as the Intergovernmental Transaction Portal (ITP).*

### B. Are there legal reasons why this data cannot be transferred? If so, what are they and did you address them in the barriers and risk sections above?

*The Fees Systems Replacement will rely on certain propriety data that cannot be transferred or accessed by the general public or unauthorized individual entities. Security Plans will be prepared to prevent unauthorized access or release of propriety/sensitive data. OCFO also relies upon guidance provided by OCIO in the efficient use and integration of appropriate information technologies. A portion of those responsibilities involve computer security administration, which is handled by OCIO computer security staff.*

### C. If this initiative processes spatial data, identify planned investments for spatial data and demonstrate how the agency ensures compliance with the Federal Geographic Data Committee standards required by OMB Circular A-16.

*This initiative will not process spatial data.*

## II.A.3 Application and Technology

### A. Discuss this initiative/project in relationship to the application and technology layers of the EA. Include a discussion of hardware, applications, infrastructure, etc.

*The legacy Fees Systems are using outdated technology, but are named in the Agency's application layer of the application architecture that is kept in the IT portfolio management database. The Fees Systems Replacement will bring them into compliance with the technology layer of the EA.*

### B. Are all of the hardware, applications, and infrastructure requirements for this project included in the EA Technical Reference Model? If not, please explain.

*Since the Fees Systems Replacement is in the conceptual stage, not all hardware, application, and infrastructure requirements have been identified. The acquisition strategy, however, will prefer hardware, applications, and infrastructure already identified in the Technical Reference Model (TRM). If appropriate, we will perform a cost benefit/risk analysis to explore the alternative of introducing new technology into the EA. If cost effective, we will pursue the NRC's Environment*

*Change Control process to explore the feasibility and cost benefit of adding additional services to the TRM.*

**II. B. Security and Privacy**

**NOTE:** Each category below must be addressed at the project (system/application) level, not at a program or agency level. Referring to security plans or other documents is not an acceptable response.

**II.B.1.** How is security provided and funded for this project (e.g., by program office or by the CIO through the general support system/network)?

**A.** What is the total dollar amount allocated to security for this project in FY 2004?

*Since this project is in the early conceptual phase, the total dollar amount allocated to security in FY 2004 has not yet been determined.*

**II.B.2** Does the project (system/application) meet the following security requirements of the Government Information Security Reform Act, OMB policy, and NIST guidance?

**A.** Does the project (system/application) have an up-to-date security plan that meets the requirements of OMB policy and NIST guidance? What is the date of the plan?

*Since this project is in the early conceptual phase, a security plan has not yet been developed. It is anticipated that a security plan will be developed by March 2004.*

**B.** Has the project undergone an approved certification and accreditation process? Specify the C&A methodology used (e.g., NIST guidance) and the date of the last review.

*Since this project is in the early conceptual phase, it has not yet undergone an approved certification and accreditation process. At a later stage of its life cycle, it will be reviewed in accordance with NIST guidance and for compliance with OMB Circular A-130. It is anticipated that the project will undergo an approved certification and accreditation process prior to December 2005.*

**C.** Have the management, operational, and technical security controls been tested for effectiveness? When were most recent tests performed?

*Since this project is in the early conceptual phase, management, operational, and technical security control tests have not yet been developed.*

**D.** Have all system users been appropriately trained in the past year, including rules of behavior and consequences for violating the rules?

*At the appropriate stage of its life cycle, system users will be trained, informed of the consequences for violating the rules, and held accountable for following the rules of behavior. It is anticipated, however, that the users of the legacy fees applications will be the same users of the replacement fees applications, all of whom have been trained and are aware of the consequences for violating rules of behavior. Annual security training is provided and required of all system users.*

**E.** How has incident handling capability been incorporated into the system, including intrusion detection monitoring and audit log reviews? Are incidents reported to GSA's FedCIRC?

*This is a new project in the conceptual phase. At the appropriate stage of its life cycle, planning for audit log generation and developing appropriate monitoring procedures will be implemented. The project manager will work with the OCIO to ensure that these applications are included in the general support systems incident handling methodology and FedCIRC reporting process. At the Agency level, incident response is covered annually in the required security training and is further discussed in the agency management direction on system security. Incidents must be reported to the OCIO and to GSA's FedCIRC.*

- F. Is the system operated by contractors either on-site or at a contractor facility? If yes, does any such contract include specific security requirements required by law and policy? How are contractor security procedures monitored, verified, and validated by the agency?"

*Since this project is in the early conceptual phase, it has not yet been determined whether or not the system will be operated by contractors either on-site or at a contractor facility. OCFO plans to use contract vehicles administered by OCIO to ensure that proper security procedures are in place as applicable.*

- II.B.3 How does the agency ensure the effective use of security controls and authentication tools to protect privacy for those systems that promote or permit public access?

*Security is monitored via keystroke tracking, firewall protection, sniffer software, virus detection software, audit logs and review, password protection, and least privilege access on agency desktops, LAN accounts, and remote access.*

- II.B.4 How does the agency ensure that the handling of personal information is consistent with relevant government-wide and agency policies.

*The NRC abides by the provisions in the Privacy Act of 1974 and has conducted a comprehensive review of all its Privacy Act Systems of Record. Consistent with Agency policies, sensitive/personal information is protected via 1) notices on agency policy for protecting and storing records with personal information including system generated media, 2) control of access levels to systems containing or transferring sensitive data, and 3) controlling access to hard copy files and reports.*

- II.B.5 If a Privacy Impact Assessment was conducted, please provide a copy to OMB.

*It is anticipated that the Fees Systems Replacement will contain personal information about individuals. A Privacy Impact Assessment for the Fees Systems Replacement is attached to this Exhibit 300.*

## **II. C. Government Paperwork Elimination Act (GPEA)**

- II.C.1 If this project supports electronic transactions or record-keeping that is covered by GPEA, briefly describe the transaction or record-keeping functions and how this investment relates to your agency's GPEA plan.

*Since this project is in the early conceptual phase, it has not yet been determined whether or not it will support electronic transactions or record-keeping that is covered by GPEA.*

- II.C.2 What is the date of your GPEA plan?

*The Agency's GPEA plan is dated August, 2002.*

II.C.3 Identify any OMB Paperwork Reduction Act (PRA) control numbers from information collections that are tied to this investment.

*There are no OMB PRA control numbers from information collections tied to this investment.*