

November 9, 2016

MEMORANDUM TO: Steven E. Zane
Acting Inspector General for Audit
Office of the Inspector General

FROM: David J. Nelson **/RA/**
Chief Information Officer
Office of the Chief Information Officer

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE NUCLEAR
REGULATORY COMMISSION INFORMATION TECHNOLOGY
PROCUREMENT PROCESS (OIG-15-A-09)

The enclosed report responds to your memorandum, dated June 10, 2016, regarding actions that the U.S. Nuclear Regulatory Commission (NRC) has undertaken to address the two recommendations issued by the Office of the Inspector General (OIG), as described in the subject evaluation report, dated February 11, 2015. For each recommendation, the NRC's Office of the Chief Information Officer (OCIO) has reiterated the agency responses from March 13, 2015, October 30, 2015, and May 27, 2016, and provided the current status, target completion dates, and points of contact. The staff believes that the updated planned actions for resolving the two recommendations are responsive to OIG's analysis.

Enclosure:
As stated

CONTACT: Menelik Yimam, OCIO/PMPD/IPMB
(301) 415-0200

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DATE	10/24/2016	09/19/2016	09/19/2016	09/23/2016	11/4 /2016	11/ 9 /2016

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STATUS OF RECOMMENDATIONS:

AUDIT OF THE NUCLEAR REGULATORY COMMISSION INFORMATION TECHNOLOGY PROCUREMENT PROCESS (OIG-15-A-09)

Recommendation 1

Develop and implement selection criteria for use by the ITB and other IT governance groups in reviewing IT procurement proposals.

Agency Response Dated March 13, 2015:

The Office of Information Services (OIS) will collaborate with the Office of Administration (ADM) and the various Information Technology (IT) governance bodies to develop a document describing the selection criteria for use in reviewing IT procurement proposals. The process will be implemented upon approval by the governance bodies.

Agency Response Dated October 30, 2015:

On September 28, 2015, the CIO approved a revision to the Capital Planning and Investment Control Policy and Process Overview (ML15247A497) that included criteria to be used to determine the IT investments, projects, and activities that best support the NRC mission and current business needs.

Implementation of the select criteria for use in reviewing IT acquisitions has been delayed due to new requirements being placed on IT procurements by the Office of Management and Budget (OMB). On June 10, 2015, OMB issued Memorandum M-15-14, "Management and Oversight of Federal Information Technology," which provides guidance on implementing the Federal Information Technology Acquisition Reform Act (FITARA). The new requirements require updating the existing selection criteria to reflect the changes.

Memorandum M-15-14 required the agency to submit to OMB an initial self-assessment of agency FITARA implementation and a plan to complete implementation by December 31, 2015. On October 14, 2015, OMB provided their initial feedback on the submitted self-assessment and implementation plan. OIS and ADM staff are currently working to address OMB's concerns and expect to meet the December 31, 2015 due date for implementation. Once OMB approves the Agency's implementation plan, OIS, in collaboration with ADM, will proceed with developing new or modifying existing IT selection policies and processes to ensure continued compliance with the new requirements. The new or revised processes will be implemented upon approval by the governance bodies.

Enclosure

Agency Response Dated May 27, 2016:

Actions taken and planned: The selection criteria has been developed and FITARA requirements have been established. However, OCIO is still developing the processes and the implementation plan. OCIO anticipates to complete this action in time for the next budget formulation cycle.

OIG Analysis (June 10, 2016):

The action proposed by the agency meets the intent of the recommendation. This recommendation will be closed after OIG reviews the document describing the selection criteria and determines it was implemented for reviewing IT procurement proposals.

Status: Resolved.

Current Status:

Attachment 1 presents the Select Process and Criteria developed by OCIO for use in reviewing IT investment proposals prior to initiation of procurement activities. This is consistent with the process used in March 2016 to review and prioritize IT investments for inclusion in the FY 2018 IT budget request that is currently being considered by the Commission. In addition, OCIO briefed the ITB again with additional detail on October 18, 2016, to explain the select process and criteria for use by the ITB and other IT governance groups. (See the related meeting agenda in Attachment 5.) This briefing resulted in the ITB's acceptance of the process and criteria for use in reviewing future IT procurement proposals and for developing the alternative budget scenarios for the FY 2019 IT budget request. OCIO requests that Recommendation 1 be closed.

Target Completion Date: Completed

Point of Contact: Menelik Yimam, 301-415-0200

Recommendation 2

Develop and implement a communication plan to educate NRC customers on IT procurement criteria and the role of NRC's governance structures in reviewing and approving IT procurement proposals.

Agency Response Dated March 13, 2015:

OIS and ADM will develop a joint communication plan to educate NRC customers on the complete IT procurement process and criteria, including the role of U.S. Nuclear Regulatory Commission's governance structures in reviewing and approving proposed IT requirements.

Agency Response Dated October 30, 2015:

In parallel with the activities in Recommendation 1, OIS and ADM will develop a joint communication plan to educate NRC customers on the complete IT procurement

process and criteria, including the role of U.S. Nuclear Regulatory Commission's governance structures in reviewing and approving proposed IT requirements.

Agency Response Dated May 27, 2016:

Actions taken and planned: The communication plan is being developed in parallel with the selection and approval process.

OIG Analysis (June 10, 2016):

The action proposed by the agency meets the intent of the recommendation. This recommendation will be closed after OIG (1) reviews the communication plan to determine if it contains information to educate NRC customers on IT procurement criteria and the role of NRC's governance structures in reviewing and approving IT procurement proposals and (2) determines whether it has been implemented.

Status: Resolved.

Current Status:

Attachment 2 presents the Communication Plan for the NRC Information Technology Select Process. This plan is intended to educate NRC customers about the agency's IT investment criteria and the role of the NRC's governance bodies in reviewing and approving IT proposals prior to initiation of procurement activities.

The information provided in this communication plan was used to brief the IPEC in April 2016, to explain the process and criteria used to develop the alternative budget scenarios for the FY 2018 IT budget request. (See slides 7 and 8 in Attachment 3, and the related meeting minutes in Attachment 4.) That information enabled the IPEC to consider the various scenarios and support the recommended alternative for FY 2018.

In addition, OCIO briefed the ITB again with additional detail on October 18, 2016, to explain the select process and criteria for use by the ITB and other IT governance groups. (See the related meeting agenda in Attachment 5.) This briefing resulted in the ITB's acceptance of the process and criteria for use in reviewing future IT procurement proposals and for developing the alternative budget scenarios for the FY 2019 IT budget request. OCIO requests that Recommendation 2 be closed.

Target Completion Date: Completed
Point of Contact: Menelik Yimam, 301-415-0200

Attachments:

- 1) NRC Information Technology Select Process and Criteria
- 2) Communication Plan for the NRC Information Technology Select Process and Criteria
- 3) FY18 IT/IM Budget Request (IPEC Briefing)
- 4) IPEC Meeting Minutes, April 5, 2016
- 5) ITB Meeting Agenda, October 18, 2016