

APR 30 1987

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Mr. K. Dean Helms
Deputy Director of Administration (MA-2.1)
Department of Energy
1000 Independence Ave., SW
Washington, D.C. 20585

Dear Mr. Helms:

As we discussed with you in December and February, we have several concerns about the development of your Licensing and Support System (LSS). These fall into three categories:

1. LSS procurement and implementation
2. Coordination with the NRC
3. Implications for future system development efforts

We recognize that you have made several improvements in your RFP since we first reviewed it, and at this stage we do not want in any way to interfere with your contractual process. Our concern remains that the basic requirement for LSS is a full text search and issue/record tracking mechanism and there are many similar systems in use today. We would like to avoid an expensive system development effort which repeats many existing capabilities. While some of your requirements may be unique maximizing the use of existing or off-the-shelf products will provide some very large payoffs.

Although a stated goal of the system is to "support the NRC licensing system," there are, at least as far as we are able to determine, currently no guidelines for what the NRC licensing system will require. That definitely calls into question the criterion for judgment on how proposals meet that goal. We also understand that no NRC representative will participate on the selection panel, minimizing their involvement in development of the LSS. We want to meet jointly with you and NRC representatives to discuss this problem, and we will follow-up with a meeting date.

We have several concerns that relate to future systems development efforts of this sort at Energy. As we discussed, we thought that the Department's requirements were vague and imprecise and that this would greatly increase the difficulty of evaluating responses and is likely to cause confusion in the vendor community. In the future we urge the Department to be more specific on what you require. We are also concerned that contracts which provide system development on a cost plus basis do not provide proper incentives for a contractor to develop

cost-effective solutions. We think the Department should be emphasizing fixed price products, and maximizing the use of off-the-shelf software to meet well defined requirements.

Additionally, as discussed in the 1988 Management Report, there are 17 Presidential Priority Systems, which "because of their size, complexity, sensitivity or because they represent new precedent-setting applications of technology" warrant continuing top management priority. We have designated the Licensing Support System as one of these. Our primary interests in reviewing these systems are to ensure that:

- o the objectives of the project as defined in the 1988 Management Report are still valid and will be accomplished,
- o the approach taken by the Department is feasible and cost-effective,
- o the latest proven technologies are used, and
- o barriers to its use are removed.

After award of the contract for the LSS, we will want to follow-up with a review of how these objectives are being met, as well as how our specific concerns are being addressed.

Sincerely,

Signed

Hermann Habermann
Chief, Information Technology
Management Branch
Office of Information and
Regulatory Affairs

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