

June 3, 2002

MEMORANDUM TO: Stuart Reiter  
Chief Information Officer

FROM: Michael L. Springer, Director            **/RA/**  
Office of Administration

SUBJECT: IT PROJECT PROPOSAL SCREENING FORM FOR  
THE DCPM E-INVOICE PROJECT

Attached is the Office of Administration's IT Project Proposal Screening Form to continue and enhance the NRC's Division of Contracts and Property Management (DCPM) aggressive pursuit of electronic invoicing (E-invoicing) which is a significant part of DCPM's E-Procurement Initiative. The E-Invoice Project is designed to streamline and simplify the acquisition administration process for those external entities wishing to do business with the agency as well as for internal staff.

The mission needs driving this project are directly linked to federal legislative and policy direction. The Government Paperwork Elimination Act (GPEA), P.L. 105-277, requires agencies, by October 2003, to provide for the (1) option of electronic maintenance, submission or disclosure of information, when practicable as a substitute for paper; and (2) use and acceptance of electronic signatures when practicable. Federal E-Government policy is enunciated in the President's memorandum of December 17, 1999, "Electronic Government." In this memorandum, the President called on Federal agencies to simplify external and internal business processes through the use of information technology.

We look forward to receiving approval of this proposal so that we may continue with this important E-Government project. If you have any questions, please contact Susan Hopkins (SBH) at 415-6514.

Attachment: As stated

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## IT PROJECT PROPOSAL SCREENING FORM

**Sponsoring Office:** ADM/DCPM/PAOB

**Contact Name/Phone:** Susan Hopkins

**Project Title:** DCPM E-Invoice Project

**Date (form completed):** May 20, 2002

### 1. PROJECT DESCRIPTION

**Describe the components of the project. Describe the capabilities and functionality of the database, application, or system that the project will produce.**

The NRC's Division of Contracts and Property Management's (DCPM's) overall electronic procurement (E-procurement) initiative is completion of an acquisition model which will pass data electronically among NRC Program offices, DCPM, the Chief Financial Officer (CFO), and the agency's external contracting customers from the very start of a defined requirement until the requirement is completed and closed out.

DCPM has met the initial phase of this E-procurement initiative through its active use of the Internet to reduce the burden on businesses competing for the agency's contracting opportunities as well as to reduce the contracting burden on internal staff. These E-procurement strategies include:

- Posting all pre-solicitation notices and solicitations exceeding \$25,000 including sources sought and sole source notices on the FedBizOpps website at <http://www.fedbizopps.gov>. The FedBizOpps website is the single point of universal electronic public access to Government-wide procurement opportunities.
- Posting notices of written Requests for Quotations (RFQ) between \$10,000 and \$25,000 on the DCPM website at <http://www.nrc.gov/ADM/CONTRACT/contract.html>.
- Completing a pilot test under the Federal Acquisition Streamlining Act which included posting procurements on the DCPM Internet homepage and receiving past performance information electronically on this single webpage location. Although the original legislated authorization for the test has expired, the agency is seeking to continue testing of these procedures.
- Streamlining the paper-intensive ordering and payment functions through increased use of the Purchase Card. Use of the Purchase Card is mandatory for all micro-purchases at the NRC.

The technology central to all of DCPM's future E-procurement initiatives must provide a system that is secure and user-friendly to the firms doing business with the agency as well as to NRC staff. The technology must ensure that contracting information is received at the time, date, and place specified by the NRC, proprietary data is not disclosed, and electronic signatures can be verified. Finally, the technology must ensure that agency software can easily interface with popular software used by the public (e.g., Microsoft Windows) to gain access to and download NRC contracting information.

## **2. BUSINESS MERIT**

**In this section, describe the business problem the project will solve.**

The focus of this IT PROJECT PROPOSAL SCREENING FORM is the completion of a system to electronically receive, track, pay, and store paper invoices submitted by the NRC's commercial and non-commercial contracting customers for their services to this agency. This project is referred to as DCPM's "E-Invoice Project."

### **2.1 OBJECTIVES**

**What are the mission needs driving this project?**

The mission needs driving this project are the Government Paperwork Elimination Act (GPEA), P.L. 105-277, which requires agencies, by October 2003, to provide for the (1) option of electronic maintenance, submission or disclosure of information, when practicable as a substitute for paper; and (2) use and acceptance of electronic signatures when practicable; and the President's memorandum of December 17, 1999, which calls on Federal agencies to simplify external and internal business processes through the use of information technology.

Completion of an electronic invoice payment, tracking, and storage database will help the Office of Administration to meet its mission goal to streamline and simplify the agency's acquisition process by continuing to reduce the administrative burden for internal clients as well as for those entities contracting with the NRC. The objective of the E-Invoice project is to:

- capture invoice data once and eliminate the need to re-enter the same invoice data in multiple applications and/or systems,
- reduce errors and inconsistencies created by multiple entry of the same invoice data in different systems,
- reduce the current burden of staff and management to compile, review, and approve invoices,
- create program efficiencies and improve program management by maximizing the sharing of information among program and regional offices,
- reduce the amount of time a commercial or non-commercial customer must wait to receive payment.

### **2.2 CURRENT SITUATION**

**Briefly describe the current approach used to solve the identified business problem. Identify any deficiencies of the current approach. Identify any ongoing, planned or scheduled enhancements or improvements to the current approach. Identify any applicable ongoing, planned or scheduled supplementary, complementary or closely**

**related projects. Include an estimate of the annual contractual and staff costs (obtain assistance from OCIO to prepare this information, if necessary):**

Currently, DCPM and the CFO's Division of Accounting and Finance receive, process, and approve over 3,000 paper invoices each fiscal year. The current process relies on aging electronic data input equipment which can no longer be maintained cost effectively, as well as multiple, separate systems throughout the agency to track payments and record the progress of invoices received for approval. Efforts to streamline the process to electronically receive, track, pay, and store invoices have been hampered by a lack of a secure database to receive and transmit proprietary information to appropriate staff for invoice review and approval.

The current system and DCPM's required improvements are described below:

- Invoice Tracking System

The current 18-step internal invoice routing and approval process is pictured in Attachment 1. Each invoice is manually entered into both DCPM's Invoice Tracking System (ITS) and a tracking system which is a part of the Federal Financial System, used by the CFO's Division of Accounting and Finance. These systems are not linked to each other nor are they linked to any other invoice tracking system, or similar system, which may be used by the program offices.

DCPM seeks to work with the Chief Information Officer (CIO) and the CFO to complete an agency-wide system to receive, track, pay, and store invoices from commercial and non-commercial sources doing contracting with the agency. This system could also give businesses the on-line ability to inquire about the status of invoice payments. A projected electronic system to receive invoices is pictured in Attachment 2.

DCPM will require the CIO's assistance to prepare an estimate of the annual contractual and staff costs involved in meeting the DCPM E-Invoicing Project's objectives. DCPM will also require the CIO's assistance to develop a schedule to implement the DCPM E-Invoicing Project.

### **2.3. BENEFITS OF PROPOSED PROJECT**

**What are the anticipated or expected, quantifiable benefits of this project? Describe the projected merits of the project in the following areas:**

- (A) staff (FTE) savings
- (B) monetary savings and cost avoidance
- (C) specific quantifiable performance or service improvements
- (D) other quantifiable benefits

**What are the non-quantifiable or qualitative benefits of this project?**

**Describe any projected, non-quantifiable merits of the project in areas such as safety, service quality, improvements in efficiencies of service delivery or mission support, and accuracy of information useful for carrying out the agency's mission.**

DCPM anticipates that the electronic invoices will significantly reduce data entry and improve data integrity. The results will be significant service improvements to internal customers and external commercial and non-commercial customers in accordance with the DCPM mission to streamline and simplify the agency's acquisition process.

## **2.4 RETURN ON INVESTMENT (PRELIMINARY ANALYSIS)**

**In this section the sponsor should present their best case for receiving approval to apply seed money to prepare a business case for the proposed project. As best as is possible at this preliminary stage, the sponsor should explain why the anticipated benefits identified above are expected to outweigh the anticipated costs that are likely to be identified during the preparation of the business case. Why is moving forward on the proposed project preferable to inexpensive, minor enhancement or improvement to the existing system or application?**

The existing stand-alone databases are slow, difficult to maintain, heavily paper-based, and require staff to re-enter the same information to accommodate separate databases. DCPM will do an analysis of the full savings for an integrated database to receive, track, approve, and store invoices as a part of the Business Case.

## **3. BUSINESS CASE ISSUES**

### **3.1 OUTCOME MEASURES**

**What outcome measures could be used to judge the success of the proposed project? An example might be "This project is expected to reduce the time required to review and issue a new material license by \_\_\_%." Another might be "This project is expected to eliminate the need for 10 legacy systems and result in savings of \$\_\_\_\_\_ per year beginning in Fiscal Year \_\_\_\_\_."**

The DCPM E-Invoice Project will reduce the amount of time used to:

- prepare tracking "Review and Approval" forms for transmittal to Project Officers for invoice approval,
- track the status of an invoice payment in response to requests from individual contractors,
- research and correct funding balances for separate contracts as a result of duplicate entry of accounting information into separate systems.

### **3.2 PROCESS BENCHMARKING AND REDESIGN**

**Describe background and project preparatory activities conducted to date. Which of the following have been accomplished: (a) Benchmarking - comparison of NRC business practices and operations with "best practices" in other organizations? (Identify specific**

practices and organizations.) (b) Process optimization - consideration of ways to change agency operations to improve efficiency and effectiveness? (Describe how current NRC processes will be improved in conjunction with this project.)

(NOTE: If this section does not address specifics as identified immediately above, the sponsor should include the following statement, “Benchmarking and best practices will be addressed during the preparation of the Business Case.”)

Benchmarking and best practices will be addressed during the preparation of the Business Case.

**3.3 INTEGRATION WITH BUSINESS AREA PLANS**

What business areas, functions, and processes does the proposed project support? (The sponsor should underline the business functions the proposed project supports on the list attached to this form at page 5.) What is the relationship of the project to current plans for the business area as a whole, i.e., what is the relationship of the proposed project to other existing or planned applications systems? What existing systems, if any, will the new system replace? (The sponsor should provide a list of systems to be replaced.)

Would the proposed project, once it is an operating system or application, require data that already exists in other systems? (Sponsor should provide a list of types of data that the proposed project will process.) What are the plans for integration and data sharing with other systems?

The agency-wide shared financial database system envisioned under the DCPM E-Invoice Project will integrate financial and tracking data.

**4. OTHER INFORMATION:**

Please provide any additional information which will be relevant to the review of the project and the preparation of the business case.

**5. BUSINESS AREA CONTEXT:**

The business areas supported by the proposed project are highlighted in “boldface” type.

“MISSION-RELATED” BUSINESS AREAS	“SUPPORT” BUSINESS AREAS
<b>MANAGEMENT DIRECTION AND OVERSIGHT</b> Providing Direction Planning Organizing Monitoring and Evaluation	<b>ACQUISITION MANAGEMENT</b> <b>Program Direction</b> <b>Planning Acquisitions</b> <b>Pre-Award Process</b> <b>Award Process</b> <b>Post-Award Administration</b>

"MISSION-RELATED" BUSINESS AREAS	"SUPPORT" BUSINESS AREAS
<p><b>INSPECTIONS, INVESTIGATIONS, AND ENFORCEMENT</b></p> <ul style="list-style-type: none"> <li>Program Direction</li> <li>Planning Inspections and Investigations</li> <li>Performing Inspections and Investigations</li> <li>Documenting Inspections and Investigations</li> <li>Performing Enforcement</li> </ul>	<p><b>FINANCIAL MANAGEMENT</b></p> <ul style="list-style-type: none"> <li><b>Program Direction</b></li> <li><b>Budget Planning Management</b></li> <li><b>Funds Control</b></li> <li><b>Accounting</b></li> <li><b>Review/Audit</b></li> </ul>
<p><b>LICENSING/APPROVAL</b></p> <ul style="list-style-type: none"> <li>Program Direction</li> <li>Receiving Application</li> <li>Performing Technical Review</li> <li>Performing Legal/Adjudicatory Review</li> <li>Decision Making</li> </ul>	<p><b>FACILITIES AND PROPERTY MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>Program Direction</li> <li>Facility Operations</li> <li>Property Operations</li> </ul>
<p><b>IDENTIFYING AND ASSESSING SAFETY CONCERNS</b></p> <ul style="list-style-type: none"> <li>Program Direction</li> <li>Scoping Concerns</li> <li>Obtaining/Communicating Information</li> <li>Determining Significance</li> <li>Taking Action</li> </ul>	<p><b>INFORMATION RESOURCES MANAGEMENT</b></p> <ul style="list-style-type: none"> <li><b>Program Direction</b></li> <li><b>IT Infrastructure</b></li> <li><b>Information Systems</b></li> <li><b>Information Management</b></li> <li><b>Records Management</b></li> </ul>
<p><b>RULEMAKING</b></p> <ul style="list-style-type: none"> <li>Program Direction</li> <li>Developing Rulemaking/Regulatory Guide Plan</li> <li>Formulating Initial Package</li> <li>Formulating Subsequent Packages</li> </ul>	<p><b>HUMAN RESOURCES MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>Program Management</li> <li>Recruiting, Hiring, Selection</li> <li>Managing Compensation</li> <li>Managing Staff Utilization</li> <li>Providing Organization Management</li> <li>Managing Workplace Environment</li> <li>Managing Labor-Management Relations</li> <li>Providing Staff Training and Development</li> </ul>
<p><b>EXTERNAL AFFAIRS</b></p> <ul style="list-style-type: none"> <li>Program Direction</li> <li>Information Collection</li> <li>Information Transmission/Notification</li> <li>Representation</li> <li>External Assistance</li> <li>Coordination with External Organizations</li> </ul>	

## **DEFINITIONS:**

**APPLICATION SYSTEM:** Computer hardware, software and procedures designed to capture, store, manipulate, retrieve and report data/information. For purposes of this Screening Form, single-user, personal productivity applications (e.g., a spreadsheet which is not shared), scientific codes and any associated high-performance computing equipment are not included.

**BUSINESS CASE:** The justification and implementation plan of a project. It must include requirements identification, cost-benefit-risk analysis of alternatives, and a project management plan which includes detailed plans for staffing, spending, and schedule.

**COMMERCIAL AND NON-COMMERCIAL ENTITIES:** These terms represent commercial businesses, federal agencies, and universities doing business with the NRC. The term also includes individuals submitting unsolicited proposals.

**INFRASTRUCTURE:** Includes hardware, software, services, equipment, and components necessary to support local and enterprise-wide information technology requirements. This includes desktop systems, customer service, network components and services, telecommunications components and services, operational support, and maintenance.

**INSTALLED OPERATIONAL SYSTEM:** A project enters into the “installed operational system” phase when it has been installed and tested, users are trained, and the sponsor has formally accepted the system, application, enhancement, or infrastructure augmentation.

**INFORMATION TECHNOLOGY (IT):** The hardware and software operated by the NRC or by a contractor of the NRC or other organization that processes information on behalf of the NRC to accomplish an agency function, regardless of the technology involved, whether computers, telecommunications, or others.

**IT PROJECT PHASE:** A proposed IT investment becomes a project when its functional requirements are identified, it has been approved to proceed, it is funded, it has a project team in place and it has a project work plan defined. It remains a project until it is canceled or it produces an installed operational system.

**LIFE CYCLE COSTS:** For purposes of the CPIC analysis, life cycle cost is the project cost (see definition below) plus 5 years of operations and maintenance costs. They do not include the “pre-project” or planning costs which are considered “sunk” or spent.

**MAJOR MODIFICATION TO AN APPLICATION SYSTEM:** Changes to an existing application system, hardware or software, that go far beyond slight adjustments to the functionality. Adjustments including significant equipment and/or hardware changes or many data elements, reports, queries and process changes would be considered major. Adding, deleting or changing a few data elements or a few reports/queries would be considered a minor enhancement or maintenance.

**NEW APPLICATION SYSTEM:** Automation of a manual process or changes to an existing application significant enough to require a complete system rewrite.

PROJECT COST: (See definition of IT Project Phase above.) Cost incurred during the IT project phase, including costs incurred by support offices. Includes full time equivalents (FTEs). Project cost differs from Life Cycle Cost which includes operations and maintenance.

RETURN ON INVESTMENT (ROI): Determining ROI essentially requires answering the questions, "What are we getting for our money and other resources spent on a project?" and "Is the 'sum' of the estimated benefits and expected outcomes greater or less than the 'sum' of the estimated budget and resources that will be required for the project and its resulting application?" The estimated benefits and outcomes may be quantifiable or non-quantifiable. ROI should take into account the risks associated with the project and its resulting application.