Part I: Capital Asset Plan and Business Case (All Assets)

Agency	US Nuclear Regulatory Commission
Bureau	N/A
Account Title	Salaries and Expenses
Account Identification Code	31-0200-0-1-276
Program Activity	Management and Support
Name of Project	Human Resource Management System (HRMS) and Cost Accounting (formerly Starfire Agencywide Financial and Resource Management System)
Unique Project Identifier: (IT only)(See section 53.7)	429-00-01-01-01-1010
Project Initiation Date	
Project Planned Completion Date	Completed Implementation in FY02

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

Project/useful segment is funded:	Incrementally	X	Fully		
Was this project approved by OMB for previous Year Budget Cycle?	Yes	X	No		
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		
	Although not formally part of the current plan, it is a major part of this year's annual planning process and will be incorporated into the annual performance plan.				
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 53 for definition)	Yes	X	No		
For information technology projects only:					
a. Is this Project a Financial Management System? (see section 53.2 for a definition)	Yes	X	No		
If so, does this project address a FFMIA compliance area?	Yes	X	No		
If yes, which compliance area?		SFFAS No. 4			
b. Does this project implement electronic transactions or record keeping that is covered by the Government Paperwork Elimination Act (GPEA)?	Yes		No	X	
If so, is it included in your GPEA plan (and does not yet provide an electronic option)?	Yes		No		
Does the project already provide an electronic option?	Yes		No		
c. Was a privacy impact assessment performed for this project?	Yes	X	No		
d. Was this project reviewed as part of the FY02 Government Information Security Reform Act review process?	Yes	X	No		

In accordance with the Freedom of Information Act, exemptions 5
FOIA- 2002-244

A/21

d.1 If yes, were any weaknesses found? d.2. Have the weaknesses been incorporated into the agency's corrective action plans?	Yes Yes		No No	X*	
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	
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 as above as national critical infrastructures?	Yes		No	X	

* GISRA Review is not complete, final report pending for HRMS. A review has not been conducted for the cost accounting system, which is planned to be reviewed as part of the FY 2003 GISRA Review process.

** Preparations for NRC's Project Matrix Review are just underway. The Review will not be completed until the first Quarter FY 2003, at the earliest.

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	0.5	0.45	0	0
Outlays	0.5	0	0.45	0
Acquisition :				
Budgetary Resources	13.4	0.9	0.13	1.25
Outlays	12.1	1.9**	0.13	1.25
Total, sum of stages:				
Budgetary Resources	13.9	1.35	0.13	1.25
Outlays	12.6	1.9**	0.58	1.25
Maintenance:				
Budgetary Resources	0.5	2.3	2.9	2.6
Outlays	0.5	2.3	2.9	2.6
Total, All Stages:				
Budgetary Resources	14.4	3.65	3.03	3.85
Outlays	13.1	4.2	3.48	3.85

I.A. Project Description

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

Description

This project was submitted in prior fiscal years as Starfire, the Agencywide Financial and Resource Management System. As was discussed in the fiscal 2003 OMB 300 the Starfire agencywide system was downsized, and we are now focusing on individual components of the original project.

d.1 If yes, were any weaknesses found? d.2. Have the weaknesses been incorporated into the agency's corrective action plans?	Yes Yes		No No	X*	
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	
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 as above as national critical infrastructures?	Yes		No	X	

* GISRA Review is not complete, final report pending for HRMS. A review has not been conducted for the cost accounting system, which is planned to be reviewed as part of the FY 2003 GISRA Review process.

** Preparations for NRC's Project Matrix Review are just underway. The Review will not be completed until the first Quarter FY 2003, at the earliest.

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	BY+1 2005	BY+2 2006	BY+3 2007	BY+4& Beyond	Total
Planning:									
Budgetary Resources	0.5	0.45*	0	0	0	0	0	0	0.95
Outlays	0.5	0	0.45	0	0	0	0	0	0.95
Acquisition :									
Budgetary Resources	13.4***	0.9	0.13	1.25****	0.25	0	0	0	15.93
Outlays	12.1	1.9**	0.13	1.25	0.25	0	0	0	15.63
Total, sum of stages:									
Budgetary Resources	13.9***	1.35	0.13	1.25****	0.25	0	0	0	16.88
Outlays	12.6	1.9**	0.58	1.25	0.25	0	0	0	16.58
Maintenance:									
Budgetary Resources	0.5	2.3*****	2.9*****	2.6*****	2.6*****	2.6*****	2.7*****	13.5******	29.7
Outlays	0.5	2.3	2.9	2.6	2.6	2.6	2.7	13.5******	29.7
Total, All Stages:									
Budgetary Resources	14.4***	3.65	3.03	3.85	2.85	2.6	2.7	13.5	46.58***
Outlays	13.1	4.2	3.48	3.85	2.85	2.6	2.7	13.5	46.28

Cost estimates for BY+4 and beyond are $3.5 million per year.
Beginning with this reporting, FTEs converted to dollars are included in the figures shown for FY 02 forward in the budgetary resources and outlays.
At a 6/28/02 meeting, OMB gave OCIO the following guidance for estimating resources: If a person spends 50% or more of their time on the IT project, round up to 1.0 FTE. The HRMS sponsor concluded that rounding to full FTEs would inflate the number of resources assigned to this project. Therefore, the FTE estimates for HRMS reflect a summation of partial FTEs.

* HR budgetary resources that were transferred to OCFO
** Includes accrued expenditures from previous year of approximately $1M.
*** *Approximately $300K of budget authority expired.*
**** *(1) A planning wedge of $500K for HR and $500K for OCFO to support HRMS since vendor does not support current version of software beyond FY 2003. (2) Justification of increase: anticipated hardware/software purchases related to possible upgrade.*
*****IT Security costs allocation included: FY02 - $72K, FY03 - $70K, FY04 - $67K, FY05/06/07 - $72K
****** Represents estimated useful life to FY 2012.

HRMS steady state: The NRC Human Resources Management System (HRMS) consists of Human Resources, Payroll, and Time and Labor modules, and is the agency's system of record. It is the repository for HR's official employee records, is used to collect and approve-time worked and the tasks performed and to generate the biweekly payroll. The HRMS interfaces with other critical agency systems such as fee billing, cost accounting, and the standard general ledger.

Cost accounting DME (development/modernization/enhancement) phase: The cost accounting system produces reports to meet the financial reporting requirements of Statements of Federal Financial Accounting Standards (SFFAS) No. 4 and the internal use software capitalization requirements of SFFAS No. 10. The cost accounting system enables NRC to reallocate costs, trace allocation paths, and provide multidimensional analysis; it provides managers with cost data on a periodic basis to assist them in making better-informed decisions.

HRMS upgrade project, planning phase: The vendor will no longer support the current version of the HRMS application software as of September 2003. We will prepare a CPIC business case analysis to evaluate alternatives to determine the future direction the agency should take.

The chart below displays the components of the initial concept of Starfire and the components of the current project of HRMS:

Starfire (Initial Concept)	HRMS (Last Year)	HRMS (Current)
Human Resources	Human Resources	Human Resources
Time and Labor	Time and Labor	Time and Labor
Payroll	Payroll	Payroll
Cost Accounting	Cost Accounting	Cost Accounting
Travel Management	Travel Management	
Core Accounting		
Debt Management/Fee Billing		
Budget Formulation		
Procurement		
Property		

The fiscal year 2003 OMB 300 also included the travel module as still a viable module of this project. However, based on the results of two pilots tests held within the agency it was decided to not implement this module at this time.

The HRMS and cost accounting are keystones to completing a remediation plan to implement SFFAS No. 4. In 1999, the OIG had stated the agency was in substantial non-compliance with FFMIA because it had not implemented SFFAS No. 4; managers were not being provided with cost information to assist them in making better informed decisions.

CPIC

With the concurrence of the agency's Executive Council, the Starfire system implementation has been downsized in an effort to focus on the modules of the project which were immediately most important to the agency. The project has been focused on the modules for human resources, time and labor, payroll, and cost accounting. The remaining modules initially part of Starfire, such as core accounting, procurement, travel management, and budget formulation, have been postponed and a determination on future procurement will be made after FY 2002, with implementation beyond FY 2003. Any decision to proceed with these remaining modules will be dependent upon future and separate Capital Planning and Investment Control (CPIC) analyses.

Two Capital Planning and Investment Control business cases were performed in the original planning

for Starfire. They included a life-cycle cost analysis and a benefits/costs analysis. The initial analysis encompassed the core accounting system and its related financial/resource systems. This analysis was later supplemented with a review of the costs and benefits related to the essential basic human resources system component needed to support the achievement of HRMS and cost accounting's complete functional objectives (namely, labor cost distribution and cost accounting). In both instances, alternatives (including Status Quo) were identified and a cost benefit analysis was performed, resulting in NRC selecting not only the lowest cost alternatives, but also those which are expected to deliver the most benefit to the agency in a timely manner.

Two analyses supported the selection of PeopleSoft HRMS. The cost/benefit analysis of alternatives completed for the HRMS/STARFIRE CPIC provided the foundation for justifying implementation. A complete assessment and recommendations regarding the human resources information technology environment was completed in March 1997 under a Federal contract (FEDSIM Contract Number FS00K96AJD0012, Task Order K0096AJ9611, TAC C90030, Computer Sciences Corporation).

Status

The project now has two distinct systems: HRMS using PeopleSoft software, and cost accounting using Armstrong Laing and COGNOS software. In addition, as PeopleSoft will only maintain the version of their software we are currently using until September 2003, we are evaluating the cost/benefit of upgrading to PeopleSoft's current version or using an alternative for HRMS. We will address all three of these areas within this exhibit and separate them where possible. HRMS has been operational since November 4, 2001. The cost accounting system is planned to become operational during the first quarter of FY 2003.

I.A.2. What assumptions are made about this project and why?

HRMS and cost accounting will continue to utilize the agency's existing/planned hardware and software infrastructure and other new capabilities as they are made available, such as document and workflow processing, and where appropriate electronic signature, that are being implemented under other agency initiatives.

The HRMS and cost accounting have been and will be customized only to meet Federal regulations or specific requirements approved or requested by NRC senior management.

The cost accounting and other agency legacy applications interface with HRMS for labor hours and salary costs. Labor hour reporting through HRMS is essential to the agency's ability to comply with SSFAS 4.

At this time, we will continue to maintain the HRMS system, which is comprised of COTS products by PeopleSoft, the vendor, and cost accounting, which is comprised of COTS products by Armstrong-Laing and COGNOS, the vendors.

As these systems are keys to agency compliance requirements, the COTS products will be maintained as patches, fixes, and updates are issued by the vendor.

The vendor will no longer support the current version of the HRMS application software as of September 2003. We are, therefore, in the process of evaluating whether to upgrade the current system or if an alternative for HRMS operations would be cost effective.

NRC will comply with the federal government and agency policy governing human resources systems and other related management laws. We are participating in the E-Gov initiative; and as such when evaluating HRMS alternatives, we will consider approaches which enable HRMS to be in alignment with the E-Gov plans, such as standardized use of web-based systems.

I.A.3 Provide any other supporting information derived from research, interviews, and other documentation.

In the early phases of the HRMS implementation, NRC conducted several interviews and made inquiries into the development history of PeopleSoft HRMS software implementations at other Federal Agencies. The HRMS/Starfire team evaluated and subsequently selected PeopleSoft's Federal Payroll software application for integration with HRMS/Starfire's core accounting system. Additionally, we learned that PeopleSoft had a software module that tracked Time & Labor functionality that would support NRC's labor tracking and reporting requirements and would integrate seamlessly with PeopleSoft Payroll. During HRMS/Starfire's evaluation of the PeopleSoft products, it was learned that in order to implement PeopleSoft's Time & Labor and payroll applications, NRC must also implement PeopleSoft's Human Resources application. Also, as part of an earlier effort, the Office of Human Resources (HR) had already determined that PeopleSoft's Federal HR application was the best product available to meet HR's functional, operational, and general requirements. Thus, having determined that PeopleSoft's Federal application provided the best overall HRMS solution for the agency, HRMS/Starfire team was authorized to purchase PeopleSoft's "Federalized" Payroll, Time & Labor, and Human Resources suite of products.

I.B. Justification (All Assets)

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

The HRMS system supports the agency mission and goals by making available human capital and financial information to NRC managers to help them effectively and efficiently implement NRC programs. The previous mix of aging systems fell significantly short in meeting the functional requirements of the agency and its program managers. Prior to HRMS, the Office of the Inspector General noted NRC's financial system deficiencies in the annual audit of financial statements. The HRMS project has added business process efficiencies as anticipated through this modernization initiative.

NRC Mission: To regulate the Nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of the public health and safety, to promote the common defense and security, and to protect the environment.

NRC's Strategic Goals	NRC Strategies	Support	How Does Your Initiative Support this NRC Goal or Corporate Management Strategy?
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.			

NRC's Strategic Goals	NRC Strategies	Support	How Does Your Initiative Support this NRC Goal or Corporate Management Strategy?
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			
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			
4. International Nuclear Safety Support: Support U.S. interests in the safe and secure use of nuclear materials and in nuclear non-proliferation			
NRC Corporate Management Strategy 1: Employ innovative and sound business practices	We will strengthen collaborative processes for conducting business among support offices and between support and program offices. We will find new and better ways of doing business to increase the effectiveness and efficiency of operations. We will create and maintain a planning, budgeting, and performance management process that is focused on outcomes and provides and effective tool for setting goals, allocating resources, tracking progress, measuring results, and identifying areas for improvement.	X	• The reported hours and related salary costs from HRMS are processed through the cost accounting system. The cost accounting system is designed to assign and allocate direct/indirect costs to NRC offices and programs. • The integrated human resources, payroll, and labor cost system established a single entry vehicle for human capital initiatives, payroll, fee billing, manpower tracking, labor cost and managerial cost accounting. • The cost accounting system produces reports to meet both the financial reporting requirements of SFFAS #4 and, the internal use software capitalization requirements of SFFAS #10. Cost management reports are being provided to NRC managers. This system will be coordinated with NRC efforts to improve performance measurement and to improve the budget structure in support of performance measurement.

NRC's Strategic Goals	NRC Strategies	Support	How Does Your Initiative Support this NRC Goal or Corporate Management Strategy?
NRC Corporate Management Strategy 2: Sustain a high-performing, diverse workforce.	We will recruit, hire, and retain, a high-quality, diverse workforce with skills needed to achieve our mission and goals. We will base our human resource decisions on sound workforce planning and analysis.	X	• HRMS is the foundation for basic human resources, benefits, and training administration. HRMS provides the underlying support system for all the Human Resources Information System (HRIS) initiatives. HRIS will provide accurate, timely, and useful human resources information to managers so they can make informed decisions about hiring, utilizing, training, promoting, appraising, and rewarding staff. HRMS provides accurate, timely, and useful human resources information to employees so they can make informed employment and benefits decisions. The electronic benefits statement and the electronic earnings and leave statement are two examples of how this human resources information is provided to employees. • HRMS provides all the education and work history data used by the Strategic Workforce Planning system.
NRC Corporate Management Strategy 3: Provide proactive information management and information technology services.	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. We will make it easier for the staff to acquire, access, and use the information they need to perform their work. We will improve the ability of the NRC and external entities to conduct our mutual business electronically.	X	▪ Our financial management systems will be maintained and updated on a regular basis so that we can continue to provide human resources, financial, managerial and cost data in a timely and efficient manner. ▪ We will seek to incorporate input from program and support partners, as we develop an agency plan to provide and sustain an accurate level of detailed labor cost data. The maintenance and enhancement of the HRMS and Cost Accounting system will assist the agency in continuing to meet its reporting and fiduciary responsibilities in an increasingly demanding and changing technological environment. ▪ HRMS produces the external interfaces to Treasury, Federal Reserve Board, Thrift Savings Plan Board, Office of Personnel Management, National Treasury Employees Union, National Directory of New Hires, and Social Security Administration in electronic file formats. All the interface files are transmitted electronically to the external entities.

NRC's Strategic Goals	NRC Strategies	Support	How Does Your Initiative Support this NRC Goal or Corporate Management Strategy?
NRC Corporate Management Strategy 4: Communicate strategic change.			

Before implementing HRMS, the NRC's existing financial and mixed financial/administrative systems minimally met the agency's requirements and were inflexible when implementing new requirements. An agency project team documented a significant and immediate need for new financial systems. The project team's report, "Agencywide Financial Management System Development Plan" (March 1997), provided the foundation for the HRMS business case.

A significant goal of HRMS is to improve the efficiency and effectiveness of financial and resource management in the agency and, at the same time, provide the NRC with a system that will be easily modified to comply with changing government-wide statutes, regulations, accounting standards, and guidance.

Maintaining HRMS will ensure we continue to support the agency's mission, strategic goals and objectives, and critical business processes, in an efficient and effective manner that is consistent with the President's Management Agenda and government-wide initiatives.

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

The funding of HRMS is justified by its support of four of the five key elements in the President's Management and Performance Plan.

Presidents Management Agenda (PMA)	Supports	How Does Your Initiative Support This PMA Item?
Human Capital	X	This system supports the agency mission and goals by making available human capital and financial information to NRC managers to help them effectively and efficiently implement NRC programs.
Competitive Sourcing		
Financial Performance	X	By providing for a single point of data entry, this integrated system improves the efficiency and effectiveness of financial and resource management in the agency. HRMS and cost accounting provides for an automated and integrated approach to conduct agency-wide financial, human capital, and other resource functions, including cost accounting, payroll, labor cost distribution and human resources.
E-Government	X	We continue to enhance our system to optimize the use of electronic forms of communication and documentation. We recently developed an electronic Earnings and Leave Statement (e-ELS) which is now available to all NRC employees through the HRMS. Also, we are in the planning stages of possibly upgrading to a web-based application which will further the HRMS system's alignment with E-Gov initiatives and provide increased electronic self-service to employees.
Budget and Performance Integration	X	HRMS and cost accounting will provide key support to NRC managers and staff conducting the agency programs in pursuit of NRC's Strategic Plan and Performance Plan. Cost accounting information supports the

Presidents Management Agenda (PMA)	Supports	How Does Your Initiative Support This PMA Item?
		agency's corporate management strategy (Performance Plan) to employ innovative and sound business practices by strengthening "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." This strategy underlies the performance goals to make the NRC activities and decisions more efficient and effective, and to increase public confidence.

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

No. The NRC considered cross-servicing; however, cross-servicing options did not allow for the capture of employee time by task. This would have left the agency in the position of not meeting the requirements of SFFAS 4, and thereby leaving the agency with a material weakness on its financial statements. In addition, cross-servicing, would not provide a means for achieving the agency's goal of providing an "integrated, single-source" system approach and would obstruct an objective to integrate financial and other program information within the NRC's technical and systems infrastructure.

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

Not applicable because there are no alternative sources in the public or private sectors that could perform this function.

I.B.5. Who are the customers for this project?

NRC employees and managers

I.B.6. Who are the stakeholders of this project?

The stakeholders of the HRMS project are listed below. The stakeholders for HRMS and Cost Accounting have been defined by their input or receipt of information.

Internally of NRC

- Employees
- Managers
- Office of Chief Financial Officer, including payroll, accounting, budget, and fee billing functions
- Office of Human Resources
- Office of Chief Information Officer

Externally

- US Office of Personnel Management
- US Social Security Administration
- US Department of Treasury
- US Department of Health and Human Services
- Thrift Savings Plan Board
- State and local taxing authorities
- Licensees

- National Treasury Employees Union
- Fitness Center

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

Not applicable because this is not a multi-agency initiative.

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

The project charter and related background materials of Starfire/HRMS detail several specific goals and objectives such as high functionality, geographic indifference, improved data quality and decision support, and intuitive user interface ("friendliness"). As indicated in the charter, financial and programmatic success largely hinge upon HRMS's ultimate utility: enabling the agency to function in a more efficient and effective manner.

HRMS steady state
The HRMS has replaced fragmented, incomplete and costly financial systems previously in use within the agency. These systems reside on agency infrastructure. Acquisition and deployment of HRMS was focused on following a best-practices approach, utilizing commercial off-the-shelf (COTS) software with as little customization as possible. This approach enabled work processes and reporting processes to benefit from automation advantages available through HRMS and cost accounting. Also, the system has an emphasis on a single point-of-origin entry, capturing information once, thereby eliminating costly duplicate entry. It provides improved access to financial information for program managers. In addition, NRC avoided significant timesharing costs by maintaining the system in-house.

Cost accounting DME (development/modernization/enhancement) phase
Prior to the current cost accounting system, cost analysis involved considerable effort in extracting information from various sources and there was no consistency in how such analysis was done. Managers will now be provided with cost data on a periodic basis to assist them in making better-informed decisions. The cost accounting system, like other parts of HRMS, resides on NRC agency infrastructure. The acquisition and development of a cost accounting system has been focused on following a best-practices approach, utilizing COTS software with no customization. The cost accounting system also relies on a single point of entry for capturing data for the system.

HRMS upgrade project, planning phase
Maintaining HRMS or a similar system with comparable functionality, will ensure that the agency's mission, strategic goals and objectives, and critical business processes, continue to be supported in an efficient and effective manner that is consistent with the President's Management Agenda and government-wide initiatives.

I.B.9. List all other assets that interface with this asset _fee billing and core accounting_. Have these assets been reenigineered as part of this project? Yes____, No_X_.

However, the front end of the fee billing system has been streamlined as a result of the implementation of HRMS.

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

Fiscal Year	Strategic Goal(s) Supported	Existing Baseline	Planned Performance Improvement Goal	Actual Performance Improvement Results	Planned Performance Metric	Actual Performance Metric Results
2002 – 2007	NRC Corporate Management Strategy 1: Employ innovative and sound business practices	100% current with updates and in compliance with federal regulations and policies on payroll and time and labor reporting.	Maintain current updates to ensure compliance with federal regulations and policies.	Current with updates and in compliance with federal regulations and policies.	100% current with updates and in compliance with federal regulations and policies on payroll and time and labor reporting.	100% current with updates and in compliance with federal regulations and policies on payroll and time and labor reporting.
2002 – 2007	NRC Corporate Management Strategy 1: Employ innovative and sound business practices	Published the FY 2000 statement and received an unqualified opinion.	Maintain quality of input for the agency's annual financial statement.	Published the FY 2001 statement and received an unqualified opinion.	Maintain status of unqualified opinion for FY statements.	Published the FY 2001 statement and received an unqualified opinion.
2002-2007	NRC Corporate Management Strategy 1: Employ innovative and sound business practices	Timeliness 100% Accuracy 99% Payments made electronically 99.9%	Maintain timely and accurate payment of all employees.	Timeliness 100% Accuracy 99% Payments made electronically 99.9%	Maintain timeliness of 100% Maintain accuracy of 99% Improve payments made electronically to 100%	Timeliness 100% Accuracy 99% Payments made electronically 99.9%
2004	NRC Corporate Management Strategy 3: Provide proactive information management and information technology services.	(New goal)	Improve user/customer satisfaction for HRMS and cost accounting.	Will be realized next year.	Improve usability by eliminating deficiencies cited in past information systems surveys. Level of satisfaction to be measured with customer survey.	Will be realized next year.
2003	NRC Corporate Management Strategy 3: Provide proactive information management and information technology services.	(New goal) Status: quarterly cost accounting reports have been distributed to NRC managers in February 2002 for first quarter of FY 2002, and in May 2002 for second quarter of FY 2002.	Improve access by agency program managers to current financial and performance information.	Will be realized next year.	Number of program managers able to obtain financial and performance data and utilizing it for day-to-day decision-making.	Will be realized next year.

The performance goals illustrated in the abovementioned table are continuing guide posts for HRMS and cost accounting. As the implementation of HRMS was completed in November 2001, we are in the process of realizing the actual performance metrics.

I.D. Program Management [All Assets]

I.D.1. Is there a program manager assigned to the project? If so, what is his/her name?

John E. Bird, Project/Business Manager, Office of the Chief Financial Officer, (301) 415-7274.

I.D.2. Is there a contracting officer assigned to the project?

George M. Mathews III, Technical Manager and Contracting Officer's Technical Representative, Office of the Chief Information Officer, (301) 415-7224.

Sharon D. Stewart, Contracting Officer, Division of Contracts and Property Management, (301) 415-7314.

I.D.3. Is there an Integrated Project Team? If so, list the skill set represented,

Integrated, Cross-Functional Project Team
A dedicated Project Team was established to assure the successful implementation of HRMS. Full-time team members were assigned from key functional areas within the NRC. This central team was led by a Project/Business Manager, John E. Bird, from the Office of the Chief Financial Officer (OCFO). A Technical Manager and Contracting Officer's Technical Representative, George M. Mathews III, was assigned from the Office of the Chief Information Officer. Also, a Contracting Officer, Sharon D. Stewart from the Division of Contracts and Property Management was assigned to support this effort. Other dedicated supporting team members (functional representatives for each of the modules and end users) provide a broad and diverse perspective on this initiative.

Skill Set Represented
NRC had established a central HRMS team and a number of full-time Applications Teams who focused on specific components of the system: Cost Accounting, Transition and Training, Payroll/Human Resources/Time and Labor, and Travel. Each of these teams coordinated with the central team. Team members throughout the agency were carefully chosen to assure success of the project.

Since its inception, selected senior managers were involved in HRMS. Management continued to fully participate in the development process. A formal project charter had been developed which delineates the membership and roles of the managerial structure overseeing HRMS: Team Members, Team Managers (Project, Business, Technical), and Steering Committee. Communication between these tiers of the project's organizational structure was frequent and effective.

I.D.4. Sponsor / Owner: ___X___ *Yes* _____ *No*

The Chief Financial Officer and the Director of Human Resources are joint owners of the project.

PART II: Additional Business Case Criteria for Information Technology

II. A Enterprise Architecture

II.A.1. Business

II.A.1(A) Is this project identified in your agency's enterprise architecture? If not, why?

Yes, the HRMS has been identified in NRC's in-progress enterprise architecture (EA).

II.A.1(B) Explain how this project conforms to your departmental (entire agency) enterprise architecture.

The HRMS falls within the scope of NRC's baseline and target architectures. As such, this system supports the performance of the business functions identified in the agency enterprise business model, documented in the NRC publication, "NRC Enterprise Model," provides the data required by NRC's internal operations/infrastructure services human resources business area and utilizes products and components that are aligned with NRC's current application and technology standards and future direction as specified in 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 the 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.

Since its inception, compliance with the EA in its various iterations has been given priority consideration and has helped drive the technical requirements of HRMS. NRC's Technical Reference Model (TRM) was provided to potential software vendors during the initial software solicitation phase of the project. Products not adhering to the TRM were appropriately noted and costed-out during the review of software proposals. Technical interface requirements are documented to detail information on data that will be passed between HRMS and other NRC systems (either way), identify data edit requirements for completing the interfaces and provide information for error reports. Other technical aspects, such as certifying Year-2000 compliance and having the ability to run under NRC's existing and future operating systems were also carefully considered in the evaluation of proposals and products. "Portability" of data and information to other COTS applications throughout the NRC's desktop computing environment was included in the evaluation and this has been demonstrated with the modules we are currently implementing. This will help further ensure that unique office-specific data manipulation and reporting needs can be met with minimal software modification, thus enabling HRMS to achieve an important deployment goal: minimize customization.

The HRMS software is composed of COTS products. HRMS is interfaced with the NRC's existing core accounting system (FFS). The system is designed to fit within the agency's client-server and LAN infrastructure and is accessible via agency-standard microcomputer.

II.A.1(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 data that we have available.

FEABRM Lines of Business	FEABRM Subfunctions Supported
Human Resources (Internal Operations/Infrastructure Intra-Agency)	Advancement and Awards Benefits Management Labor Management Payroll Management Resource Training and Development Staff Recruitment and Employment
Financial Management (Internal Operations/Infrastructure Intra-Agency)	Cost Management

Lines of Business and Sub-Functions of the Federal Business Architecture

II.A.1(D) Briefly describe how this initiative supports the identified Lines of Business and Sub-Functions of the Federal Business Architecture.

The HRMS is a fully integrated employee database that is provided using the PeopleSoft Human Resources software. Personnel Action Requests are processed with this software and are integrated with the employee's payment history. Time reporting and collection at user's desktop is provided through PeopleSoft's Time and Labor module. Employees capture their time on a daily basis down to the detailed task level allowing NRC to determine the cost associated with specific activities. Payroll support is provided by the payroll module. Cost accounting is provided through third party software.

II.A.1(E) Was this project approved through the EA Review committee at your agency?

Yes, the HRMS and cost accounting were approved through the NRC EA Review committee.

II.A.1(F)What are the major process simplification/reengineering/design projects that are required as part of this initiative?

HRMS increases the automation and access of data, improves operating efficiency, and provides the agility and flexibility to adjust to and meet future business conditions and demands. HRMS meets many of the elements of Federal mandates and business drivers, including: the Government Paperwork Elimination Act; the Government Information Security Reform Act; the Clinger-Cohen Act; the Government Performance and Results Act; and the Privacy Act.

II.A.1(G) What are the major organization restructuring, training, and change management projects that are required?

Due to a restructuring of the administrative branch, employees/users are now able to call one help desk to gain information and answers about HRMS user activities.

As part of the implementation process, employees/users were trained on entering their own time in the HRMS system, which includes payroll and labor reporting data. New employees/users participate in the ongoing training of HRMS system users.

II.A.1(H) What are the lines of business involved in this project?

The primary NRC lines of business involved in this project are within the support business area:

HUMAN RESOURCES MANAGEMENT

- Program Management
- Recruiting, Hiring, Selection
- Managing Compensation
- Managing Staff Utilization
- Providing Organization Management
- Managing Workplace Environment
- Managing Labor-Management Relations
- Providing Staff Training and Development

FINANCIAL MANAGEMENT

- Program Direction
- Budget Planning Management
- Funds Control
- Accounting
- Review/Audit

The President's e-Government Task Force identified four government business lines: Government to Citizen, Government to Business, Government to Government, and Internal Efficiency and Effectiveness. Because HRMS supports improvement in the efficiency and effectiveness of financial and resource management in the agency, it also indirectly supports all NRC mission lines of business.

II.A.1(I) What are the Implications for the agency business architecture?

HRMS will improve efficiency and effectiveness of financial and resource management at NRC. Changes in the agency's business architecture were made to accommodate individual staff member entry of time reporting on a daily basis down to the detailed task level. This necessitated staff training and the development of appropriate supporting documentation. However, the core agency business architecture as portrayed in the NRC Enterprise Model has not undergone significant change.

II.A.2. Data

II.A.2(A) What types of data will be used in this project?

HRMS uses the following types of data:

- Human Resources
- Time and Labor
- Payroll
- Cost Accounting

II.A.2(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?

The data for HRMS is primarily generated by NRC as part of ongoing operations; however, a portion of the data and applications of the data for human resources, payroll, and cost accounting are provided by federal, state, and local government. For example, the data for income taxation is provided by federal, state, and local government.

II.A.2(C) 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?

No.

II.A.2(D) 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.

No spatial data is maintained.

II.A.3. Application and Technology

II.A.3(A) Discuss this initiative/project in relationship to the application and technology layers of the EA. Include a discussion of hardware, applications, infrastructure, etc.

Since its inception, compliance with the EA in its various iterations has been given priority consideration and has helped drive the technical requirements of HRMS. NRC's Technical Reference Model (TRM) was provided to potential software vendors during the initial software solicitation phase of the project. The HRMS project team has worked closely with the OCIO EA staff to ensure that appropriate standards and technologies are utilized within HRMS as the NRC EA continues to evolve. HRMS is a three tier client server architecture system built on PeopleSoft 7.51 platform, running on a Sun Microsystems Enterprise class Unix server (E5500) using the Solaris 8 operating system and Sybase 11.9.2 as its Database Management System. The PeopleSoft Application Server also runs on the Sun server. The clients, which attach to the Application Server, are NRC standard NT4.0 workstations which load the PeopleSoft interface from one of seven Novell Fileservers (based on geographical location of the client). The NRC WAN provides client to server connectivity. The HRMS project is in compliance with the current application and technology layers of the EA and insofar as EA migration planning has been addressed, should remain in compliance with any migration plan that is developed.

II.A.3(A)Are all of the hardware, applications, and infrastructure requirements for this project included in the EA Technical Reference Model? If not, please explain.

Yes, the HRMS acquisition strategy has been in compliance with the EA Technical Reference Model that is now undergoing revision. All hardware, applications, and infrastructure already identified for use with HRMS are supported in the Technical Reference Model and are expected to be included in NRC's migration plan. OCFO is working closely with the OCIO EA team to ensure that technology changes made in the EA are included in HRMS planning activities.

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)?

Security is provided and funded for HRMS and cost accounting by the CIO through the general support system/network. The OCIO provides funding and support for the security services provided by the underlying LAN general support system (GSS) upon which HRMS is relying.

II.B.1(A) What is the total dollar amount allocated to security for this project in FY04?

The total dollar amount allocated to security for this project in FY04 is $67,000.

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?

Yes. The HRMS has been certified and accredited, and is compliant with all security requirements for

GISRA, OMB policy, and NIST.

II.B.2(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?

Yes. The Security Plan is up to date and is compliant with OMB and NIST guidance. The date of the Plan is August 24, 2001.

An in-depth security methodology has been developed. It includes the following: risk assessment, system security plan, disaster recovery (contingency) plan, and certification and accreditation of the HRMS system.

All security controls are consistent with NRC architecture, will manage risk and protect privacy and confidentiality. The System Security Plan, along with the Security Test and Evaluation, documents the security features of the system. Any variances are explained in these documents and in the Certification and Accreditation Document.

II.B.2(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.

Certification and accreditation activities were completed on November 2, 2001. NIST approved methodology and processes were utilized. The HRMS is currently at NIST Level 5.

II.B.2(C) Have the management, operational, and technical security controls been tested for effectiveness? When were most recent tests performed?

Testing of security controls were completed as part of the certification testing conducted during 2001, completed on November 2, 2001.

II.B.2(D) Have all system users been appropriately trained in past year, including rules of behavior and consequences for violating the rules?

Yes. NRC conducts annual system security training, available to all users. Additionally, this is addressed in the Security Plan.

II.B.2(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?

NRC has recently implemented information systems security incident response procedures. These are part of the underlying security services provided by the NRC LAN general support system. The incident response procedures have been reviewed and approved by GSA's FedCIRC, and the NRC is reporting incidents to the GSA FedCIRC.

II.B.2(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?"

The Computer Security Act of 1987 requires every U.S. government IT system that processes sensitive information to have a System Security Plan (SSP) for the system's management and usage. It also requires all government employees, contractors, and others who directly affect federal programs undergo periodic training in computer security. All users of government IT systems must also receive computer security and awareness training corresponding to the sensitivity of the data to which they have access and responsibilities of the users.

OMB Circular A-130, Appendix III reinforces the Computer Security Act, which requires Federal agencies to provide for the mandatory periodic training in computer security.

The training contains, at a minimum, the following:

- Privacy act information protection: storage and disposal of sensitive information;
- General good business security practices;
- Reporting security incidents;
- Threats and vulnerabilities overview;
- Computer viruses;
- Password management;
- Internet usage;
- Software use: copyrights, downloading from the Internet, etc; and
- Personnel security: challenging strangers and escorting un-cleared personnel.

Contractor employees will be required to receive the same level of security awareness and training as federal employees. This training requirement will be included as appropriate in all contracts.

The HRMS is a major application installed at NRC headquarters. For the majority of security requirements, it relies on the security provided by the underlying NRC LAN general support system.

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?

There is no public access to the HRMS. Access controls are addressed through the overall NRC LAN/WAN GSS security infrastructure.

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

HRMS complies with The Privacy Act of 1974. The Privacy Act requires each agency maintaining a system of records to "establish appropriate administrative, operational, technical, and physical safeguards to insure the security and confidentiality of personal information and to protect against any anticipated threats or hazards to their security or integrity which could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom information is maintained."

This issue of handling personal information is addressed in the security controls that are designed in the HRMS application and the security services provided by the NRC LAN general support system. The security controls to ensure the system properly handles personal information was verified during system security certification testing.

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

HRMS contains personal information about individuals. A Privacy Impact Assessment 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.

The Government Paperwork Elimination Act of 1998 (GPEA) requires that by the end of fiscal year 2003, Federal agencies implement electronic maintenance, submission, or disclosure of information, when practical, as an optional substitute for paper.

The downsized HRMS database will include human resources information on all NRC employees and labor-cost distribution information. The information in these systems is not routinely released to the

public. Financial information, however, will be posted to the Treasury FFS system electronically consistent with the terms of the NRC/Treasury cross-service agreement. This project will be compliant with GPEA.

We have developed an electronic Earnings and Leave Statement (e-ELS) which is now available to all NRC employees. The e-ELS can be easily accessed through the HRMS Time and Labor System. The e-ELS is similar to the statement that is mailed home to employees every pay period. The e-ELS can be generated as early as Friday after the close of a pay period. The e-ELS was enhanced by adding the following information, useful for NRC employees:

> *Balance & Accrual: Calculates the current annual leave balance plus the hours of annual leave you can expect to accrue through the end of the leave year. When calculating this amount, the system assumes that you are in the current pay status for the rest of the year. Part-time employees will not have a Balance & Accrual amount, since they are not allowed to use accrued annual leave.*
> *Comp. to be Paid Next PP: When compensatory time hours exceed 40 or have expired, the payroll system will automatically schedule the hours for payment in the following pay period.*

User Access: All NRC employees
Intended Audience: All NRC employees
Intended Use: The e-ELS is intended for personal use by each employee

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

The date of the GPEA plan is September 9, 2001.

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

No OMB Paperwork Reduction Act (PRA) control numbers are from information collections tied to the HRMS investment. The same NRC forms for payroll and labor reporting operations are in use as before implementation of HRMS.