

July 20, 2017

MEMORANDUM TO: Brett M. Baker
Assistant Inspector General for Audits
Office of the Inspector General

FROM: Frederick D. Brown **/RA/**
Deputy Executive Director for Materials, Waste,
Research, State, Tribal, Compliance, Administration
and Human Capital Programs

SUBJECT: THE OFFICE OF THE INSPECTOR GENERAL'S AUDIT REPORT
OF THE NUCLEAR REGULATORY COMMISSION'S ADOPTION OF
CLOUD COMPUTING (OIG-17-A-16)

This memorandum responds to your June 20, 2017, memorandum transmitting the subject audit report. We are in general agreement with the Office of the Inspector General's (OIG) audit findings and recommendations.

The OIG audit report identifies two primary recommendations with regard to the development of project planning guidelines, and training of acquisitions and IT staff. Enclosed please find responses to the recommendations contained in the audit report.

Enclosure:
Responses to OIG-17-A-16 Recommendations

CONTACTS: Edwin Leong, OCIO/GEMS/EAB
(301) 415-6704

Subject: The Office of The Inspector General's Audits Report of The Nuclear Regulatory Commission's Adoption of Cloud Computing (OIG-17-A-16) Date: July 20, 2017

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THE OFFICE OF THE INSPECTOR GENERAL'S AUDIT REPORT OF THE NUCLEAR REGULATORY COMMISSION'S ADOPTION OF CLOUD COMPUTING (OIG-17-A-16)

Response to Recommendations

Recommendation 1: Develop guidelines for new IT cloud service contracts to include the following:

- a. use of thorough project planning to include cost estimates and budgeting
- b. monitoring cost to sustain delivery of services
- c. access to active and archived data
- d. exit strategies

Agency Response Dated
July 7, 2017

Since 2016 the Office of the Chief Information Officer (OCIO), in conjunction with the Acquisition Management Division of the Office of Administration, has developed planning guidelines for new information technology (IT) cloud service contracts that include project planning, service alternative analysis, and service cost analysis. The guidelines also include contract requirements on well-defined service levels, exit strategies, and data ownership. Additionally, OCIO included requirements for service delivery cost and service utilization monitoring in the Systems, Network, and Related Cross-Cutting Services blanket purchase agreement (BPA) call order Statement of Work of the Global Infrastructure and Development Acquisition BPA.

OCIO plans to review and enhance the current guidelines by the end of fiscal year (FY) 2017 to address access to active and archived data.

Target Completion Date: FY 2017 Quarter (Q) 4

Point of Contact: Edwin Leong, OCIO/GEMS/EAB, (301) 415-6704

Recommendation 2: Train NRC contracting and IT staff for new models of IT services.

Agency Response Dated
July 7, 2017

OCIO has provided IT training on the cloud service delivery models to the OCIO office management team and staff on March 20, 2017. OCIO will continue to expand our training to contracting and IT staff who support enterprise-wide cloud service contracts.

Target Completion Date: FY 2018 Q1

Point of Contact: John Beatty, OCIO/GEMS/EAB, (301) 415-5774

Enclosure