January 25, 2018

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

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

SUBJECT: STATUS OF RECOMMENDATIONS: 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 August 10, 2017, memorandum transmitting "Status of Recommendations: The Office of the Inspector General's (OIG) Audit Report of the Nuclear Regulatory Commission's Adoption of Cloud Computing (OIG-17-A-16)." The updated status to recommendations 1 and 2 are included in the enclosed.

Enclosure:
Status of Recommendations

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Response to Status of Recommendations: The Office of the Inspector General's Audit Report of the Nuclear Regulatory Commission's Adoption of Cloud Computing (OIG-17-A-16)
Date: January 25, 2018

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DATE	01/24/2018	01/24/2018	01/25/2018

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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

Status of 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, and
d. exit strategies.

Agency Response Dated July 20, 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 (SPA) call order Statement of Work of the Global Infrastructure and Development Acquisition SPA.

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 Q4

Agency Response Dated January 23, 2018: The Office of the Chief Information Officer (OCIO) has reviewed and enhanced the agency's strategies and guidelines and has updated the following documents to better address the recommendation: The NRC Cloud Computing Strategy (ML17354A636) and the Planning and Preparation Approach for Acquisition of Public Cloud Services (ML17352A737). The approach to assess costs is also enforced in a recent update of the Capital Planning and Investment Control process guidance (ML17349A083), as a principle for any IT investment.

Target Completion Date: Completed

THE OFFICE OF THE INSPECTOR GENERAL'S AUDIT REPORT OF THE NUCLEAR REGULATORY COMMISSION'S ADOPTION OF CLOUD COMPUTING

OIG-17-A-16

Status of Recommendations

Recommendation 2:	Train NRC contracting and IT staff for new models of IT services
Agency Response Dated July 20, 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
Agency Response Dated January 23, 2018:	OCIO has identified online cloud computing overview training (An Introduction to Basic Cloud Concepts) that is available in the NRC's learning management system and has deemed it sufficient to provide the required awareness of new models of IT services. All IT Contracting Officers Representatives (CORs) and Project Managers (PMs) in OCIO have been assigned this training as mandatory for completion by 3/30/2018. (The training will be expanded to remaining IT staff by FY 2018 Q3). Additionally, a resource document (ML18022B135) has been developed to provide supplementary guidance and information about external knowledge resources to benefit CORs and PMs who are planning or leading a cloud computing project. **Target Completion Date:** Completed