



Department of Energy
Germantown, MD 20874-1290

January 27, 2000

Mr. Theodore Sherr
U.S. Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, Maryland 20852

Dear Mr. *Ted* Sherr:

The purpose of this letter is to request participation by the Nuclear Regulatory Commission (NRC) in a proposed project review I am in the process of setting up to review the NMMSS Upgrade Project.

As you are aware, the Department of Energy (DOE) Office of Plutonium, Uranium and Special Materials Inventory assumed programmatic responsibility for the Nuclear Material Management and Safeguards System (NMMSS) from the Office of Nonproliferation and National Security (NN-40) in November 1999. At that time, NN-40 had tasked NAC International to undertake an upgrade of the NMMSS system that was to include moving to a fully-supported platform and the needed enhancements to NMMSS' reporting capabilities. NAC and NN-40 had completed the Planning Stage prior to my office assuming responsibility for NMMSS. As we discussed in our visit to NRC in early December, DOE is in the process of a corporate assessment of departmental databases or the Strategic Information Management (SIM) process. So that progress on the NMMSS upgrade will continue while DOE undertakes the corporate SIM, my office has signed a memorandum of agreement (MOA) with DOE's Office of Nuclear Materials Management Policy and the Chief Information Officer limiting the extent of the NMMSS upgrade to the specific needs of my office and those of the international community. The result of these events is that the scope of the upgrade for NMMSS has significantly changed from what NAC had originally planned to accomplish.

I am recommending that a project review be undertaken prior to the formal exiting from the Planning Stage of the NMMSS upgrade. I have requested assistance from our Chief Information Officer's office because they represent DOE's corporate knowledge in the area of Information Technology. As a co-sponsor of NMMSS, NRC also has a vested interest in the accomplishment of a successful upgrade of NMMSS. I am requesting that NRC participate with us in the project review. I am enclosing with this letter a draft proposal for a formal project review. I have identified clear deliverables with definite due dates for this combined effort because it is in everyone's best interest that we move forward

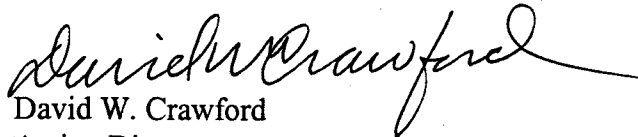


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with upgrading NMMSS to a fully-supported platform that meets all the data requirements of DOE, NRC, and the State Department in the area of international commitments. We can discuss this proposal more fully when we meet in Germantown on February 1. If you have questions in the meantime, please call me or Susanne Furr, the NMMSS Program Manager.

Sincerely,



David W. Crawford
Acting Director
Office of Plutonium, Uranium and
Special Materials Inventory

Enclosure

cc:

B. Horn, NRC
S. Furr, SO-23

Background:

Programmatic management for the NMMSS transferred from the Office of Nonproliferation and National Security to the Office of Security and Emergency Operations on November 19, 1999. The NMMSS Upgrade Project, a plan to update the NMMSS to a new platform and add enhancements to meet user needs, has been underway since February 1999. The upgrade planning stage, including development and approval of the Software Project Management Plan and Feasibility Study, concluded on October 28, 1999.

The new Office of Plutonium, Uranium, and Special Materials Inventory (SO-23), as the new owner/manager of the NMMSS, has data needs that this upgrade project will have to fulfill.

Concurrently with this upgrade effort, the Policy Office (PO-3) is conducting a Nuclear Materials Stewardship Initiative (NMSI) Strategic Information Management (SIM) process to propose a DOE corporate system for nuclear material stewardship in keeping with the direction given the Department by Congress in the FY 2000 Budget. An MOA between PO-3 and SO-23, signed January 6, 2000, limits the extent of the NMMSS upgrade to those refinements that are essential to SO-23, NRC, and certain international requirements. These events have resulted in the scope of the proposed NMMSS upgrade being significantly reduced from the original plan.

Review Proposal:

Given that SO-23 has inherited the NMMSS Upgrade Project after the conclusion of the planning stage and the NMMSS upgrade scope has been reduced, it is proposed that a Project Review of the NMMSS Upgrade Project be conducted.

The scope for this proposed project review for the NMMSS Upgrade Project should include review of project schedules, cost estimates, technical approach, system development and, in addition, address the following areas:

- (1) A review of the requirements for the upgrade, as well as review of further actions and needs in order to finalize plans and to make final decisions on how to proceed with the upgrade
- (2) Consideration of the possible need to use an independent software development company to program or manage the NMMSS upgrade
- (3) Consideration of the cost and time implications of using an independent software developer versus having NAC International perform these functions
- (4) Reach an agreement on a detailed breakout of software development sub-tasks in terms of schedules and activities to facilitate tracking and review of software development

It is recommended that a Project Review Committee be established to conduct this review consisting of representatives from the two Agencies providing funding for NMMSS, *i.e.*, DOE's Office of Security and Emergency Operations and the U.S. Nuclear Regulatory Commission, and be chaired by a representative from the DOE Chief Information Officer's Staff.

The deliverables from this joint review will consist of a final report within 45 days from the end of the project review that will contain, in addition to consideration of the topics listed above, either a recommendation to proceed with the NMMSS upgrade as currently developed or definitive recommendations on how to proceed that can form the basis for a revised upgrade project plan.