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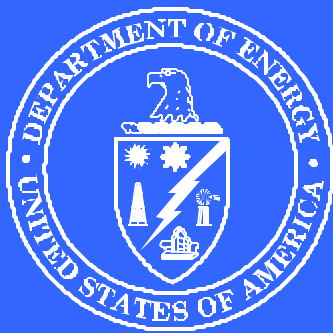
INSPECTION REPORT

INSPECTION OF CONCERNS RELATING
TO THE MANAGEMENT OF
THE SAVANNAH RIVER
OPERATIONS OFFICE
LEARN/POWER
INFORMATION SYSTEM

MARCH 2001

**U.S. DEPARTMENT OF ENERGY
OFFICE OF INSPECTOR GENERAL
OFFICE OF INSPECTIONS**

U.S. DEPARTMENT OF ENERGY
Washington, DC 20585

March 13, 2001

MEMORANDUM FOR THE SECRETARY

FROM: Gregory H. Friedman /s/
            Inspector General

SUBJECT: INFORMATION: Report on "Inspection of Concerns Relating to the
            Management of the Savannah River Operations Office LEARN/POWER
            Information System"

BACKGROUND

The Office of Inspector General (OIG), U.S. Department of Energy (DOE), received information
that the Savannah River Operations Office (Savannah River) continued to develop, implement,
and market a human resource information system, despite the establishment of a Departmental
information system entitled the "Corporate Human Resource Information System" (CHRIS).

We recently sent you our audit report of the Department's "Corporate and Stand Alone
Information Systems Development" (DOE/IG-0485). In that audit, we concluded that the
Department has spent at least $38 million developing duplicative information systems. Also,
despite efforts to implement several corporate-level applications, duplicative and/or redundant
computer systems exist or were under development at virtually all organizational levels within
the Department. Further, many organizations continued to invest in custom or site-specific
development efforts that duplicated corporate systems. This was despite Departmental guidance
to the contrary. This inspection report compliments our audit by addressing one significant site-
specific development effort and by providing additional details concerning challenges facing the
Department's implementation of corporate-level applications.

RESULTS OF INSPECTION

- The OIG found that from Fiscal Year 1998 through April 2000, Savannah River authorized
  the expenditure of over $989,000 to develop, upgrade, and implement the Savannah River
  human resource information system, essentially duplicating and weakening DOE's corporate
  effort.

- The OIG concluded that Department officials responsible for CHRIS have supported
  continual spending on non-corporate systems, thereby defeating the purpose of establishing
  CHRIS as the Department-wide system.

We provide management with recommendations that, if implemented, would strengthen the corporate initiative and end spending on duplicate systems. Management's comments were responsive to the recommendations.

Attachment

cc: Office of the Deputy Secretary
    Administrator, National Nuclear Security Administration
    Acting Assistant Secretary for Environmental Management
    Acting Director of Management and Administration
    Acting Chief Information Officer
    Chief Financial Officer
    Manager, Savannah River Operations Office

INSPECTION OF CONCERNS RELATING TO THE MANAGEMENT OF THE SAVANNAH RIVER OPERATIONS OFFICE LEARN/POWER INFORMATION SYSTEM

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Overview

INTRODUCTION
AND OBJECTIVE

The Office of Inspector General (OIG), U.S. Department of Energy (DOE), received information that the Savannah River Operations Office (Savannah River) continued to develop, implement, and market a human resource information system, entitled the Local Educational and Administrative Requirements Network (LEARN)/Primary Organizational Web-Based Employee Records (POWER),[1] despite the establishment of the Corporate[2] Human Resource Information System (CHRIS).

The objective of this inspection was to review whether the actions of Savannah River resulted in weakening the corporate training initiative, and eventually the DOE corporate CHRIS initiative, by authorizing expenditure of almost $1 million to continue development, implementation, and marketing of POWER.

**OBSERVATIONS
AND CONCLUSIONS**

The OIG found that from Fiscal Year 1998 through April 2000 Savannah River authorized the expenditure of over $989,000 to develop, upgrade, and implement POWER; essentially duplicating and weakening DOE's corporate effort. In addition to Savannah River's actions, the OIG found that Department officials responsible for CHRIS have supported continual spending on non-corporate systems, thereby defeating the purpose of establishing CHRIS as the Department-wide system. The merits of the POWER application were not evaluated as part of this review.

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[1]LEARN refers to the system during the time period from 1990 to fall 1997, while POWER refers to the same system which was reprogrammed, placed on a database, and called POWER from fall 1997 to the present.
[2]For purposes of this report the term "corporate" and "Department-wide" are interchangeable.

Details of Finding

The Corporate Training Effort

On May 3, 1995, the Secretary of Energy issued a report entitled "Saving Dollars and Making Sense," the Strategic Alignment Issue Paper AD-9, "Training." AD-9 addressed establishment of a corporate training approach and a Training Reengineering Team. Between May 1995 and August 1997, Savannah River placed an official on the Department's Training Reengineering Team as a key member.

The Corporate HR System

OMB Circular No. A-130, Revised, "Transmittal Memorandum No. 3," issued February 8, 1996, states that when an Agency is acquiring information technology it shall: "(b) Acquire off-the-shelf software from commercial sources, unless the cost effectiveness of developing custom software to meet mission needs is clear and has been documented." The purchase of the PeopleSoft Human Resources Management System (renamed CHRIS by DOE) on September 26, 1996, was intended to be consistent with Office of Management and Budget guidance and the Clinger-Cohen Act of 1996/Information Technology Management Reform Act (Clinger-Cohen Act) for purchasing commercial off-the-shelf items.

CHRIS was planned as an integrated human resource information system in which separate functions, such as personnel and training, use the same database. A DOE Headquarters report, dated August 9, 1996, entitled "Strategic Information Management Project Results and Business Case Analysis," found that six distinct Savannah River human resources information systems, including LEARN, could be replaced by a commercially off-the-shelf application, CHRIS.

The implementation of CHRIS was the subject of a September 2000 OIG Office of Audit Services audit of the Department's "Corporate and Stand Alone Information Systems Development" (Report IG-0485). In that audit, the OIG concluded that the Department has spent at least $38 million developing duplicative information systems. Also, despite efforts to implement several corporate-level applications, duplicative and/or redundant computer systems exist or were under development at virtually all organizational levels within the Department. Further, many organizations continued to invest in custom or site-specific development efforts that duplicated corporate systems. This occurred despite Departmental guidance to the contrary.

In response, the Chief Information Officer generally concurred with the report's recommendation to require program and field

offices to adhere to the Department's information technology architecture.

Weakening the Corporate Effort

In 1990, Savannah River designed a training information system called the Local Educational and Administrative Requirements Network (LEARN). LEARN was developed as a non-integrated training information system and was later shared with other DOE field and program offices.

During 1995 and 1996, Savannah River was involved in the Department's efforts at establishing a corporate approach to training. When CHRIS was purchased by DOE, Savannah River sent representatives to CHRIS training implementation meetings. However, once DOE Headquarters determined not to use the LEARN design or build a bridge between the two systems, and CHRIS software would be used for development of the departmental training system, Savannah River no longer sent representatives to CHRIS meetings. Instead, in the fall of 1997, Savannah River reprogrammed LEARN, placed it on a database duplicating the CHRIS system database, and renamed the system POWER. Savannah River has continued to develop POWER, integrating a personnel function to the training function.

In August 1997, the Department revised its "Corporate Information Management Guidance." The guidance states that "Individual Departmental Elements should not commit the expenditure of funds for the upgrade of existing or development of new human resource information systems without close consultation with and agreement by the Deputy Assistant Secretary for Human Resources and the Chief Information Officer."

In memoranda dated November 25, 1997, and January 7, 1998, the Department clearly indicated the decision had been made to use CHRIS for the training module. In our judgment, this corporate decision made continued expenditures for a POWER training module inconsistent with the Department's approach. At the time, at least one Savannah River official had the same view. We found that on January 2, 1998, a former Savannah River training official, wrote that due to duplication and resource constraints, the "entire direction and timing of this vast initiative [POWER]. . . to re-engineer HR processes at SR is wrong."

The Department training community held a meeting in February 1998. A Savannah River official stated that it was understood that "a corporate training information management system was under development." However, Savannah River sent a representative to

the February 1998 meeting "to discuss the status of the corporate wide training system . . .[and] provide a demonstration of POWER's capabilities." According to a former Rocky Flats Field Office training official, Savannah River was hoping to convince the training community to integrate POWER into the CHRIS module. After the meeting it was clear to Savannah River that the decision to use the CHRIS Training Administration Module was "apparently already made." Savannah River "decided not to have a representative" on the CHRIS Training committee. Savannah River claimed that it "was in process of establishing the new integrated training and HR organization and did not have available resources to support the committee."

Savannah River's Information Management Technology Division (IMTD) was created in June 1996 as a result of the Clinger–Cohen Act, which directed Federal agencies, among other things, to use commercial off-the-shelf products. An IMTD official explained that system applications that are developed for a specific purpose are funded through the Savannah River office developing the system. IMTD interfaces with that office to ensure that application development of a system provides the service for which it was intended. However, IMTD did not interface with the Savannah River office that developed POWER. The OIG determined that IMTD was not aware of POWER's development until February 1999 when IMTD assistance was needed for network security.

Another IMTD official said that IMTD oversees Savannah River contractor activities in computer information technology except for contractors working for the Savannah River office responsible for Human Resources. This IMTD official said that in November 1999, he told a Savannah River official that POWER duplicated the functionality of other systems purchased for the Department and he was concerned that POWER was in conflict with the Clinger-Cohen Act. The IMTD official said the Savannah River official assured him there was no conflict with the Clinger-Cohen Act because POWER did not duplicate CHRIS, and POWER was funded from training funds.

Headquarters Initiatives

The success of the initial phase of CHRIS implementation was achieved through the support and joint efforts of program and field human resources community offices. However, the OIG was told that completion of CHRIS has been difficult due to inconsistent business practices and technology challenges of 20 field and 25 Headquarters offices. Additionally, CHRIS officials informed us they realize that offices may need to continue their local automated systems until the CHRIS system can provide services needed. The

OIG notes that this stance by CHRIS officials was taken in the "Corporate Information Management Guidance," which allowed offices to continue use of local systems, but discouraged spending funds on upgrading existing or developing new systems.

However, in August 1999, officials from the DOE Headquarters and officials from Savannah River agreed that Savannah River would not market POWER and there would not be an interface between POWER and CHRIS. Following that meeting, Savannah River continued to develop human resource functions in POWER. Additionally, Savannah River demonstrated POWER to the Office of Personnel Management and to the Savannah River contractor as a "Single-source, integrated Personnel and Training information system."

On March 3, 2000, officials from Headquarters made a formal request to Savannah River, "We hope [emphasis added] you will begin to work with us . . . by immediately taking the following steps . . . . Suspend any further development or enhancements of POWER to provide your site with added cost savings and/or avoidance."

However, subsequent to the March 3, 2000, attempts to curtail POWER, on March 9, 2000, a Headquarters CHRIS official, commented to management that POWER's new personnel benefit statement had not been a function of POWER prior to February 2000. Additionally, Savannah River had violated the agreement with Headquarters by not clearing or coordinating new developments within POWER through the CHRIS Board of Directors. On March 21, 2000, a Headquarters CHRIS official informed management that "All these integrated HR functions and features currently operating and under develop [sic] in POWER duplicate CHRIS. Permitting (or acquiescing to) the growth and expansion of POWER contradicts the Secretary's management efficiencies initiative to eliminate HR redundant systems." Additionally, since March 2000, the plans to further develop POWER have continued. As late as August 2000, Savannah River announced plans for POWER to contain an "electronic signature" function.

Two Savannah River officials have stressed that POWER is neither a duplication nor in competition with CHRIS. However, the OIG obtained correspondence claiming that POWER had developed certain functions ahead of the CHRIS system. This suggests that POWER may be competing with CHRIS.

The OIG notes that in accordance with the Clinger-Cohen Act, the Department's Chief Information Officer does have statutory authority to advise the Secretary of Energy that information systems throughout DOE, including POWER, be modified or terminated. Instead of initiating action to cease development of POWER, Headquarters officials have approved the Albuquerque Operations Office request to upgrade LEARN to POWER, essentially supporting a non-corporate system and allowing further expenditures for POWER. These actions serve to negate the Department's goal for a Department-wide system and the elimination of redundant systems.

RECOMMENDATIONS   We recommend that the Office of the Deputy Secretary[3] of Energy:

1. Direct all Headquarters and field offices to stop further development or upgrades of human resource systems in light of the ongoing implementation of CHRIS.

2. Direct Savannah River Operations Office to provide any and all programming and related information on POWER that is requested by the Office of the Chief Information Officer and/or Director of Management and Administration.

We recommend that the Manager, Savannah River Operations Office:

3. Ensure that the Information Management Technology Division interfaces with Savannah River business/system owners to provide an information technology perspective for future business/system development efforts, as required by the Clinger-Cohen Act.

MANAGEMENT COMMENTS   Management concurred with all recommendations in the draft report. Additionally, for each recommendation, the Director of Management and Administration (MA) provided a consolidation of comments from the offices to which the draft report was addressed.

Regarding Recommendation 1, "MA, in conjunction with the CIO, will also provide to the Deputy Secretary recommendations on establishing a formal process for: (1) approving office-specific applications that meet local human resource (HR) business requirements if such applications will not be provided for under the CHRIS project objectives for the HR community, managers and employees, and (2) planning the phase-out of existing HR systems based on the proposed goals and objectives of CHRIS and assessing the applications software investment if such systems are not immediately discontinued. In addition, MA will establish a mechanism to assure that Headquarters and Field organizations participate in the identification and planning of systems to address needed HR functionalities."

Regarding Recommendation 2, "DOE Management agrees with obtaining the information on POWER. Within 45 days of the final Inspection Report or upon receipt of the information from SR,

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[3]Department management advised the OIG that the Deputy Secretary was the official responsible for action on this recommendation and that, as such, the recommendation should be directed to the Deputy Secretary. Because a Deputy Secretary had not been appointed at the time of our final report, we have redirected this recommendation to the Office of the Deputy Secretary.

whichever is earlier, officials from MA and the CIO offices will contact SR for an initial discussion about the programming developed. In addition, we will initiate a site visit to review the features of the program and pursue obtaining the programming for features currently not available in CHRIS, as well as all documentation and specifications that would be required to perform an analysis of the system and its potential use."

Regarding Recommendation 3, "SR Manager concurs and has already taken action to assure its Information Management and Technology Division (IMTD) interfaces with SR business/system owners for future business/systems development efforts. SR issued the Information Management Program Manual (SRM 200.1.1A) on September 24, 1999. The manual specifies the Director, IMTD, as SR's Chief Information Officer (CIO) with primary responsibility to provide authoritative advice and assistance to the Manager, SR, and other senior managers to ensure SR information technology is acquired and information resources are managed consistent with the policies and procedures of the Clinger-Cohen Act/Information Technology Management Reform Act. The manual also establishes a formal Information Management and Technology Steering Committee with the responsibility to review all business/systems development efforts prior to initiation. Based on this corrective action, we recommend this item be closed."

In addition to the specific comments addressing the recommendations, "The SR Manager has indicated that he has taken actions to sensitize his subordinate managers and their staff to the issues and concerns discussed in the body of the OIG report. He has stressed to all senior staff the importance of their awareness of corporate initiatives and the need to assure that their efforts fully support and do not duplicate or hinder such initiatives."

INSPECTOR COMMENTS   Management's comments were responsive to the Recommendations. The OIG has incorporated management's general comments into the report where appropriate.

Appendix

SCOPE AND METHODOLOGY

The Office of Inspector General, U.S. Department of Energy, received information that the Savannah River Operations Office continued to develop, implement, and market a human resource information system, entitled the Local Educational and Administrative Requirements Network/Primary Organizational Web-Based Employee Records, despite the establishment of the Corporate Human Resource Information System.

In conducting this inspection, we identified and reviewed applicable Federal and DOE regulations. We interviewed current and former DOE officials and employees. We reviewed key records applicable to this inspection.

This inspection was conducted in accordance with Quality Standards for Inspections issued by the President's Council on Integrity and Efficiency.

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