



United States  
General Accounting Office  
Washington, D.C. 20548

151840

Accounting and Information  
Management Division

B-257520

June 9, 1994

The Honorable Hazel R. O'Leary  
The Secretary of Energy

Dear Madam Secretary:

The purpose of this letter is to inform you of our concerns regarding a Lawrence Livermore National Laboratory subcontract in support of the Department of Energy's International Nuclear Analysis (INA) program. We wanted to bring these concerns to your attention at this time because the current letter subcontract is due to expire on June 30, 1994, and Livermore plans to definitize this subcontract in the near future.

We are examining your efforts to develop the INA program as part of our review of the United States' nuclear materials tracking capabilities. As you know, the INA program is intended to provide a worldwide nuclear materials tracking capability. Systems development efforts for the program are being performed by a Livermore subcontractor and include developing a replacement version of Energy's existing Nuclear Materials Management and Safeguards System.

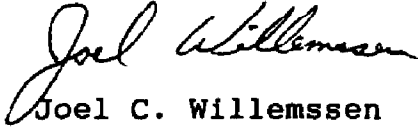
We have not yet completed our analysis as to whether the INA program has been adequately justified or whether good systems development practices were followed. However, in examining the current letter subcontract, we determined that certain contractual items should be clarified to protect the government's interests. For example, it is our view that the letter subcontract lacks a clear scope of work. In addition, the subcontract does not specify systems acceptance criteria, and provides no specific remedies in the event of system deficiencies.

We believe that the Department of Energy, in exercising its approval authority over the definitized subcontract, should make every attempt to ensure that the subcontract adequately protects the government's interests.

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We request that you inform us of the actions you have taken or intend to take regarding these concerns. If you have any questions, please contact me at (202) 512-6253 or Valerie C. Melvin, Assistant Director, at (202) 512-6304.

Sincerely yours,



Joel C. Willemsen  
Director, Information Resources  
Management/Resources, Community,  
and Economic Development

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