

Procurement Countdown

Fall 1997, No. 111

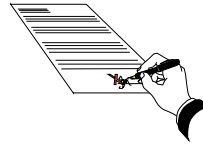
New Wave Contracting, A.K.A. the Consolidated Contracting Initiative

by Steve Parker, Kennedy Space Center

Is the Consolidated Contracting Initiative (CCI) the wave of the future? It sure seems so. After attending a NASA training class in early 1997 and hearing Dee Lee challenge contract specialists to be creative and do great things, I was pumped to give it a try. Here is one Contracting Officer's experience.

In 1996, Congress passed the Helium Privatization Act, which ended over 70 years of government helium production by the Bureau of Land Management, formerly known as the Bureau of Mines. If you've ever read FAR Part 8.5, the Bureau has been the required source of supply for federal helium users. Helium is used extensively throughout NASA as a purge gas for Space Shuttle operations and for cryogenic cooling of

various materials and processes. It is also fun at parties. With NASA being the largest single federal user of helium and the Kennedy Space Center (KSC) being the largest NASA user, it was crucial to find a reliable supplier for this commodity.



In October 1995, Bryan O'Connor, then Deputy Associate Administrator for Space Flight, directed KSC to "buy all helium for the Agency" in preparation for passage of the Helium Privatization Act. At the same time, Code H was developing its new and forward thinking approach to contracts called the Consolidated Contracting

Initiative. (Gee, maybe the HQ codes do talk to each other . . .) So the KSC Helium Acquisition Team planned a requirements-type contract to consolidate 22 NASA user destinations.

Buying Helium: A New Step

Helium, an industrial gas commodity, does not possess any unique features that would merit a best value approach or formal source evaluation procedures. Helium users merely want helium molecules, delivered on time, without contamination from other non-helium molecules. But NASA had never really bought helium before, we just sent money to the Bureau by MIPR, who in turn sent us molecules. Would sealed

(continued on page 2)

Highlights...

This issue of the *Procurement Countdown* highlights some of the interesting work done with the Consolidated Contracting Initiative (CCI).

There is a message from Deidre A. Lee about CCI on page 2.

Other articles about CCI are featured on pages 1, 5, 7, 10, 14, and 17.

Rita Svarcas talks about her years in Moscow on page 4.

Stories about awards and the people who received them are found on pages 3, 4, and 18.

This issue continues with the focus on GAO protests started in the last issue. An article about how protests have changed is featured on page 8.

Two articles about specific protests, one from Ames, one from Lewis, are located on pages 9 and 11, respectively.

What's new in Electronic Commerce at NASA? Turn to page 13 to find out.

The long awaited FAR Part 15 changes are discussed in an article beginning on page 16.

A message from Deidre A. Lee

To All Procurement Professionals:

Inside this issue you will find a number of articles about Consolidated Contracts available within the Agency and the successes that centers are having with the Consolidated Contracting Initiative (CCI).

CCI is a major NASA initiative. In our personal lives, we all search for the best deal, the one that will serve our needs the best, often because it is the most quickly available, the best quality, or the best price. This initiative will do that for the technical community. It will make all of us better "business people" searching for the best deal for the technical community. We will do that by looking beyond traditional contracting methods and using non-traditional contracting methods where they make the most sense. I strongly encourage all of you to learn more about CCI, to see what contracts are available through CCI, and to use them before creating your own contracts. If you have contracts that could be used by other centers or the whole Agency, please make them CCI contracts.

To learn more about CCI, look at the CCI homepage at: <http://msfcinfo.msfc.nasa.gov/cci/first.html>. If you have questions, call Ron Crider at (202) 358-0428.



Dee Lee
Associate Administrator
for Procurement

New Wave

(continued from page 1)

bidding get us a reliable source of supply? What unknown unknowns were out there?

Helium sold to commercial customers is the same as helium used by the government, so using commercial item acquisition procedures seemed like a logical way to save time and money. The commercial item acquisition instructions say to use FAR Part 14, Sealed Bidding or Part 15, Contracting by Negotiation. Buried deep in FAR Part 14 is a little used process called Two-Step Sealed Bidding which essentially combines the two processes. In Two-Step Sealed Bidding, discussions can be held to resolve technical uncertainties and final source selection is determined by price alone.

The NASA Consolidated Helium Acquisition was a perfect candidate, because it made sense from a risk standpoint to qualify the bidders technically and award based on low price. Another great reason to use Two-Step Sealed Bidding was because KSC had rarely, if ever, used the process, and I personally had never used it. I felt driven to boldly go where no one had gone before.

The process of combining CCI, Two-Step Sealed Bidding and a Fixed-Price Requirements type contract in one acquisition was challenging but remarkably simple. The team created a solicitation using just enough specific terms and conditions to supplement the commercial terms and conditions that would ensure receipt of the desired product. I found that Quality

Assurance types are still in need of training on commercial item acquisitions; particularly in understanding what reliance on the contractor's existing quality system means. The Step-One Technical proposal instructions gave prospective offerors enough data to propose a solution to meet the requirements. We asked for data that would help us judge their ability to perform, including past performance data.

We used the Step-One solicitation like a draft RFP. If input from an offeror or end user revealed that the requirements needed changing, we

(continued on page 12)



People on the Move

Lewis Research Center: Lewis purchasing agent Adele Szuhai received the “Silver Snoopy” award for her professional excellence and outstanding support of numerous microgravity experiments which have flown on the shuttle. Astronaut Donald A. Thomas presented Adele with the award. Purchasing agent Maryann Dutkofski was selected for an 18-to-24 month detail for the position of administrative assistant for the ISO Project Team at Lewis.

Headquarters: Ed McClelland, of the Analysis Division, retired. Ginny Wycoff, of the Program Operations Division, moved to Langley Research Center. Jim Bradford, a long-term detailee at Headquarters, returned to his office at the Marshall Space Flight Center. Frances Sullivan, of the Analysis Division, left NASA to go to another government agency. Laura Hamlin, a secretary in the Contract Management Division, went to another office at Headquarters. Tom Sauret, formerly of the NASA Management Office at JPL, is now with the Program Operations Division.

The list of **People on the Move** only includes those names that were submitted to the *Procurement Countdown*. If you know people who should be listed in this column, contact your Center *Procurement Countdown* point of contact, or send the names to the editor, Susie Marucci, on (202) 358-1896, email susie.marucci@hq.nasa.gov.

Lewis Establishes Procurement Excellence Award; Selects First Award Winner

The Lewis Research Center Procurement Division recently created a new award to recognize excellent performance by a member of the division. This award, formally known as the “Procurement Excellence Award”, will be given to one individual each year who exemplifies the following criteria: performance of a notable achievement which has had a significant impact on a customer or demonstration of exceptional customer focus; a clear commitment to teamwork, mentoring, and/or assisting fellow division employees; a strong continued commitment to personal and professional development; and consistent willingness to go above and beyond expectations.

The details of the award itself, the selection criteria and the nominating process were developed by a committee of division personnel. The nomination and selection processes were deliberately designed to allow all members of the division to be eligible for the award. The awardee receives a certificate; a cash performance award; and the choice of either a time-off award or the opportunity to attend a launch at the Kennedy Space Center. Selection of the awardee is performed by a committee of evaluators from outside the Procurement Division.

The first winner of the Procurement Excellence Award was announced in September. Carl Silski was selected by the evaluation committee to receive the award. Carl has had a distinguished thirty year government career and currently serves the division as Small Business Officer. Lewis congratulates Carl and all the division employees nominated for the award.

Acquisition Reform Broadcasts

Below are the live Acquisition Reform Satellite broadcasts scheduled for the end of 1997 and the first half of 1998:

Nov. 20	Earned Value Management (EVM)
Jan. 28, 1998	FAR Part 15 (Review)
Feb. 3	Oral Presentations
Feb. 11	Past Performance in Source Selection
May 6	Information Technology Contracting

The Procurement Training point of contact at your Center should have rooms set aside for viewers to watch the broadcasts. Also, the Defense Acquisition University’s homepage has more on how to set up for the broadcasts. To find out, go to <http://www.acq.osd.mil/dau/arcc/>.

Living and Working in Moscow

by Rita Svarcas, NASA Management Office, JPL

For the past three years, I've worked in the Space Station Program Office's Moscow Technical Liaison Office (MTLO) in Russia. As NASA's only Contracting Officer in Russia, I handled a wide range of procurement actions, including administrative and liaison tasks relating to NASA's programmatic contracts with Russian entities as well as operational procurements in support of the various NASA offices and personnel located in Russia. I was also the Deputy Manager of MTLO, and in that capacity I supported the technical personnel and numerous ongoing programmatic activities.

My primary office was in the American Embassy complex, though I also worked at NASA's field offices at the Russian Space Agency, the Gagarin Cosmonaut Training Center, and other key contractor facilities in the Moscow area. Like the rest of the NASA staff assigned to the Embassy, I was an accredited diplomat, and was able to take advantage of Embassy facilities such as the APO mailroom, commissary, and cafeteria. That made everyday life much easier than if I had been reliant on the Moscow commercial marketplace, although more and more goods and services have become available during the past couple of years.

In preparation for the Moscow assignment, NASA sent me to full-time Russian language training for six months. Russian is a very difficult language to learn, so even after all that training I still had to use an interpreter for formal meetings and negotiations. However, over

in Moscow, most day-to-day discussions with Russian colleagues were in Russian – or in some mixture of English and Russian, because my counterparts were always eager to practice their English skills. Several of them had studied English in school for years, but had never had the opportunity to actually speak it with an American until they started working with NASA.

The most interesting aspect of my job was that of problem-solving — figuring out ways to bridge the cultural gaps between NASA and our Russian partners.



For each procurement or business issue, the initial challenge was to even partially understand the Russian point of view, including how their own system worked in that particular area.

It was also a formidable task to adequately explain the NASA system and our own point of view to the Russians. Eventually, when my Russian colleagues and I understood each other at that level, we could often find a way to achieve common goals. One subject area that took enormous effort was shipping — for instance, developing bilateral documentation that would ease clearance of space hardware through the notoriously difficult Russian customs regime. If we had not solved that particular challenge together, it would have been impossible to get Russian

hardware onto the Shuttle for delivery to the Mir, which is a capability that has been essential to the success of our joint program.

I lived in a furnished apartment leased by NASA and located just a couple of miles from Red Square. Moscow has a very extensive public transportation system, so I was able to get around town without a car. I particularly enjoyed the many cultural activities in Moscow, such as theater, concerts, and the opera, especially during the long cold dark half of the year.

My overseas assignment ended, and I'm now getting settled at the NASA Management Office at JPL in Pasadena, CA. Lee Pagel (from the Space Station Program Office's procurement organization) has just replaced me in Moscow, starting a two-year assignment.

Miley receives DOD Award

Steven Miley of the Space Station Procurement Office at Johnson Space Center was awarded the Department of Defense Joint Commendation Medal on August 1, 1997. Mr. Miley, a Captain in the Air Force Reserves, received this award for his efforts to develop streamlined procurement processes at the Defense Supply Center in Columbus, OH. Mr. Miley's reserve assignment recently changed to the Air Force Material Command Acquisition Office at Wright-Patterson AFB, OH.

GSA Schedules, GWACs, CCI and FAR Changes – Do They Work Together?

by Ron Crider, Headquarters Analysis Division

In the spirit of the Federal Acquisition Streamlining Act, all federal agencies have been encouraged to facilitate innovative acquisition approaches. FAR Part 1.102 provides Guiding Principles for agencies to follow in doing so.

One way agencies have responded to this challenge has been to award large government-wide acquisition contracts (GWACs). GSA reinvented itself and the way it offers products and services to its customers through its schedule program. NASA launched the Consolidated Contracting Initiative (CCI) as a means to identify, collect and procure common goods and services using the fewest number of new commercial contracts practicable. All of these approaches can and do work together in a logical way to achieve best value for the government.

GWACs

GWACs are agency-run indefinite-delivery, indefinite-quantity (IDIQ) contracts that have been opened up government-wide for purchasing. The contracting agency (sponsor) handles orders from other agencies (customers) for a fee. The customer agency saves time and money by not having to run its own procurement.

Customers agree to abide by the rules established by the sponsor in return for authorization to use the GWAC. When using GWACs, the responsibility for compliance with the requirements of FAR 17.5 (the Economy Act) rests with the customer. Typically, a delivery order is placed for the purchase

of supplies and a task order for the purchase of services under most GWACs.

Various methods are used to assess and collect use charges and rates vary from GWAC to GWAC. They range from less than one percent to about three percent of an order's value. These charges add to the cost of an acquisition and should be considered when making a best value decision.

There are currently about 15 product-oriented GWACs and about four service-oriented GWACs open to federal agencies. Many of these contracts, like our own Scientific and Engineering Workstation Procurement (SEWP) I and II, make multiple awards to several vendors under each solicitation in keeping with the "preference" for multiple award contracts at FAR 16.5.

This often means that several vendors are capable of competing for each task or delivery order under a GWAC. In addition, many vendors offer their products and services through more than one GWAC as well as under GSA's schedule program. This tends to foster competition and assure price sensitivity.

GSA Schedule Contracts

The rules and procedures for using GSA Federal Supply Schedules are found at FAR Part 8. If you have not used GSA's schedule program recently you are in for quite a surprise. GSA has aggressively redone the way they do business, moving towards a corporate contracting approach. The results so far are impressive. Many key policy

and regulatory changes that in the past made the program cumbersome to use have been eliminated over the past three years.

Some of the most significant changes can be found at FAR 8.404. The FAR now provides that orders placed under the schedule program are considered to be issued pursuant to full and open competition (FAR 6.102(d)(3)). Therefore, when placing orders, agencies need not seek further competition, publish a synopsis in the Commerce Business Daily, make a separate determination of fair and reasonable pricing, or consider small business set-asides in accordance with FAR 19.5. By following the procedures at FAR Part 8, the ordering agency concludes that the order represents the best value (price, features and administrative expenses) necessary to meet the government's needs. No separate determination under the Economy Act is required.

For schedule orders under \$2,500, the Agency may place the order directly with the vendor of its choice. Schedule orders of \$2,500 or more provide the Agency with the option of either reviewing the GSA Advantage on-line ordering system or reviewing three schedule price lists. Administrative costs are then considered. (GSA charges an Industrial Funding Fee of approximately one percent of an order's value, which is factored into vendor prices.) The order may be placed directly with the schedule vendor.

GSA's Advantage program provides on-line access to over 600 vendors and more than 600,000 commercial items. Over



(continued on page 6)

GSA Schedules, GWACs, etc.

(continued from page 5)

15,000 of these items are available for delivery in one-to-three days. GSA also accepts the IMPAC card for payment. GSA was recently directed by the President to place all of its remaining schedule vendors on-line under Advantage by July 1998. When this is accomplished it will eliminate the need for paper copies of schedules.

The use of a GSA schedule Blanket Purchase Agreement, authorized at FAR 13.202, would be an excellent way for a NASA Center to participate in CCI. A NASA-wide, or broader, consolidated contract for a common commodity or service could result in substantial savings for the Agency with only minimum resource expenditures to accomplish it.

CCI

Consistent with FAR Part 8 (Required Sources of Supply), NASA's CCI Guidance at Subpart 1807.70 (Section 6), requires Centers to satisfy their requirements through the use of existing or planned CCI contracts before initiating new (commercial) awards. As of November 4, 1996, this became a requirement at NASA. Participation in CCI is not optional. You should bookmark CCI on your web browser. The URL is <http://msfcinfo.msfc.nasa.gov/ci/first.html>.

The reason for this is simple. In almost every case, placing a task or delivery order against an existing GSA schedule contract, NASA contract, or other agency GWAC is faster, cheaper and more reliable than initiating a new commercial procurement from scratch.

The existence of GWAC contracts often means that agencies are competing against one another and competing against GSA's schedule contracts to provide the same goods and services. This most frequently occurs in the computer hardware, software and peripherals areas but is expanding. Many GWAC sponsors claim that they can provide better prices and more service than GSA's schedule contracts can for identical products or services. GSA counters that their selection is broader, users may seek schedule price reductions under certain circumstances and may even lock in lower prices long-term through the use of Blanket Purchase Agreements with schedule vendors.

The best way to check these claims is to do a little comparison shopping yourself. This is where CCI can help. CCI lists all of NASA's shared (GWAC) contracts, information about shared (GWAC) contracts NASA is planning, other agency GWACs and GSA's schedule contracts. Everything is on-line and ready to use.

CCI is a convenient way to keep in touch with what the federal market has to offer, assess prices, compare features, and browse through the actual terms and conditions of contracts you are considering using. Both the Agency GWAC list and GSA's schedule contracts may be found at the Inter-Agency Contract Resource List option on CCI. NASA lists most GWACs as we learn about them provided they are FAR compliant. Agencies that have an exemption from following the FAR are not listed.

The Choice Is Yours

Obviously, buyers have to do their homework today more than ever before to determine which source will afford their customers the best value. Successfully navigating this challenge will require moderate levels of computer skill, knowledge of what you are buying, and access to relevant information that can be translated into a best value purchase decision.

Again, CCI is designed to help in this area as well. CCI listings offer buyers and their customers a variety of quality goods and services at competitive prices located in one convenient place. CCI is a simple, logic driven, computer-based work tool to help you make informed decisions. Think of CCI as your Yellow Pages for best value.

Which GWAC, schedule or NASA GWAC contract (active or planned) you choose when more than one can meet your requirement is up to you.

In the end, the new GSA schedule program, GWACs and NASA's push to write consolidated contracts and capture them and others on CCI share a common objective. All seek to foster a government-wide acquisition process that is not only faster, better and cheaper, but also smarter.

While the contracts listed under CCI are not mandatory, new contracts should be written only if these other avenues have been fully explored and are unable to meet the requirements.

NASA Priorities for the Use Of Government Supply Sources

(FAR 8.001) (NFS 1808) and (NFS 1807.70)

Supplies (descending order of priority):

1. Agency inventories
2. Agency excess
3. Federal Prison Industries, Inc.
4. Committee for Purchase From People Who Are Blind Or Severely Disabled
5. Wholesale supply sources (GSA, DLA, VA., etc., stock programs)
6. Mandatory Federal Supply Schedule Programs (executive agencies required to use a particular schedule are identified in the schedule)
7. Optional Use Federal Supply Schedules
- 7a. CCI listed contracts:
 - NASA contracts designated as mandatory use contracts
 - Other NASA contracts
 - NASA planned contracts
 - Government Wide Acquisition Contracts (GWACs) offered by other agencies (as long as the contracts are FAR compliant)
8. Commercial sources (including educational and nonprofit institutions)

Services (descending order of priority):

1. Committee for Purchase From People Who Are Blind Or Severely Disabled
2. Mandatory Federal Supply Schedule Programs (executive agencies required to use a particular schedule are identified in the schedule)
3. Optional Use Federal Supply Schedules
4. Federal Prison Industries, Inc.
5. CCI listed contracts:
 - NASA contracts designated as mandatory use contracts;
 - Other NASA contracts;
 - NASA planned contracts;
 - Government Wide Acquisition Contracts (GWACs) offered by other agencies (as long as the contracts are FAR compliant);
6. Commercial sources (including educational and nonprofit institutions)

Protests—An Old Friend, but Only the Name’s the Same!

by Dave Sudduth, Headquarters Program Operations Division

My age as a Procurement Analyst must be showing. I can remember when protests were a very serious matter, limited only to issues of meritorious concern, of going to the very heart of the competitive acquisition process. Protests were filed only as last resorts to address and adjudicate perceived and/or actual grievances or abuses.

Today, our society is more litigious by nature. Hardly a day goes by without the news or other media highlighting some frivolous lawsuit or outrageous jury award. Combine this tendency with government-wide downsizing, with ever increasing competition for the shrinking supply of federal acquisition dollars and one can understand the marked increase of protest activity in recent years.

The government’s response to this increased level of protest activity is to develop and implement alternative administrative processes and procedures for the timely consideration of protest matters. Today, our regulations are replete with references and instructions on the use of such alternative methods. NASA Headquarters and all NASA Centers have Ombudsmen. The Ombudsman Program is intended to be an informal mechanism whereby NASA contractors can seek an independent, objective review of their concerns in lieu of more formal administrative processes. The Ombudsman Program is separate and apart from and does not impact existing FAR contract disputes and protest procedures which include actions pursuant to the Contract Disputes Act, the use of Alternative Dispute Resolution (ADR)

procedures, protests to the Contracting Officer, as well as protests to the General Accounting Office (GAO). Additionally, NASA allows protests to the Agency which afford interested parties an independent review of their protest at a level above the Contracting Officer. At NASA, this independent protest review function is performed by the Deputy Associate Administrator for Procurement or his designee.



ADR procedures are any procedures used to resolve issues in controversy without the need to resort to litigation. ADR procedures includes things such as assisted settlement negotiations, conciliation, facilitation, mediation, fact-finding, minitrials, third party neutrals, other Agency personnel, and arbitration. Additionally, prior to submission of Agency protests, interested parties are encouraged to exhaust every reasonable means to achieve protest resolution. When properly utilized, these various procedures, or a combination, may eliminate the contractor’s need or desire to seek possible legal remedies in court.

The parties hearing protests outside the Agency and those preparing protests inside the Agency have also undergone dramatic changes. The General

Services Board of Contract Appeals (GSBCA), which was vested with statutory authority for Information Technology protests, and actually conducted minitrials, went out of existence in August 1996. The GAO, which primarily conducts record reviews of procurement protest actions, is now the primary venue for protests. Within NASA, there are two (2) principal players in GAO protests; the Associate Administrator for Procurement (Code H), and the Associate General Counsel for Contracts (Code GK). Code GK is the designated Agency point of contact for GAO protests. Once a GAO protest has been filed, the GAO will notify Code GK which then notifies, Code HS, Program Operations Division. In conjunction with Code GK and appropriate Center personnel, the Code HS Analyst does a review of the protest.

The Associate Administrator for Procurement then makes a decision based upon this Code HS review of whether to “defend” or “not to defend” the GAO protest. She, or her designee, is the only one who can make this determination. The Associate Administrator for Procurement has made clear that the standard utilized for making these “defend/no defend” decisions is what is the “right” thing to do for the procurement and not whether the protest is “winnable”. If the decision is to “defend” the GAO protest, all responsibility for Agency defense of the

(continued on page 9)

Protests

(continued from page 8)

protest shifts to Code GK, with support from Code H, as well as from Center acquisition and Chief Counsel personnel. If the decision is “not to defend”, Code H, in conjunction with Code GK and Center personnel must develop and implement a suitable and appropriate “corrective action plan” for the subject procurement action.

Once a formal decision has been rendered by the GAO, either party, the protestor or the government, may request a “reconsideration” of the protest by the GAO. Similar to the initial Agency “defend/no defend” decision, the determination to request “reconsideration”

by the GAO, is made by the Associate Administrator for Procurement or her designee.

What may the future of protests hold? The skyrocketing costs of litigation may yet deter offerors from initiating court litigation. The costs to the Agency of protests, mainly in terms of schedule delays and interruptions to vital Agency programs, are the primary drivers in the development of previously mentioned protest alternatives. The new protests to an Agency official at a level above the Contracting Officer, I believe, will become the new protest venue of choice. Why? First, they are informal and easy

to file; second, decisions are targeted within thirty five (35) calendar days, as opposed to 100 or more for GAO decisions; third, they afford the Agency the opportunity to initiate corrective action in a timely fashion with minimal disruption to vital Agency programs; and fourth, the time is tolled for offerors filing such protests for later filings with the GAO. To date, the Agency has instituted “corrective actions” in approximately one-third of these new Agency protests.

Alas, the world of protests is a’changing, not much is the same except the name!

GAO Protest: Financial Services at Ames

by Carolyn S. La Follette, Ames Research Center

Ames Research Center issued an RFP for “Financial Services” on November 26, 1996, under the SBA’s 8(a) Program. The purpose of the subject solicitation was to procure the necessary management, personnel, materials, services and equipment to support budget and accounting functions within the Office of the Chief Financial Officer and other organizational offices at Ames. It contained a period of performance that consisted of a one-year base period and four one-year options. We anticipated award of a cost-plus-fixed-fee contract resulting from this solicitation. The closing date for receipt of proposals was January 16, 1997. Five proposals were received and all of them were

initially determined to be acceptable. Upon completion of the initial evaluation, only two offerors remained in the competitive range: Chek F. Tan & Company (Chek Tan - incumbent) and International Management, Development and Training, Inc. (IMDT).

Upon completion of the final evaluation, IMDT was selected for award of the subject requirement on the basis of a significantly higher Mission Suitability score with only a slightly higher cost. Chek Tan scored one adjective higher in Relevant Experience and Past Performance. Chek Tan requested a debriefing which was conducted on May 22, 1997; the company filed a protest to GAO on May 29, 1997.

The protest was based on our not selecting Chek Tan, citing the following: (1) award to IMDT is improper insofar as Chek Tan believe that IMDT’s business plan did not list the required SIC code, (2) award was based on criteria which were not disclosed in the pertinent Request for Proposal, and (3) the evaluation scores of Chek Tan are arbitrary and capricious. In particular, Chek Tan stated it was improperly given lower scores in areas where prior analysis by the government showed demonstrated strengths. In general, the protester tried to assimilate its past performance into the Mission Suitability scoring. In her statement dated June 18, 1997, the Contracting Officer noted that IMDT had received approval

(continued on page 13)

Creating Goddard's Travel Service - A New Way For the Agency to Fly

by Tammy Seidel, Goddard Space Flight Center

The idea sounds simple enough: have one NASA Center be the lead for all of the Agency's travel requirements. As simple as it sounds, Agencywide contracts are revolutionary to an Agency that has a history of very independent centers.

Today that revolution has come home. In December 1996, Goddard Space Flight Center (GSFC), was selected as the Lead Center for the award, administration, and management of Agency-wide travel services.

AMEX Chosen

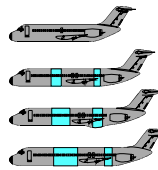
GSFC awarded the contract to American Express Travel Related Services, Inc., on August 26, 1997. The contractor began providing domestic and international travel services in support of NASA employees, other government personnel, and onsite and near-site contractor employees, for both official government business and leisure travel. AMEX is providing these services at 12 onsite NASA locations and 6 additional remote sites in the continental United States.

The contract is a no-cost performance-based contract with an incentive rebate feature, where the amount of rebate returned to NASA is directly tied to AMEX's performance. The total estimated volume of travel arrangements made by the contractor will be approximately \$280 million over the potential 10-year life of the contract.

After GSFC was designated the Lead Center for Travel Services, its immediate responsibility was to award the follow-on contract as soon as possible, since all five travel contracts supporting the 10 NASA Centers

expired on August 29, 1997. A Procurement Development Team (PDT) was established in January 1997, and included representatives from all NASA Centers except Stennis Space Center.

Some of the key PDT activities included examining the current contracts and Statements of Work, gathering historical travel data from all Centers, determining unique Center requirements, performing market research from other government



agencies and commercial organizations, examining new and emerging technologies in the travel services industry, and then using this information to establish performance-based requirements and measurement standards.

What the Team Did

The PDT established and maintained frequent and open communication with industry throughout the procurement process. Because of changes with the procurement approach and changes to the contract, direct communication with industry was essential to the success of the procurement. During the planning stage, a sources sought synopsis was posted to the NASA Acquisition Internet Service (NAIS) and in the Commerce Business Daily to notify industry of the plan to award a single contract for NASA travel services.

A draft solicitation was issued for industry comment and

a Pre-Solicitation Conference was held in April 1997. Because of the extensive amount of information exchanged between the government and industry during the early phase of this procurement, no amendments were required to the final solicitation.

Several streamlining techniques were implemented to facilitate meeting the required deadline, including:

- NASA's MidRange procedures were used, which allowed the team to eliminate point scoring, and focus instead on those value characteristics which were determined to be important for this procurement.

- Oral presentations were used, which constituted the majority of each offeror's proposal. The only portions of the proposal which were submitted in written format were the resumes for key personnel and relevant experience and past performance information. The oral presentations were limited to 2 hours, and the viewgraphs were not allowed to exceed 30 charts. Use of oral presentations as a part of the MidRange procurement process substantially reduced the proposal evaluation time.

- The contract was awarded on the basis of initial offers. The clarity of the proposal instructions led to clear and comprehensive proposals, which eliminated the need for discussions and Best and Final Offers.

- The PDT involved in the planning phase of the procurement became the Proposal

(continued on page 11)

GAO Protest: Environmental Affairs Management Protests LeRC Award

Environmental Affairs Management, Inc. (EAM) protested a Lewis Research Center award to Science Applications International Corporation for environmental support services. Both an Agency and a GAO protest were filed. NASA and the GAO both denied the protests.

EAM alleged that the successful contractor had access to inside information, that NASA's evaluation of EAM's proposal was unreasonable, that NASA incorrectly made an upward adjustment to EAM's price without first having discussions with EAM, and that EAM should have been selected as they were the lowest-cost, technically acceptable offer.

The GAO found all these allegations to be without merit. Of particular interest is that the GAO agreed that NASA acted reasonably by making an adjustment to probable cost to add an estimated award fee

where the protester had not included any fee. The GAO noted that (1) the RFP had clearly indicated that the contract was intended to be an award fee effort; (2) NASA considered the award fee to be a key element for ensuring excellent performance; (3) the RFP cautioned that the Agency intended to award on the basis of initial proposals without discussions; (4) the protester indicated that it intended to propose a fee if the subject was raised during discussions; and (5) the Agency reasonably estimated the award fee by using the median of the fees included in other proposals.

This decision also verified that award to a higher technically rated, higher-cost proposal is permissible where the Agency reasonably determined that the superior technical merit was worth the higher cost. Even though the SEC's individual scoring sheets were unavailable, the GAO accepted declarations from the Source Selection

Authority and the chairman of the SEC and a statement from the C.O. to verify that the evaluation process was reasonable.

In this particular protest, NASA found it beneficial to authorize the successful contractor to incur costs as an intervenor [in accordance with FAR 31.205-47(f)(8)]. Also of interest was the fact that the protester's attorney was sanctioned by the GAO for failing to comply with the protective order governing release of documents relevant to the protest. The GAO will investigate alleged violations of protective orders and is sensitive to the issue of improper disclosure of source selection information during a protest.

GAO's decision can be found on the "Decisions of the Comptroller General of the United States" page on the Internet at <http://www.gao.gov/decisions/decision.htm> or http://www.access.gpo.gov/su_docs/aces/aces170.shtml and look for B-277270.

Agencywide Travel

(continued from page 10)

Evaluation Team, which provided continuity and further streamlined the process.

-The Acquisition Strategy Meeting (ASM) charts served as the procurement plan, and the selection presentation charts served as the final report. Documentation was kept to a minimum, which saved time during the evaluation phase.

A Short Lead Time

The lead time between proposal receipt and selection for award of this contract was

19 days. This was achievable in part because: the coordination of the various NASA's Centers ensured all Agency needs were met; up-front planning ensured the requirement was revised and set forth in the solicitation as a performance based effort; and the implementation of streamlining techniques proved critical to the required deadline.

With the new contract, NASA is instituting new ways of doing business. One Agencywide contract, using the Consolidated Contracting Initiative, and

making it performance based, has brought an Agency on the cutting edge of technology to the cutting edge of procurement.

Interested readers can find out more about this contract and CCI on the Internet at <http://msfcinfo.msfc.nasa.gov/cci/first.html>. Then click on Contract Resource List, then Category 10 - Training, Travel and Accommodations, then click on contract NAS5-97239.

New Wave

(continued from page 2)

amended the solicitation to clarify or correct it, up to the point of requesting Step-Two Sealed Bids (also known as real time acquisition planning). In creating a CCI contract, we had to make assumptions for end users across the country. In some cases, we found ourselves changing the way they do business, and they tended to dislike that. It's true that you can't please everybody all the time. Our guiding principle throughout the process was to make the NASA Consolidated Helium Acquisition as simple as possible, but no simpler.

We expected that one vendor could not realistically serve all 22 user locations, so the Step-Two Sealed Bid evaluation was structured so the lowest price per location determined the selection. Multiple awards could result from this consolidated solicitation.

A major challenge in developing a CCI requirements type contract was determining how to administer it efficiently and building these mechanisms into the contract structure. We had originally planned to issue all delivery orders, certify invoices and initiate payment at KSC. But the sheer magnitude of managing requirements for 22 user locations, multiple contractors and multiple fund sources for each location did not fit our manpower capabilities. We quickly realized that there must be a better way.

Learning from Experts

The SEWP folks at Goddard showed us the light

and shared their lessons learned. Their contract structure requires each Center to do its part; i.e. funding, ordering, certifying invoices and initiating payments, thus no one is overburdened. The resulting contracts operate in a similar way to a GSA Federal Supply Schedule. In our case, KSC conducted the competition, awarded contracts to the lowest bidder(s) and let each field Center control its own funding, ordering and certifying, etc. KSC will track usage of the contracts, conduct quality audits and do the advance planning for follow-on contracts.

The best part came during Step-Two at the sealed bid opening when all was revealed. Seeing the depth of competition and pricing strategies gave our acquisition team great satisfaction. Some bidders came away very happy, others very disappointed. The bid opening took over 3 ½ hours to cover all the bid prices. The bid opening officer did a great job, patiently reading each bid. Using the Two-Step Sealed Bid process greatly reduced the risk of protest, since each bidder in Step-Two was technically qualified and had full disclosure of the winning bids.

We awarded 4 contracts, worth a combined estimate of \$58 million, to the lowest bidder per destination, within schedule. The four contractors are each well established in the field of industrial gases and are highly capable of making the NASA Consolidated Helium Acquisition a success. We recently held a Video Teleconference (another great tool for CCI communications) with the end users to

familiarize them with the contracts and ordering procedures.

In conclusion, CCI can work only through cooperation and communication among the centers. There is no magic cookbook on how to implement CCI, so creativity is definitely a plus, especially during the contract planning stage. Expect to run into roadblocks and be flexible in resolving them. Expect difficulties in getting centers to participate and submit their requirements. But fear not. If the contracts are easy to use, the customers will sell themselves.

Interested readers can find out more about this contract and CCI on the Internet at <http://msfcinfo.msfc.nasa.gov/cci/first.html>. Then click on Contract Resource List, and then Commodities at KSC.

For more information, contact Steve Parker by email at Steven.Parker-1@ksc.nasa.gov or on the phone at (407) 867-7358.

For Anyone Who Has Had an Article Published in the *Procurement Countdown*

Have you written an article for the *Procurement Countdown* in the past? Did you want an extra copy for your files or your mom? If so, contact the *Procurement Countdown* editor, Susie Marucci. Some back issues and copies of articles are still available. Ms. Marucci can be reached at susie.marucci@hq.nasa.gov or (202) 358-1896.

Ames Protest

(continued from page 9)

from SBA in December 1996 to add the appropriate SIC code to its business plan; therefore the allegation became moot. Chek Tan's allegations cited some of the following items as improper: NASA's request for its overtime policy, NASA's request for clarification on its bonus plan, NASA's request for rationale for basing health and welfare benefit on gross pay, and NASA's request for explanation of its leave policy.

The CO stated that all of these were part of the Total Compensation Plan and therefore proper questions. The Mission Suitability scores had been determined by a consensus of the members of the evaluation committee. The evaluation committee followed the method of scoring revealed in the RFP, and was therefore not arbitrary or capricious. In regard to the improperly given lower scores, NASA's position was that notwithstanding the fact that even though the evaluation team members may have been aware of the "demonstrated strengths" referred to by Chek Tan (as incumbent) it would have been improper for

the team members to include them in the Mission Suitability scoring process, based on the RFP instructions.

GAO rendered its decision on September 8, 1997, (File B-277163). The protest was denied. The digest of the decision reads as follows: "Contracting Officer reasonably selected for award the proposal with a higher technical rating and higher evaluated cost where she determined that the proposal's technical advantages justified the payment of an evaluated cost premium, and the solicitation's evaluation scheme provided that the mission suitability evaluation factor and an offeror's evaluated cost were most important and that an offeror's relevant experience and past performance was somewhat less important in selecting the most advantageous proposal to the government."

In summary, GAO made no comment regarding the SIC code, apparently agreeing the issue was moot. GAO clearly stated that NASA evaluated the offers properly, recognizing that the Contracting Officer has broad discretion in determining the manner and extent to which he or

she judges the cost vs. technical aspects of a proposal. Additionally, the GAO specifically pointed out that the protester failed to recognize that NASA did not downgrade its proposed compensation plan because of historical amounts paid by the protester, but rather that NASA properly downgraded the protester's proposed compensation plan. Finally, GAO stated the RFP specifically advised that an offeror should not assume the evaluation team was aware of its overall capability and that the evaluation would be based on the written proposal. In its decision GAO states "...the protester was responsible for providing a full discussion of its technical approach and methodology within the four corners of its proposal, [therefore] the protester must suffer the consequences of its failure to do so..."

GAO's decision can be found on the "Decisions of the Comptroller General of the United States" page on the Internet at <http://www.gao.gov/decisions/decision.htm> or http://www.access.gpo.gov/su_docs/aces/aces170.shtml and look for B-277163.

Electronic Commerce – Then and Now

by Ken Stepka, Headquarters Acquisition Division

Electronic Commerce (EC) was introduced to federal procurement in late 1993 with the release of the President's Memorandum on Electronic Commerce. Agencies and departments have struggled, with varying success, to meet the goals of the federal initia-

tive that focused on the FACNET (Federal Acquisition Computer Network) philosophy, related architecture, and regulatory incentives. Earlier this year, the General Accounting Office (GAO) concluded that existing implementation raised important questions concerning whether

and to what extent the current FACNET infrastructure made continued business sense. Additionally, proposed legislation will expand the EC definition to include a variety of technologies, including the Internet. It's clear

(continued on page 15)

90 Days for LeRC Consolidated Contract!

by Paul A. Karla, Lewis Research Center

Have you ever experienced a procurement action utilizing the Consolidated Contracting Initiative (CCI) for a MidRange solicitation using Best Value criteria, which resulted in a Fixed Price, Performance Based Commercial Services Contract? The Lewis Research Center recently experienced all this in the award of the ISO 9001 contract. It was a unique experience.

We, in the Lewis Research Center Procurement Office, thought we had a very straightforward requirement for ISO Registrar Services! However, were we mistaken! What initially started off as a probable purchase order issued under Simplified Acquisition Threshold eventually evolved to a consolidated Agencywide contract with selection being made by the Associate Administrator for Safety and Mission Assurance.

How it Began

This story starts back in March of 1997 when LeRC placed an announcement on the Consolidated Contracts Listing that we were planning a procurement action for ISO 9001 Registrar Services for LeRC. It seems that the Agency was poised to move out in response to a commitment by the Administrator that all centers in the Agency would be ISO 9001 certified by FY 2000. Well, before we knew it LeRC was selected to do a contract for the whole Agency. The Consolidated Contracting Initiative at work! A real procurement challenge, as the contract had to be awarded by late summer to be on schedule for the initial audit services.

Considering the commercial nature of these services, we conducted market research to determine the accepted method of specifying the requirements, any specific commercial terms and conditions that should be included, and the responsibilities of the contracting parties. The market research included telephonic inquiries as well as interviews at Lewis of some of the prospective offerors. This helped greatly as these services are a relatively new item for the government, and this is our first experience with direct purchase of these services as well.

90 Day Schedule

Representatives from LeRC went to NASA Headquarters and met with the ISO Steering Committee to discuss the approach to acquiring the services. While there, they proposed a 90 day schedule for award of the contract. It was through this mechanism that Lewis was able to address the concerns of the centers and Headquarters and obtain buy-in on the process. As a result of the prior market research, we prepared a draft Statement of Work and issued it through the Electronic Posting System (EPS) on the Internet for comment. In keeping with our aggressive schedule we only allowed 7 days for responses but those we received were helpful in preparing the actual Statement of Work. The short time for response was mitigated by this opportunity's great anticipation which we helped to create through the market research activities.

In addition to industry comments, LeRC received and included the input received from NASA Headquarters and all of the centers that were affected by the procurement. The RFO was drafted and issued through the EPS on May 23, 1997. We requested offers be submitted within 21 days. The RFO incorporated a 25 page limitation on the technical proposals.

The qualitative criteria included in the RFO included baseline and Best Value selection characteristics. A total of 17 proposals was received and evaluated using the process and principles utilized under Best Value procurements.

The use of the Best Value Evaluation Process allowed us to conduct a less formal, and as a result a more efficient, evaluation process than that which is used in more traditional procurements (such as Request for Proposals). The results of the evaluation were presented to the ISO Steering committee and selection was made by Frederick Gregory the Associate Administrator of Safety and Mission Assurance on July 23, 1997.

Performance Measurement System

A performance measurement system was designed and included in the RFO. It identifies the work to be performed and the quality standards that will be used to evaluate performance. The

(continued on page 20)

Electronic Commerce

(continued from page 13)

that EC is evolving and for the better. However, with the expanded opportunities, new challenges will arise.

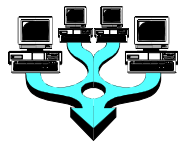
What was EC?

A brief history can put into perspective the dramatic changes that are occurring in how the federal government is defining and implementing EC. The President's EC Memorandum of October 1993 introduced Electronic Commerce as a procurement-focused improvement initiative. The Memorandum challenged federal agencies to move aggressively towards wide implementation of EC, leaving behind costly paper-based services and embracing "paperless" electronic services. The focus from the beginning was on a structured environment, generally known as FACNET. A federal government-wide task force was promptly convened and in mid-1994, the Electronic Commerce for Acquisition Team (ECAT) delivered a blueprint for implementing EC in the federal acquisition process entitled "Streamlining Procurement Through Electronic Commerce." (The report is available at <http://www.arnet.gov/ecapmo/final/contents.htm>.)

Agencies were asked to adopt the blueprint and implement aggressive EC plans tailored to support the Administration's EC milestones. From the beginning, the focus was Electronic Data Interchange (EDI) as the enabler that would quickly move disparate Agency procurement systems and pro-

cesses to standard transaction sets covering virtually all segments of the federal business process. However, the focus remained on procurement offices without substantive interest in expanding the awareness and use of the data by the rest of the business process.

Success was mixed as agencies struggled to implement automated procurement systems with often limited utility beyond



the procurement offices. Many agencies found early EC incarnations more difficult and harder to deal with than paper. Whether adopting EDI or Internet solutions, savings were limited if these systems could not "talk" to the other functional pieces of the business process. For example, an automated procurement system would often have to print a paper copy of an electronic purchase order so that a finance office could authorize payment. The future of EC for procurement and any efficiency gains appeared limited.

What is EC today?

As a result of experience, and more importantly, the sharing of these experiences among agencies, EC is being redefined. The evolution of EC began slowly but has recently accelerated as agencies move beyond EC as a procurement-only initiative. More and more attention is being directed to EC as a significant part of a larger

improvement philosophy, business process reengineering. For instance, NASA's reengineering initiative, the Integrated Financial Management Project, is redefining the end-to-end business process. The benefits of EC will be applied across the business process as the underlying transaction data is shared by the various functional users. By doing so, the efficiency gains from EC for procurement activities, as well as other functional improvement initiatives, can be fully leveraged as part of a new and improved integrated business system.

Significantly, the federal EC landscape is correcting from a single preferred technology to one that endorses a tool set of technologies tailored to maximize business transaction efficiency. The key to a successful EC program will be how well the government agency matches these EC tools to their business environment. Are they heavily into long term delivery order contracts? Then perhaps EDI can be the most efficient transport tool between the buyer and the long term contractor. Or, is the Agency involved in mostly unique R&D requirements? If so, then completing these complex procurements via the Internet may be a preferred solution.

Pending legislation will soon de-couple EC from the strict FACNET requirements. This will stimulate agencies that have waited on the sideline to take a second look at EC reengineering as a key method for meeting the growing demands on their administrative workforce. Agencies will now examine the broad

(continued on page 18)

The New FAR Part 15

by Paul Brundage, Headquarters Contract Management Division

Since January 1996, representatives of numerous federal agencies, including NASA, have been rewriting FAR Part 15. The goals were to, "... infuse innovative techniques into the source selection process, simplify the process, and facilitate the acquisition of best value." The effort has generated considerable interest with over 2,300 public comments being submitted following publication of the proposed rules. This article will highlight several of the changes while noting some marginal changes in cost and pricing and pointing out other things that have not changed.

Things that Have Changed

1. Competitive range. It has been a long standing policy of federal acquisition that the Contracting Officer should include in the competitive range all offers having a "reasonable chance of being selected." Before the latest rewrite, if there was any doubt about its inclusion, the Contracting Officer was required by regulation as well as by GAO precedent to include the offer in the competitive range.

The revision to Part 15 now requires the Contracting Officer to exclude from the competitive range all offers which are not among "the most highly rated." Furthermore, if the solicitation notifies offerors of the possibility, the Contracting Officer may even exclude some of the "most highly rated" from the competitive range to permit "an efficient competition." In view of its relative nature, the term "efficient competition," was not defined in the regulation, i.e., the complexity of an acquisition, the number of

experts available to perform the evaluation, expiring funds, expiration of existing contracts, etc., could all affect efficiency. This change clearly affords Contracting Officers greater authority to determine the scope of competition for a given procurement. The limits of this authority will be fleshed out in bid protests in which the GAO will be called upon to define efficient competitions.

So, in a nutshell the old rule, "if they could win, keep them in," has been replaced by, "if there is doubt, strike them out."

2. Old, new, and redefined terms. The revised rule has eliminated the term Best and



Final Offers (BAFO's) which was employed in the old FAR 15.611. However, the rule introduces the new term "final proposal revision," which is arguably a replacement for BAFO's. "Communications" are defined as exchanges after receipt of proposals leading to establishment of the competitive range without permitting revision of the proposal. In addition, the new Part 15 redefines the old terms, "clarifications" (which now means limited exchanges occurring when award without discussions is contemplated); "discussions" (these are communications after competitive range that maximize the government's ability to obtain best value); and "negotiations" (exchanges after

establishment of the competitive range intended to spur revised proposals). "Negotiations" occurring in a competitive acquisition are called "discussions." While the term, "exchanges," is not defined, it encompasses any transmission of information before or after solicitations are issued. When procuring under FAR 15, the nuances of these terms should be noted.

3. Past performance. The rewrite of Part 15 requires the evaluation of past performance "in all source selections for negotiated competitive acquisitions expected to exceed \$1 million." The threshold for this requirement decreases to \$100,000 after January 1, 1999. Agencies are asked in the rewrite to develop "phase-in schedules that meet or exceed" the above. Moreover, Contracting Officers must set out in the solicitation "the approach for evaluating past performance," including the evaluation of those having no past performance, i.e., they may not be evaluated favorably or unfavorably. The evaluation of past performance "should" consider "predecessor companies," "key personnel who have relevant experience," as well as relevant subcontractors.

Note that if an adverse evaluation of an offeror's past performance would result in its elimination from the competitive range, the offeror must be afforded the opportunity to respond. During discussions, adverse information about past

Multiple Award Contracting At KSC

by Jack E. Massey, Kennedy Space Center

Empowerment to limit competition to a few highly qualified and motivated sources, and subsequent discretion to make award without being unduly restricted by overwhelming procedural regulation - an unachievable fantasy in the world of federal procurement? At KSC, the use of multiple award indefinite delivery indefinite quantity (IDIQ) contracts provides a functional mechanism which makes the fantasy a reality.

KSC recently used MidRange best-value selection procedures to select five contractors. Each was awarded one of five essentially identical IDIQ contracts to provide access and handling ground support equipment. Each of the contracts has a one year performance period with two one-year options to extend. The minimum value of each contract is \$5,000 for the first year. The maximum value of each contract is \$2,000,000 for the first year and \$4,000,000 for each option year. The total maximum value of each contract is \$10,000,000 over three years.

The work to be performed consists of all tasks required to fabricate and deliver ground support equipment, test equipment and other hardware necessary to process flight and associated hardware. Potential items include access, handling, electrical, servicing, simulator and mock-up equipment. Deliverables include hardware, spares and ancillary documentation.

Task Orders

Each equipment buy is accomplished by issuance of a task order against one of the basic IDIQ contracts. Competition for task orders is limited to the five IDIQ contract holders who compete for award of each order. Each contractor is motivated towards excellence in price by the competitive price environment. They are also motivated towards excellence in performance because the multiple award procedures allow the NASA Contracting Officer to consider past performance, as well as quality of workmanship, timely performance, business relations and customer satisfaction in providing each of the contractors a fair opportunity to be considered for each order.

At the CO's discretion, any contractor with a pattern of unsatisfactory performance evaluations in any of these areas may be excluded from competing for future orders. This exclusion would remain in place until the contractor demonstrates that performance problems have been rectified. The procedures for selecting awardees for the placement of particular orders need not comply with the competition requirements of FAR Part 6. Normally no protest is authorized in connection with the issuance or proposed issuance of an order. The only exception is a protest on the grounds that the order increases the scope, period or maximum value of the contract.

For this acquisition, the KSC Procurement Office opted to pursue an acquisition approach

which would allow the government to make business value judgments as similar as possible to those normally made in the commercial arena. In industry, competition for this type of equipment need would normally be met by limiting competition to known sources of consistently high quality who could be depended upon to respond competitively on a short notice.

To accomplish this for KSC, a buying team was appointed. It was charged with implementing the concept of awarding a group of essentially identical IDIQ contracts to a cadre of highly qualified contractors who could offer the

government the best value for its dollars spent. The use of MidRange

Procurement Procedures, implemented to reduce paperwork and to provide an efficient and timely acquisition process, allowed the buying team to select offerors considered most likely to provide the overall best value, considering both price and expected performance factors. A sample job provided a mechanism to establish offeror cost realism while other factors were used to establish expected performance.

Each of the selected contractors essentially won the right to compete for individual orders for the type of equipment envisioned under the IDIQ contracts. For each requirement, an abbreviated

The maximum value of each contract is \$2,000,000 for the first year and \$4,000,000 for each option year. The total maximum value of each contract is \$10,000,000 over three years.

(continued on page 19)

Electronic Commerce

(continued from page 15)

range of EC tools available to get the job done, from email and fax capabilities to EDI and the Internet. Significant challenges will face the government's "new" EC initiative. Encouraging agencies to customize their EC tool suite to their particular needs may make it difficult to promote a unified "single face" government approach. A single face approach is when the vendor looking in sees standard government practices across the agencies they deal with on a regular basis.

What NASA is doing

The Office of Procurement's strategy is firmly in step with the tool set approach — solutions designed to publicize business opportunities to a broad vendor audience and optimize transaction performance.

For example, the NASA Acquisition Internet Service (NAIS) has firmly established itself as the leading federal procurement presence on the Internet. Many agencies are following its lead of posting procurement opportunities to the Internet. In fact, several agencies are now piloting the NAIS-developed Electronic Posting System. This push towards multi-agency posting and searching capabilities is demonstrating the continued feasibility of the government's single face presentation to the business community.

Several other Agency initiatives, including the Consolidated Contracting Initiative (CCI), the Ames Grants Prototype, and the Small Business Innovation Research Program (SBIR) are also proving the Internet's place in publicizing

business opportunities quickly and inexpensively to a wide audience.

Within NASA, EC is gradually emerging beyond the procurement offices. Our reengineering initiative can provide the backbone that ties together the business data which flows through the Agency as we fulfill our customers' requirements. These initiatives take time and involve dramatic cultural and process change. Tools we develop should effectively integrate into the end-to-end business process. Our philosophy will continue to be one that "stays two steps behind" the commercial market's lead — adopting EC tools as they prove their potential in an integrated business environment. Stay tuned.

NASA's Procurement Award Winners for 1997

NASA's Annual Procurement Awards were received this fall. Eight personnel and one Center were awarded the highest procurement honors at NASA. The Annual procurement awards are used to recognize those people and centers that have made outstanding contributions to the procurement effort throughout NASA.

The winners of the awards are:

Contract Manager of the Year: W. Boyd Christopher, KSC; **Contract Specialist of the Year:** Henry W. Remmers, ARC; **Small Purchases Specialist of the Year:** Lana Jones-Clemon, ARC; **Grants Specialist of the Year:** Adrian R. Jefferson, GSFC; **Price Analyst of the Year:** Patricia T. Beall, KSC; **Procurement Analyst of the Year:** Sharon A. Harper, LaRC; **Procurement Support Person of the Year:** Theresa A. Keane, GSFC; **Procurement Supervisor of the Year:** Hettie S. Courtney, GSFC; **Outstanding Competition Advocacy - Installation:** ARC

Congratulations to everyone who received an award and to all those talented procurement professionals who were nominated.

FAR PART 15

(continued from page 16)

performance must be addressed. Indeed, the gist of the rule is that offerors must be given the opportunity to address, at some point during the procurement, any adverse past performance that could affect the outcome of the acquisition.

If the Contracting Officer finds that the evaluation of past performance would be inappropriate for a given procurement and documents the reasons, then past performance need not be included as an evaluation criterion. Lowest price, technically acceptable (LPTA) source selections are specifically identified as susceptible to this exception. It should also be noted that when the past performance of a small business on a LPTA procurement is found unacceptable, the matter must be referred to SBA for a COC.

4. Cost-Plus-Fixed-Fee (CPFF). Former FAR 16.306 (c)(2) required a determination and findings before a CPFF contract could be used. The revised rule eliminates that requirement for a separate determination and finding.

5. Oral presentations. The new rule recognizes and adds general coverage on oral presentations.

6. Cost and Pricing. A number of changes occurred in the area of cost and pricing. For example, some mandatory forms were eliminated (e.g., SF 1411, cover sheets for submitting cost or pricing data) and guidance pertaining to unbalanced pricing was simplified. However, the changes in this

area appear to have marginal significance.

Things That Have Not Changed

1. Late-is-late rule.
2. Uniform contract format and its application.
3. General rules for handling solicitations and proposals.

Effective Date

The final rule was published in the Federal Register on Sept. 30, 1997, and became effective

10 days after publication (62 FR No. 189, pages 51224-51272). However, agencies are allowed to delay implementation until January 1, 1998, at which time it becomes mandatory. NASA has elected to delay implementation until January 1, 1998, but has permitted optional use beginning October 1, 1997. Special solicitation provisions (also located in 62 FR No. 189, pages 51224-51272) are prescribed for use of the new Part 15 before January 1, 1998.

Multiple Award

(continued from page 17)

fixed price competition is conducted with the subsequent order normally awarded to lowest priced offeror. The procedures governing issuance of the orders falls under Federal Acquisition Regulation Part 16.505 (b) which provides the minimal procedural requirements which must be followed to ensure that the awardees are afforded a fair opportunity to compete.

Factors for Consideration

Under these procedures, the Contracting Officer has broad discretion in making decisions in the award of any individual order. The CO may also consider factors such as past performance on earlier tasks under the multiple award contract, quality of deliverables, cost control, price, cost, or other factors that the Contracting Officer believes are relevant to the award of a task order to an awardee under the contract.

The procedures for selecting awardees for the placement of particular orders need not comply with the competition requirements of FAR Part 6. However, the procedures and selection criteria that will be used to provide multiple awardees a fair opportunity to be considered for each order must be set forth in the solicitation and contract. In addition, FAR 16.505(b)(4) provides another check and balance by requiring that a senior Agency task order and delivery order Ombudsman shall review complaints from the contractors and ensure that all contractors are afforded a fair opportunity to be considered.

Contracting Officer discretionary authority in the award of delivery or task orders under multiple award IDIQ contracts is a powerful tool. Properly managed, this broad discretion can be a unique instrument for maintaining a cadre of select contractors

(continued on page 20)

ISO9000

(continued from page 14)

performance standards being used to determine acceptable performance are Quality Standards, Documentation, and Schedule. Each Center will be responsible for evaluating the performance of the contractor. Determining a fair system to evaluate the contractor's performance and adequately incentivize the contractor to perform at a high level was one of the most difficult provisions of the contract to establish. While no claims are made that the system we decided upon was perfect, it clearly establishes the government's rights to insist upon quality performance and has workable incentive provisions.

The contract included both fixed price and indefinite quantity items. The fixed priced items were to be funded by Headquar-

ters and should result in a complete audit for certification for each Center represented in the contract. These items provide for a Management Briefing, Initial Site Visit, Quality Manual Audit, Preliminary Assessment Audit, Certification Audit Reviews, and Surveillance Audits. The agreement also features Indefinite Quantity items for additional services should any Center have need for additional audit services. The IQ items will be funded by individual Centers through their own procurement offices, which should be more convenient and result in a clear understanding of the individual Center's particular needs.

We at Lewis believe that the utilization of the new procurement initiatives such as Best Value and Performance Based Contracting allowed us to

perform the challenge given to us by Headquarters in a very efficient manner and with a high degree of flexibility. We also believe that the above process allowed us to obtain a high quality contract and product which will ensure that we fulfill NASA's mission.

Interested readers can find out more about this contract and CCI on the Internet at <http://msfcinfo.msfc.nasa.gov/cci/first.html>. Then click on Contract Resource List, and then category 8, Support Services and Security Management, then on contract NAS3-97177.

If you desire more information on this interesting procurement please contact either Anita Parasuram Raman at (216) 433-8293 or Michael J. Kinkelaar (216) 433-2736.

Multiple Award

(continued from page 19)

who are constantly motivated towards excellence in both price and performance. The first few task orders issued at KSC have demonstrated a documented savings in lead time, cost, and administrative efforts required from both technical and procurement personnel. The requiring technical activity at KSC was so impressed by the initial program results that they issued a letter of

appreciation for the process improvement. KSC is currently using the same multiple award IDIQ concept to select a group of IDIQ general construction contractors in SIC Codes 1541 and 1542, and plans to use the concept in future solicitations to establish multiple award IDIQ construction contracts in each of several specialized work areas.

This contract is active under the Consolidated Contracting Initiative. Interested readers can find out more about this contract and CCI on the Internet at <http://msfcinfo.msfc.nasa.gov/cci/first.html>. Then click on Contract Resource List, and then Fabrication, Supplies and Services, and look under Kennedy Space Center.

Procurement Countdown

Procurement Countdown is published by NASA's Office of Procurement.

Editor.....Susie Marucci
(202) 358-1896
susie.marucci@hq.nasa.gov