

Procurement Countdown

Spring 1997, No. 109

Good-bye Green Eyeshades

by Don Abrams, Program Operations Division

"The Survey team will be coming out to visit in about six weeks." Now there's thirteen words that'll make the short hairs on the back of your neck stand up! To any procurement professional, that sentence has about as positive a ring to it as a chat with your teenager's principal or the friendly IRS auditor...

Surprise. You don't have to feel that way any more. And in fact, if you talk to people from the recent centers' surveyed, most of the feedback has been favorable. Scary, eh?

In the past, the Center procurement staffs' perception of the survey process could be characterized as a form of Headquarters' admonition. *"Gotcha!"* And consequently, the centers reacted with frustration at the lack of acknowledg-

ment of the complexities of working programmatic issues in real time. *"If they only knew all that I had to do to get this effort awarded..."*

Recently, the overall survey approach has been re-engineered, with a focus towards making it a more meaningful tool for the various elements in the acquisition process. The objective is to gain insight into a Center's procurement systems and methods, which reflect the relative health of their operations and the level of technical customer satisfaction.

Recognizing that a major goal of the procurement process is to accomplish program requirements in the most appropriate and advantageous manner for the Agency, it becomes essential to assess the satisfaction level of program customers,

both at the Center and at Headquarters. To accomplish this, the team conducts numerous interviews with technical and program representatives from Program Managers, Division and Branch Chiefs through Contracting Officers' Technical Representatives (COTRs) and Task Managers. The aim is to ascertain if there are issues or concerns with current procedures or with any anticipated changes resulting from either the restructuring of the Agency or procurement streamlining. These discussions are wide ranging, with a focus on systemic processes that effect acquisition support of program objectives.

The team also interviews numerous acquisition professionals at all levels of the procurement organization to gain their

(continued on page 11)

Highlights...

Did you know *Procurement Countdown* has been around for over 30 years? Step into our way back machine and find out more on page 2.

Some procurement personnel retired and some were honored with awards recently. They are described on pages 3, 10, and 14.

Take a look at a multi-center Consolidated Contracting success on page 4.

What happens when Government property is lost, damaged, or destroyed? Hear from Rodney Berwanger, an experienced Government Property Administrator on page 6.

What are the new training requirements and how will they affect you? Turn to page 8 for an explanation.

The International Space Station is expanding our understanding of Government Furnished Data, check it out on page 9.

How do we measure how well we in procurement are doing? Turn to page 10 to find out.

Performance-Based Contracting definitions are here. They are listed on page 15.

Looking Back 30 Years

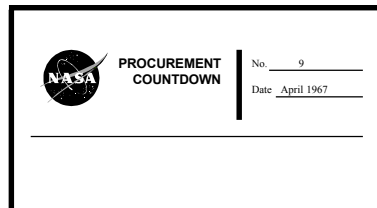
The *Procurement Countdown* first came out in 1965. Since that time, it has undergone changes in editors, layout, and distribution. For example, 30 years ago, the *Procurement Countdown* came out every 2 months. Now it comes out (mostly) quarterly.

In 1967, the *Procurement Countdown* varied from 11 - 13 pages depending on the issue, today it varies depending on the volume of material, from 12 pages to 19 (the previous issue).

The April 1967 issue was issue number 9. This issue, April 1997, is number 109. There was news from the centers, as there is now, but it was broken out in a separate section, whereas articles from centers are included throughout the newsletter now.

One of the centers that provided information in 1967 was the Electronics Research Center. ERC, as it was referred to, was located in Cambridge, MA, and was transferred to the Department of Transportation in 1970.

There is a saying, "The more



things change, the more they stay the same." While our multi-column format is different from the one column format of old, some of the topics included 30

years ago, seem hauntingly familiar. "Incentive Contracting Communications" announced a conference sponsored by NCMA; "Cost Plus Award Fee Contracting Guide" advised that the guidance would assist people in making the "best judgments in the preplanning stages of CPAF." Other topics discussed in that issue were "NASA/DoD Representatives;" "Processing of Advance Patent Waivers;" "NCMA Highlights;" "Innovative Procedures - Advanced Planning;" "Pricing of Change Orders Under Incentive Contracts;" and "NASA Purchase Orders Under GSA Federal Supply Schedule Contracts." Sound familiar, don't they?

Marshall On-Line

by Patrick Rasco, Marshall Space Flight Center

Anyone involved in procurement in recent years is aware of the increasing use of the Internet as a method of disseminating information to the public regarding NASA acquisitions. NASA was the first federal Agency to embrace the use of the Internet in a large scale manner for procurement. Since that time, NASA has become a leader in Internet-based solutions for contract activities. The NASA Acquisition Internet Service (NAIS) has delivered an impressive network of websites which has increased access to NASA procurements for the general public and provides useful tools for NASA contracting professionals.

The power of the Internet is now being taken a step farther at Marshall Space Flight Center. A new web-based tool has recently been unveiled at MSFC. "Marshall's Electronic Office" (METRO) has been developed to provide a specialized source for information and electronic systems targeting the procurement function. The concept is to provide elements which will help users complete their work assignments. These elements range from providing basic information and forms, to on-line programs such as the NAIS Electronic Posting System (EPS). By integrating these functions into one area, MSFC personnel

can easily move among Center-unique files for frequently needed information and rapidly access NAIS and other sites for frequently used applications and additional resources.

The METRO was created to accomplish two objectives. The first was to provide members of the procurement office with a central point that would allow easy access to MSFC programs and information as well as non-Marshall areas such as electronic ordering sites and the NAIS pages. The second was to provide individuals outside the procurement office with the ability to

(continued on page 12)



People on the Move

More Fond Farewells!

Changes at Ames: Tom Dussault transferred in January from Headquarters and is now Ames' Policy and Pricing Officer as Chief, Contract Operations Branch. Bill Joiner transferred in February from JSC to Ames. He is a Contract Specialist in the Contract Management Branch for Center Operations and Space. Suzanne Phillips, a former GSFC employee, came to Ames late last year. She is a Contract Specialist in the Contract Management Branch for Information Systems and Aeronautics.

Changes at HQ: Diane Frazier left the Office of Procurement to go to work for the IG at Headquarters. Jeff Lupis left the Office of Procurement at NASA Headquarters to become the manager of the Headquarters Procurement Office at GSFC. Luly Carson will be serving as assistant branch head of this office. John Werner left the Office of Procurement to work for the Office of Management Systems & Facilities also at Headquarters.

Gone with the Buyout from GSFC: Billie Blackwell, Contract Specialist; Gloria Blanchard, Contract Specialist; Stephen Cimino, Contract Specialist; John Firmin, Analyst; Darlene Floyd,

Contract Specialist; Stephen Katsarelis, Contract Specialist; Nancy Kemper, Analyst; Asa Mears, Procurement Manager at Wallops; Rosalie Peterson, Contract Specialist; Arlene Preston, Analyst; Doris Watkins, Contract Specialist.

Gone with the Buyout from MSFC: William Ammons,

Kennedy Center, to Headquarters where I worked with him personally for six years. I saw him reduce complex protests to rather straightforward issues. His GSFC Contracting Officer experience helped make Tom responsive to and aware of the problems of the troops on the firing line, which was perhaps the reason for his great acceptance at the Field centers.

"For the foregoing reasons... I think that Tom Whelan should be recognized in the next issue of the *Procurement Countdown* as a 'Giant' who has joined the retired ranks of NASA procurement professionals."

We agree with you Hamp. And we wish Tom well in his retirement.

Contract Specialist; Angie James, Contract Specialist; Cynthia Mabry, Contract Specialist; Libby Maddox, Contract Specialist; Tom Smith, Supervisory Price Analyst; Sandy Vandergrift, Administrative Officer.

The following transferred to another Agency from Marshall: Fred Johnson, Procurement Analyst.

A Tribute to Tom Whelan...

In the last issue of the Procurement Countdown, we published an article entitled "Two Giants at NASA take the Buyout," which discussed the departures of Ed Henke and A. Foster Fournier. Shortly after it was published the Procurement Countdown received a letter from Hamp Wilson, a former NASA Procurement Officer at KSC and now a provider of Contract Management Services, including COTR training for NASA. In his letter, Mr. Wilson writes about Tom Whelan, who retired from Headquarters earlier this year, and why he thinks Mr. Whelan should be considered a NASA Giant as well. An extract from Mr. Wilson's letter is printed below.

"The reason that I think Tom Whelan should be recognized as a 'Giant,' is his contribution and support to the working level supervisors and journeymen at the Field centers. For years, Tom was the primary Headquarters representative who processed and managed all protests lodged with NASA Headquarters or GAO. He not only developed the Agency's Administrative report, but he also represented NASA at the GAO hearings. In addition...Tom took over the additional responsibility of managing Debarment and Suspensions, a task that called upon his Contracting Officer, as well as his legal training and experience. Tom sure helped me out many times, from Marshall Space Flight Center, to the

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.

RECOM Procurement: A Consolidated

by Charlotte Hardy, Langley Research Center

An innovative new initiative from the Office of Aeronautics is having tremendous results. The vision of Code R centers' "Project Reliance" is to develop and champion a new Code R Institution with Center "reliance" strategies that will enhance operational capabilities, improve services and increase cost effectiveness. This would be accomplished by sharing experiences, sharing resources and developing common practices.

The Reliance Consolidated Models (RECOM) procurement is a direct result of the Project

Not only did the team rely on each other to develop a good procurement package, it was agreed that the comments received from industry played a key role in the improvement of the final solicitation document.

Reliance vision. It was a very complicated procurement dependent upon a great deal of inter-center team work. The results were worth the effort; the whole procurement, from approval of the concept to award, took only nine and a half months.

A Multi-Center Approach

Ames, Langley, and Lewis Research centers made a commitment to work together to consolidate several like contracts for the design and/or fabrication of aerospace model systems and developmental test hardware used for Spaceflight, Flight and Ground-based tests. These precision experimental research models and hardware may consist

of both mechanical and electrical/electronic hardware elements. These research models and hardware may be utilized for various facilities such as NASA wind tunnels, aircraft, spacecraft, and other existing and future laboratory environments.

Langley, Lewis, and Ames each had technical and contracts personnel assigned to a team to develop the Statement of Work and to work out the many details of this consolidation. The group worked cooperatively and efficiently in all cases, using conference calls and electronic communications whenever possible and keeping travel to a minimum. Security personnel from the three centers developed a generic set of security requirements for the solicitation. The contract schedule, clauses, and provisions were developed and agreed upon by the team members.

A sources sought synopsis was published in the Commerce Business Daily. Responses to this synopsis were evaluated by technical personnel from the three centers, who ultimately comprised the SEB membership. This procurement was made a small business setaside with an 8 percent mandatory SDB goal based on the responses to this synopsis. Code K and the LaRC Small/Small Disadvantaged Business Liaison and Small Business Specialist were involved in this process.

Groundrules

A draft solicitation was then published on the Internet for

public comment. The final RFP provided answers to industry comments/questions as they related to the draft RFP. Not only did the team rely on each other to develop a good procurement package, it was agreed that the comments received from industry played a key role in the improvement of the final solicitation document.

An open-door policy was maintained at Langley, Lewis, and Ames until the date of RFP release. Many industry representatives availed themselves of the opportunity to speak to cognizant Government personnel regarding this procurement. A common set of groundrules for this open-door period was discussed and understood by the Government personnel to avoid problems.

Some of the groundrules used include: DO NOT discuss information proprietary or confidential to the incumbent; DO NOT discuss the performance of the incumbent contractor; DO discuss the current task areas supported by the incumbent contractor; DO discuss the types of equipment used at the Center; DO discuss the workload; DO discuss facts - stay away from opinions.

Upon release of the final RFP document, identical bidders' libraries were established at Langley, Lewis, and Ames to provide industry with access to important documents relevant to the procurement. A Preproposal Conference was held at Langley Research

Contract Initiative

Center. The conference was a joint effort with team members from each Center participating in the presentation of material.

The Voting Members of the Source Evaluation Board (SEB) were composed of individuals from Ames, Langley, and Lewis who had a leadership role in the planning phase of the procurement. The SEB Chairman was from Langley Research Center. Technical individuals from Ames and Lewis and the Contract Specialist from Langley also served as voting members. Consultants from all three centers were appointed to the SEB.

All voting members performed the patently unacceptable review and individual evaluations at their respective centers.

Security

Security was a main concern for the evaluation process. After consulting with Security from the centers, it was decided that each Center would utilize dedicated facsimile machines and telephone lines utilizing STU III telephone equipment when discussing SEB sensitive material between centers. Customary procedures such as dedicated secure areas and locked cabinets were utilized at each Center. Consensus evaluations, and the presentation to the source selection official were conducted by the SEB at Langley Research Center.

Three contracts were awarded as a result of this

procurement without discussions. Each contract is a five-year, indefinite-delivery, indefinite quantity contract, with a \$200,000 guaranteed minimum and a \$90,000,000 maximum. The contract is a hybrid cost/ fixed price type. Pursuant to FASA, each of the multiple awardees is provided a fair opportunity to be considered for each order in excess of \$2,500.

Langley will administer the contracts at the contract level. Ames, Langley, and Lewis each have their own Administrative Contracting Officer (ACO) to issue and administer their own individual delivery orders. When appropriate, one Center may monitor delivery order performance for another Center. This monitoring would be done when one Center was located in close proximity to the awardee performing the task. Other centers may use these contracts through Langley, Lewis, or Ames. Orders are placed either on a fixed-price basis or cost-reimbursable basis.

Past performance data of completed delivery orders will be shared among centers. This information will then be used by the Contracting Officer's Technical Representatives and the ACOs to consider whether or not to solicit an awardee for an offer on a particular requirement.

The advantages of the RECOM consolidated delivery order contracts are numerous. There is enhanced competition, leading to better prices and quality. Centers will have access to more sources. SEB activities are reduced - only one SEB

instead of three. There is uniformity in contracting practices, shared contract monitoring among centers and better use of corporate knowledge.

The RECOM procurement was a tremendous Consolidated Contract Initiative success. The individuals proved that inter-center cooperation and reliance are possible. The time from approval of the concept for this consolidated contract to award was only nine and one-half months. This was achieved despite the fact that three centers were involved in the solicitation,

The time from approval of the concept for this consolidated contract to award was only nine and one-half months....The number of days from receipt of proposal to award was 70 days.

selection and award process. The nine and one-half month lead-time included the time for a sources sought synopsis, a complete draft RFP, and evaluation of industry's responses for both. The number of days from receipt of proposal to award was 70 days.

All three centers learned a great deal about creating a consolidated contract and the many issues that surround it. Consolidated contracting is the path the Government is taking for the future. If you want to find out more about this exciting adventure, you can contact me, Charlotte Hardy, at (757) 864-2526.

PROPERTY LOST, DAMAGED OR

by Rodney P. Berwanger, CPPM, Kennedy Space Center

Sometimes a simple loss, damage or destruction (LDD) of Government property and the subsequent reporting of the LDD can turn into a nightmare. While it may seem simple on the surface, if handled improperly, there could be major difficulties as well as increased costs associated with the LDD. The inherent clauses in the contract provide the basis for liability and responsibility.

The standard fixed price property clause FAR 52.245-2 states that the contractor "assumes the risk of, and shall be responsible for, any loss or destruction of, or any damage to, Government property..."

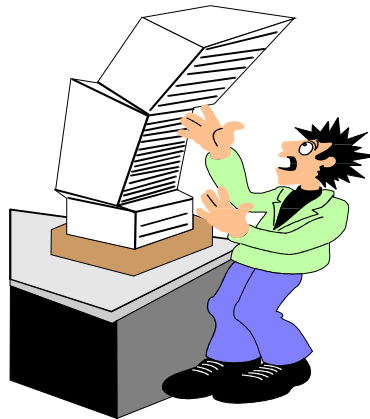
Concurrently, the cost reimbursement property clause FAR 52.245-5 states, "The contractor shall *not* be liable for loss or destruction of, damage to, the Government property."

However, the contractor is considered liable if loss or damage occurs under any of the following five conditions: (1) when a risk is expressly required to be insured; (2) when a risk is covered by insurance, for which the contractor is otherwise reimbursed; (3) when the contractor is otherwise responsible under the terms of the contract; (4) when the damage or loss results from Willful Misconduct or Lack of Good Faith on the part of the contractor's managerial personnel; or (5) when the contractor's managerial personnel fail to establish and administer a program or system for the control, use, protection, preservation, maintenance, and repair of Government property.

Should the contractor find that it has lost a piece of Government property, property had been

damaged or destroyed, or found out one of its subcontractors has suffered the same fate, it is required that the contractor report such losses "as soon as it becomes known."

NASA requires that during physical inventories, the contractor shall reconcile inventories with the official property records and submit reports to the Property Administrator within 30 days after inventory completion. Based on this, it has been the practice at Kennedy Space Center to require that contractors



verbally report losses of "equipment." After that, the facts and the subsequent investigation must be formally provided 30 days from the date of the discovery of the LDD. This gives the contractor adequate time to perform the investigation as well as time to recover the item thereby avoiding a Property Lost, Damaged or Destroyed (PLDD) report.

The report requires enough information to allow the Government Property Administrator (GPA) to make a judgment as to responsibility and/or liability. More important is the requirement that the contractor cite the actions to be taken to prevent

further loss, damage, destruction or unreasonable consumption and to prevent repetition of similar incidents.

The fact that an inventory is taken of material items does not relieve the contractor from the same requirements. The regulation does not say the requirement is for equipment only. At the Kennedy Space Center, for example, a list of reason codes for inventory adjustments has been established.

The record system employed by the majority of the contractors includes these reason codes to accurately report the cause(s) for the inventory adjustment(s). It is a known fact that some of the adjustments are considered "administrative" in nature and do not constitute an actual loss (clerical posting error for example). This is also included as part of the analysis. The investigation and the reason cited would determine the cause of the adjustment. It should be noted, that overages of material are handled in the same manner. This is in accordance with the FAR, 45.502(g) which states, "When unrecorded property is found, both the cause of the discrepancy and actions taken or needed to prevent recurrence shall be determined and reported to the Property Administrator."

Subcontractor Liability

If a contractor transfers Government property to a subcontractor, the transfer would not affect the liability of the contractor. However, both

DESTROYED. WHAT NEXT?

the fixed price and cost reimbursable property clause obligates the prime contractor to require the subcontractor to assume the risk of and be responsible for, any loss, damage or destruction of Government property while in the subcontractor's possession or control. Should the subcontractor or prime contractor want the limited risk of loss provisions flowed down, the prime contractor must obtain advance written approval from the cognizant Contracting Officer.

When there is a subcontract, the Government does not have privity with the subcontractor. However, the fixed price and cost type property clause states, "The contractor shall do nothing to prejudice the Government's rights to recover against third parties for any loss or destruction of, or damage to, Government property." The clauses go on to state, "The contractor shall furnish to the Government all reasonable assistance and cooperation in obtaining recovery. In addition, where a subcontractor has not been relieved from liability ... the contractor shall enforce for the benefit of the Government the liability of the subcontractor for such loss, damage, or destruction."

Based on this, the prime contractor must understand this relationship as well as its obligations regarding the circumstances. Further, it is imperative that the subcontract be reviewed to ensure that the applicable property clause is

flowed down with language that spells out that the subcontractor will be liable for all losses, damages or destruction of Government-owned property. This of course assumes the Contracting Officer has not granted limited relief of liability.

Another area of loss, damage, or destruction of property centers around insurance. The cost reimbursable property clause states that the cost of insurance is not a reimbursable item as far as overhead costs are concerned (FAR, 52.245-2 [7]). There may be instances when the contract specifically requires insurance under other provisions of the contract; however, this is extremely rare. This is not to say that there would not be reimbursement of insurance payments to the contractor and ultimately the Government.

A good example of this is an item that is shipped via commercial carrier. Commercial carriers normally have insurance coverage that is based on weight rather than the actual value of the item. To better point this out, let me relate to a real situation. The contractor for which I am cognizant shipped a Government-owned truck to Morocco. The truck was given to a freight forwarder and subsequently transferred to a company for shipment on a container vessel. When the vehicle was unloaded in Morocco, it was noted that damage to the vehicle had occurred during the shipment.

The initial submittal of the PLDD report by the prime NASA contractor indicated that there was no insurance covering the property. In this case,

however, the shipper *did* have insurance coverage which amounted to a maximum of \$1,000 liability. While there was about \$5,000 in damage done to the vehicle, if not for the fact that the Government PA did not require the contractor to investigate the liability of the third party, the \$1,000 would not have been recovered. Based on this incident, the contractor's procedures were amended to better reflect the need to investigate if any insurance coverage may exist outside the prime contract.

Willful Misconduct and Lack of Good Faith

Normally the contract provisions provide for the assumption of risk, loss, damage, or destruction of Government property by a prime contractor. Both the cost reimbursement clause and Alternate I of the fixed price property clause provide for limited risk of loss.

However, there are certain circumstances that could be the foundation for the contractor to be liable for the loss, damage or destruction of Government property as well as expenses incidental to such loss, destruction, or damage. Some instances such as insurance or the fact that the contract might specifically state the contractor is otherwise responsible have already been discussed.

The area that the contractor may assume the liability for LDD is the area of Willful Misconduct or Lack of Good Faith. Both the fixed price (ALT. I) and the cost reimbursement clause recognize these two instances which ulti-

(continued on page 13)

Training/Career Development Requirements For Promotions

by Barbara Cephas, Headquarters Acquisition Division

Over the last few years, strong emphasis has been placed on improving the acquisition workforce. This focus has resulted in the Government's implementation of a number of new policies and legislation.

In 1991, Congress enacted the Defense Acquisition Workforce Improvement Act (DAWIA). Applicable to Department of Defense (DoD) agencies only, this Act required the establishment of career development programs with mandatory training in acquisition-related responsibilities for advancement to critical acquisition positions; more rigorous qualification requirements than were applicable to civilian Agency acquisition positions both at entry level and for promotion within critical acquisition positions; a Defense Acquisition University; and a budget line item to pay for the mandatory training. The Act prompted DoD to develop an aggressive plan to establish education, training, and experience standards for their acquisition positions and to provide a common foundation of knowledge necessary to ensure that the acquisition workforce was fully proficient.

DAWIA raised concerns that the civilian agencies' workforce would be perceived over time as being markedly less professional than its DoD counterpart. To address these concerns, the Office of Federal Procurement Policy (OFPP) issued Policy Letter 92-3, dated June 24, 1992, to establish policies and a Government-wide standard for skill-based training

for the federal acquisition workforce.

The OFPP policy letter established a set of contracting competencies and required contracting professionals to complete course work and related on-the-job training in order to



attain an appropriate level of skill in each contract management duty. The policy letter was implemented as a change to Federal Acquisition Regulation (FAR) 1.603-1, linking the selection and appointment of Contracting Officers to OFPP's standards for skill-based training in performing contracting and purchasing duties. At the time, this guidance was perceived by some to be a companion to the DoD effort. To further this end, the Maloney Bill, Public Law 93-400, was enacted in 1995, amending the OFPP Act, Section 4307, to expand responsibility to include establishing education, training, and experience requirements for civilian agencies comparable to those established in 1991 for DoD.

Moreover, President Clinton signed Executive Order (E.O.) 12931, Federal Procurement Reform, the same day he signed

the Federal Acquisition Streamlining Act of 1994. E.O. 12931 underscores the Administration's approach to managing procurement and requires agencies to establish career education programs for procurement professionals.

NASA's procurement training and career development certification program implements the Maloney Bill. The new requirements that it places on our acquisition personnel should increase their efficiency and effectiveness on the job, and potentially enhance their opportunities in the job market. This policy provides our acquisition workforce with the information and guidelines they can use to plan their career development so as to become more competitive for higher level acquisition positions.

The objective of the program is to provide procurement professionals a standardized, consistent, and high quality training program to prepare them to meet the career changes and challenges ahead. This policy is the sole NASA regulatory authority for mandatory NASA-wide acquisition training.

All required activities, including core courses, in each certification level must be completed in order for an individual in the procurement workforce to progress to the next higher level. Completion of desired/elective courses is not required in order to progress to the next higher

(continued on page 14)

International Space Station: The World Of Government Furnished Data

by Kelly Rubio, Johnson Space Center

When the International Space Station (ISS) is launched, people will look at a technological marvel and be amazed at its complexity. What they won't see, is another aspect of the ISS's complexity, Government Furnished Data (GFD). The management of GFD is a unique and little understood area critical to the success of major systems acquisition. In the ISS program, NASA serves a key role as the supplier of data, to Boeing, the prime contractor, in accordance with the schedules set forth in the contract for the successful and on schedule development, integration, and deployment of the International Space Station (ISS).

The GFD under contract is unique data to the ISS. There is data on temperatures, antenna coverage, and humidity. As well as analysis on spot lights for the astronauts, and analysis of glove touch temperatures on handholds so that the astronauts do not burn or freeze their hands.

This GFD activity is unlike anything else done at NASA in that it is managed by the ISS Business Management Office (BMO). The BMO has the responsibility of Contract Management and Data Management. Principle activities revolve around the changes process, resolving delinquencies, and being the central repository of this data to be validated, tracked, and submitted to the prime contractor.

ISS GFD takes many forms. There is multiple language data from all over the world from Italy, Europe, Canada, Russia, and Japan; data from other NASA centers or what we term as U.S. source; and data in different formats, electronic (isometric, CAD, to name a few), hardcopy, or drawings. There are approximately 40,000 electronic drawings to be delivered as GFD to the prime contractor.

4,000 Line Items

In the ISS contract, the GFD attachment consists of 4,000 line items of GFD for approximately 400 Government Furnished Equipment (GFE) items. Before GFE is delivered to the prime contractor, the ISS program must deliver various types of GFD at certain intervals before actual delivery of the GFE to the prime contractor. In addition, at the time of GFE delivery, there are Acceptance Test Reports and Acceptance Data Packages that must accompany the GFE at final delivery. Some of the 4,000 line items of GFD are to be delivered on a quarterly basis to the prime contractor before final delivery of the GFE. To complicate matters further, there are International Partner GFD and GFE that the ISS program must deliver to the prime contractor. All of this must be submitted in complete and accurate form, as well as within schedule in order to minimize costly liabilities to the Government.

The 4,000 GFD line items under contract are U.S. source

data, or data from other NASA centers. It is estimated that 80% of this data is provided by the Johnson Space Center, specifically the Engineering Directorate. Other directorates at JSC include Extra-Vehicular Activity Projects, Mission Operations, and Space and Life Sciences.

The BMO relies heavily on the timely submittal of data from the other centers. This also entails that the other centers adhere to Part 1 of the Space Station Program 50177 GFD Data Item Description Document that describes the method of transmission, the form, and the content of GFD.

It is the responsibility of the BMO to analyze the data submissions against the SSP 50177 in order to ensure that the ISS program provides the prime contractor with the data set forth in the contract. There are many times when the data from the U.S. sources are inaccurate, incomplete, or are informal or for information only. Any unacceptable data is sent back to the source for further disposition and correction. It is the responsibility of the BMO to resolve such matters while preserving schedules.

International Partners

The International Partner (IP) GFD is unique. Although this data is on contract for the ISS program to furnish to the prime contractor, the mechanism of submission to the BMO is different. The ISS International

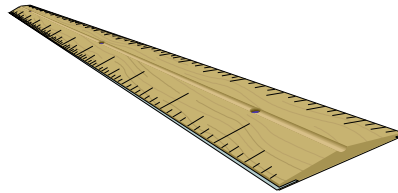
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Measuring Our Performance

by Jeff Lupis, Headquarters Analysis Division

One of NASA's most visible procurement initiatives within the past year has been Performance-Based Contracting. Our procurement offices have successfully found meaningful and innovative ways to define and measure contractor performance under our contracts. Now attention in the federal procurement arena is turning to performance measurement of the federal procurement workforce. Outside influences including the National Performance Review, Government Performance and Results Act (GPRA), and recent Executive Orders addressing acquisition reform, have all stressed setting specific goals for the performance of Government functions, and measuring our results. NASA's strategic plan, which specifically implements the GPRA and other statutory requirements governing NASA's strategic planning process, also includes specific requirements for Functional/Staff

offices (which includes procurement) to ensure that appropriate metrics are developed to evaluate functional performance (ref: NASA Strategic Handbook sec. 5.2.3). The NASA Office of Procurement is undertaking an



aggressive plan to ensure that a meaningful performance measurement system is established that supports NASA's strategic planning process, and that also provides insightful and useful information on the efficiency and quality of our procurement support.

NASA has already established performance measurement systems for many of our procurement programs and functions.

Data is regularly collected through the Acquisition Management System (AMS) and other data gathering techniques to track such important information as dollar obligations per Center, outstanding change orders, and the use of Performance-Based Contracting and electronic commerce. Other Government agencies have also developed performance measurement systems, many adopting the "Procurement Management Assessment Tool" (PMAT) methodology that was developed by an interagency working group under the direction of the Procurement Executives Association. NASA's procurement measurement system will refine and augment data we currently receive with other useful information that gives an even fuller picture of the procurement support we provide our

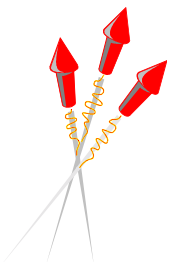
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Wayne Mears, Wallops Procurement Office Head, Retires

A. Wayne Mears, Head of the Wallops Procurement Office for over 14 years, retired from federal service on January 3, 1997. Mears came to work for NASA Wallops as a contract assistant in 1966, following graduation from the University of Virginia and employment with the Parks Finance Service. He was promoted to contract specialist in 1968 and to Head of the Wallops Contract Section in 1974. In 1983, he was appointed Head of

the Wallops Procurement Branch (now Office). With a wise combination of experience, knowledge and common sense, Mears successfully directed ever increasing Wallops procurement activities during transitions involving consolidation with Goddard Greenbelt, and from the NASA Procurement Regulations to the FAR. He was an active member of the Wallops Exchange and Morale Association (WEMA) for over ten years, and

was admired both for his personal style of leadership and his quick sense of humor. Mears received the NASA Exceptional Achievement Award in 1992, and was named GSFC Code 200's Supervisor of the Year in 1996. His retirement plans include golf, hunting, fishing, a little travel and a lot of "grandfathering." He will be sorely missed by his friends in procurement and throughout the WFF community.



Procurement Surveys

(continued from page 1)

insights regarding the effectiveness of the procurement office. These conversations are not for attribution, either directly or through thinly veiled references. The intent is to gain a fuller understanding of the workforce's professional issues, career considerations, and management topics. *So what's the real agenda, huh?* Perhaps the best response is to suggest that the more cynical readers either read the pertinent sections of last year's reports or contact their counterparts at Johnson, Kennedy, Ames or Goddard.

This interview approach is given roughly equal emphasis with the more traditional survey focus on compliance with procurement statutes, regulations, and procedures. Moreover, the thrust of the compliance portion is now directed towards systemic procurement processes, as opposed to focusing on individual file anomalies. When individual issues are surfaced on an instant procurement, the reviewer attempts to resolve the issue at the most appropriate level, which in most cases should be with the cognizant specialist or Contracting Officer. Likewise, even for systemic concerns, the reviewer converses with the pertinent

staff to assure that everyone recognizes the issue. *You don't have to agree, but you do need to understand the concern.* Also, more concentrated attention is being directed to the Center's accomplishments on current procurement initiatives, both Agencywide and Center specific.

While conducting the review, it is the team's objective to be as unobtrusive as possible. Recognizing that there are crucial on-going operational issues that must continue, there is a significant degree of flexibility allowed for in the on-site survey approach. Consequently, the previously formal in-briefing and report-out sessions are now handled more informally with the Procurement Officer and whom-ever they choose to invite.

The results of the compliance reviews and the interviews have been re-formatted in a Survey Report which encompasses strengths, weaknesses, and areas of consideration. Also, to engender a freer exchange of successful lessons learned and innovative procurement methodologies between centers, the team's report contains suggested approaches from others centers that might be exported. Furthermore, to foster greater Center ownership of the resolution of any identified weaknesses or considerations, the prior recommendation follow-up process has been

modified. It is anticipated that at an appropriate interval (perhaps six months) the Procurement Officer would brief the Associate Administrator (AA) for Procurement, the Deputy AA, and the team leader on Center achievements in these areas. If all are in agreement, the survey is considered complete. *Until the next time...*

To accomplish this redesigned review, team membership has been streamlined. The intent is to have a cadre of procurement professionals with recent operational experience. *And not just Headquarters' weenies.* Each team should have several Center participants, including representatives from the Center last reviewed (to see the process from another perspective) and the next Center to be surveyed (to get familiar with the new methods before their on-site visit). This team composition has the added benefit of further fostering cross fertilization of ideas and experiences between centers. If anything, the team members attempt to view themselves as proponents for constructive communications, and hopefully change, where necessary. *Pretty lofty, eh?*

Stay tuned...

OOPS!

There was an error in the Acquisition Division Course schedule printed in the last issue of the Procurement Countdown. The corrected version, which runs through September 1997, can be found on the World Wide Web at <http://www.hq.nasa.gov/office/procurement/sched.html>. Sorry for the confusion.

Marshall On Line

(continued from page 2)

quickly access guidance and resources related to procurement.

The METRO provides a wealth of information to those inside the contracting arena. Direct links to several key sites such as the FAR and NASA FAR Supplements, the NASA Procurement Library, and the NAIS Home Page provide a world of procurement reference materials. Contracting personnel can access both MSFC and NASA guidelines. MSFC's GP (procurement) Instructions and Procurement Reminders are available as are NASA's Procurement Information Circulars (PICs) and Procurement Notices (PNs). This arrangement provides a consolidated source to the Contract Specialist for the most frequently referenced MSFC and NASA guidance documents.

The METRO assists Contract Specialists in completing their work on-line. Selections that provide access to electronic programs include the NAIS EPS mentioned earlier, and the Small Business Innovative Research (SBIR)/Small Business Technology Transfer (STTP) programs. Mass buys are covered by SEWP II and GSA Advantage, with a separate link to the Consolidated Contracting Initiative home page. Sample documents and forms are provided to speed completion of contract awards, modifications and administration. Links to sites which provide information such as Sic Codes and Per Diem Rates offer quick reference points for the Contract Specialist.

The METRO was designed to enhance interactivity between the Finance and Procurement

Offices. Contract Specialists can access a listing of Finance personnel to determine who is responsible for financial actions against specific contracts, purchase orders, etc. Finance personnel have the ability to query a database and match buyer codes with Contract Specialists. This allows them to identify the appropriate contact in the event only a buyer code is available on their paperwork. These are only a few of the applications that can be made to the information available on METRO.

To support individuals outside procurement, some METRO links specifically target the technical customer. For example, the Government VISA Program at MSFC has over 300 cardholders dispersed throughout the Center. By utilizing the METRO, cardholders can access up-to-date information regarding the program's operation. For the convenience of the cardholders, an electronic User's Guide was developed which provides step-by-step instructions and email links to points of contact needed throughout the process. Cardholders can even use the METRO to request purchase order numbers or to change information in the MSFC cardholder database. The METRO also serves as a vehicle for on-line training of new cardholders.

In another time saving application, MSFC Program Analysts can download from the METRO information regarding the status of preliminary purchase requests submitted for review. The Program Analysts can determine the current status of their preliminary reviews and

save time by eliminating unnecessary phone calls. The METRO has been used to conserve resources as well as time. Information previously distributed via large scale mailouts has been converted and made available on-line.

The METRO has a phased implementation plan. Phase One provided the initial product and tested its structure and usability. Phase Two is in process and will add a number of refinements (such as a frames operating environment) and additional sites to the METRO. "Procurement 101" is currently under development and will provide specifics on terminology and procedures to technical and procurement personnel learning new processes. "Procurement 101" will answer some of the end user's frequently asked questions and offer comparisons of the various methods available to procure goods and services. This feature will assist procurement initiators in submitting complete procurement packages. With Contract Specialists continuing to cover a broader range of procurement types, this area will provide quick reference information including tips, formats, synopsis requirements, and timelines for various procurement methods. Ideally the use of "Procurement 101" will shorten the learning curve for new processes and assist Contract Specialists in cross-training situations.

Again, the METRO is in the first stages of implementation. Many upgrades are

(continued on page 13)

Property

(continued from page 7)

mately may shift the burden of risk to the contractor. It should be noted, however, the details and facts described in each instance pertain to "the contractor's managerial personnel." This is very important when the definition of both Willful Misconduct and Lack of Good Faith are reviewed.

The NASA FAR supplement defines Willful Misconduct as "may involve intentional or deliberate act or failure to act causing, or resulting in, loss, damage, or destruction of Government property." The definition provided for Lack of Good Faith states, "Lack of Good Faith may involve gross neglect or disregard of the terms of the contract or of appropriate directions of the Contracting Officer or the Contracting Officer's authorized representatives."

To be able to prove that the contractor's managerial personnel intentionally or deliberately caused any damage or loss to Government property or failure to act could have caused such damage or destruction seems almost impossible.

While there might be instances where management was directly involved in a loss or damage, you must prove that it was deliberate and/or intentional. (An example would be the President of a company leaving the front door of the plant open at the end of the day, or leaving the GSA vehicle containing Government property in a mall parking lot unlocked)

Lack of good faith, however, is more easily established

when one looks at the examples noted in the NASA FAR supplement. Lack of good faith may be demonstrated by the failure of the contractor's managerial personnel to establish and maintain proper training and supervision of employees. Further, that the contractor's managerial personnel fail to institute proper application of controls in compliance with instructions issued by authorized Government personnel.

It is my opinion that both these cases are directly related to the system analysis conducted by the cognizant Government Property Administrator. This coupled with the contractor's failure to implement a program for the control, use, protection, preservation, maintenance and repair of Government property could cause the burden of liability to shift to the contractor. In addition, should the PA find any portion of the contractor's system to be in non-compliance, and should the contractor fail to adequately correct the deficiencies after requested to do so, could cause the contractor to be liable for losses associated with the failure to correct such deficiencies.

It should be noted that in the case of the above, the FAR considers it a possibility that such failure is Willful Misconduct *and* Lack of Good Faith on the part of the contractor's managerial personnel.

Conclusions

The intricacies of Property Lost Damaged or Destroyed appear to be easy. However, given that there are so many variables and regulatory requirements that dictate how and when

the liability and responsibility are imposed, it becomes clear that each circumstance may be different. Further, in-depth evaluations and investigations must be conducted no matter what the cost of the particular item lost, damaged, or destroyed. Lastly, both the contractor and Government must communicate with each other regarding the circumstances surrounding each loss, damage, or destruction of any Government-owned property.

Mr. Berwanger has been a Government Property Administrator for his entire 21 year federal career. Presently he is the Property Administrator responsible for the NASA Space Shuttle Operations Contract at the Kennedy Space Center in Florida. There are over seven billion dollars in Government property accountable to the portion of the contract for which he is responsible.

Marshall On-line

(continued from page 12)

planned which will allow increased use of the flexibility and power afforded by the Internet. You are invited to visit the METRO at <http://msfcinfo.msfc.nasa.gov/metro/metro.html>. Feedback buttons are available and your input would be appreciated. For more information, contact Rick Glover at 205-544-0288 or Patrick Rasco at 205-544-8027.

NASA Honors NAIS

Congratulations to the NASA Acquisition Internet Service (NAIS) Team who were honored with a Space Flight Awareness Group award for their extraordinary efforts in establishing a standard, Agencywide process for procuring equipment and services over the Internet. The NAIS team has members from every Center. If you haven't seen what they have done, check it out at <http://procurement.nasa.gov>



The NAIS MFA recipients (all NASA employees except where noted):

ARC: Robert Brummett ; Joanne Comstock ; Gene Moses; Janelle Yancey; Guy Gatien - Recom Technologies

DFRC: Robert Binkley; Connie Hines; Stephen Hoang; Monique Sullivan

GSFC: Wanda Behnke; Sue Capretti; Kent Cockerham; Patrick Logan; Corinne Reed-Miller

HQ: Ed McClelland; Ken Stepka; Diane Thompson; John Werner

JPL: Katherine Wolf

JSC: Leigh Allen; Michael Garren; George Huff; John Jurgensen; Christopher Ortiz; Judy Nguyen - Northrup Grumman; Bonnie Reed - SAIC

KSC: James Dumoulin; Sandy Gates; Michael Masterson; Dave Reeves; Richard Sharum; David Wansley

LARC: Mary Deuell; Kennie Jones; John Kusterer; Sandra Ray

LERC: Gary Golinski; Bruce Shuman; Nancy Kouns - Cortez III Corp.

MSFC: Jim Bradford; Rick Glover; Jane Maples; Mike Savage; Laura Allen- Distributed Information Systems (DIS); Dwight Clark - DIS; Mark McCutchen - Computer Science Corp. (CSC); Jim Roe - CSC; Gary Rhoney - CSC; Eddie Terry - CSC

SSC: Gay Irby; Jane Johnson

WHITE SANDS: Michael Lalla

Training

(continued from page 8)

certification level. Individuals should choose whether to take desired/elective courses based on their specific interests, needs, and work assignments.

Each participant must take responsibility for his/her own career progression and development. While supervisors can provide career guidance and opportunities for career growth, participants must actively take charge of planning their own careers. Possible activities which

participants may pursue outside of the core curriculum to further their careers include: requesting additional on-the-job training assignments and/or increasingly difficult assignments, entering into a mentor relationship, becoming involved in a professional association, seeking outside education beyond NASA's course offerings, and other job-related activities, e.g., training to improve computer literacy and communication

skills, and supervisory training.

NASA Headquarters has already developed a draft "Acquisition Career Development Training Policy." This draft policy is currently being reviewed at the centers and comments will be addressed.

Any questions concerning this proposed training policy can be directed to Ms. Barbara Cephas (202) 358-0465 or Mr. Harold Jefferson on (202) 358-0409 at NASA Headquarters.

Performance- Based Contracting Definitions

DEFINITION OF PERFORMANCE-BASED CONTRACT (PBC) FOR SERVICES

A contract for services is PBC if:

1. The statement of work (SOW) contains performance requirements (what) and eliminates process-oriented requirements (how) and includes only minimally essential reporting requirements. If the level-of-effort, staffing levels or skill mix of workers are specified, then the contract is not performance-based; and

2. The SOW/specification contains explicit, measurable performance standards; and

3. The Government employs a measurement method, e.g., project surveillance plan, award fee performance evaluation plan, and that method is clearly communicated to the contractor. The contractor is held accountable for failure to meet minimum requirements, e.g., monetary consideration (positive monetary incentives for performance exceeding contract requirements that benefits the Government can also be included). Deduction schedules may be used where appropriate; and

4. The solicitation and contract convey logical, easily understood flow among performance requirements and standards, the measurement method and incentives; and

5. The contract is a completion form of contract (something is accomplished) as opposed to a term/level-of-effort form of contract (effort is expended). The contracting officer determines the appropriate contract type.

DEFINITION OF PERFORMANCE-BASED CONTRACT (PBC) FOR HARDWARE OR END ITEM DELIVERABLE(S)

A contract for hardware or end item deliverable(s) is PBC if:

1. The specification/statement of work (SOW) describes, at the highest practicable level (e.g., size, weight), what the end product must do (performance) and any critical constraints. It eliminates process-oriented (how to) requirements and includes only minimally essential reporting requirements. If the level-of-effort, staffing levels or skill mix of workers are specified, then the contract is not performance-based; and

2. Measures of quality are directly related to the end product's ability to perform its intended use and they form the basis of any positive or negative performance incentives. Actual demonstrated performance of the end item is normally one of the measures—in some cases, the only measure. The contractor is held accountable for failure to meet minimum requirements (positive monetary incentives for performance exceeding contract

requirements that benefits the Government can also be included); and

3. The contract requirements and incentives are clearly communicated; and

4. The contract is a completion form of contract (something is accomplished) as opposed to a term/level-of-effort form of contract (effort is expended). The contracting officer determines the appropriate contract type.

The next issue of the *Procurement Countdown* will be out in the Summer of 1997. If you would like to submit stories, please call Susie Marucci at (202) 358-1896 or submit stories by June 15, 1997, to susie.marucci@hq.nasa.gov.

Measuring Our Performance

(continued from page 10)

customers. Possible measures that could provide useful management information include objective measures of procurement lead times, on-time deliveries, and workforce productivity. Customer and contracting office surveys could provide additional measures of perceived timeliness and quality of procurement support, and quality of the work environment. While understanding that such summarized data never provides a full picture of all challenges faced by a procurement organization, analysis

of such workload and customer/employee insights is another management tool “in our toolbox.” They help us to identify general work trends and areas requiring further attention.

Although NASA’s Procurement Measurement Initiative is still in the formulation phase, we are excited about its use as a management tool to not only monitor the health of our procurement system, but also to help us manage our contracts better.

As our research into possible approaches begins, all NASA

centers will be involved in helping to define possible performance measures and ways to collect data. Our approach will be to maximize the use of already existing (AMS) data to reduce any additional burdens on the centers, and to ensure that the data that is tracked provides the type of information that our contracting professionals, as well as the offices we support, find most useful in managing our procurement programs.

Station

(continued from page 9)

Partners (IP) Office has negotiated Bilateral Data Exchange Agreements Lists and Schedules (BDEALs), whereby the ISS IP Office has negotiated with the International Partners (European Space Agency, Canadian Space Agency, Russian Space Agency, Italy, Japan) the type of data, the form of transmission, and its content, to be delivered to the ISS program. There are also Bilateral Hardware Software Exchange Agreements Lists and Schedules (BHSEALs) with the International Partners that describe software submittals. Furthermore, the ISS program

has Part 2 of the Space Station Program 50177 GFD Data Item Description Document for the International Partners that incorporates the BDEALs and BHSEALs for the method of transmission, format, and content of the GFD.

The complexity of the ISS leads to the inescapable fact that program data will be vast. The nature of the Space Station at the subcontract level, with the International Partners, is such that the need for data to ensure hardware movement prior to launch and assembly must be a self supporting vehicle. This

heritage and history on parts provide a trail to meet Space Station quality, safety, and contractual requirements.

It is the job of BMO to ensure that the contractual responsibilities of both parties are satisfied and consideration is given when determined to be appropriate.

The engineers may design and build the Space Station, but it couldn’t be done without the GFD and the people in BMO that keep the data rolling.

Procurement Countdown

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

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