

# Procurement Countdown

Spring 1999, No. 115

## Survey Manager Gives Procurement Good Grade

By Don Abrams, Former Program Manager of the Procurement Management Survey Team, NASA Headquarters

*The state of NASA's procurement operations is very healthy.* While that's probably not something you'd expect to hear from the Program Manager of the Procurement Management Survey team, nonetheless it is true. Overall, the acquisition professionals at NASA are doing a good job of satisfying their customers' needs while using the taxpayers' resources judiciously. Certainly, as soon as you read this statement, your mind can wander to examples where someone could have done better. Well, the nature of this beast called procurement is that it is not an exact science, and moreover, no one (except maybe your Procurement Officer) is perfect. That said, having reviewed NASA Center procurement operations for three years, I'm heartened by what I've seen.

Foremost, there are many bright, dedicated procurement careerists working hard to do good acquisition. Often they are striving under less than favorable conditions. But I have

been happily surprised by the resourcefulness, the creativity, and the tenacity of innumerable acquisition personnel I've interviewed at the centers. The acquisition initiatives of the past several years have taken root among the 1100 series workforce at NASA. Folks are designing unique solutions to

## Good Job!

address specific requirements and situations.

One of the common frustrations in the interviews I've conducted is that the procurement managers, and NASA legal counsel, are still too risk averse. There are numerous specialists and contracting officers who, through experience with a contract and/or program, had designed a clever approach that did not violate any regulation or statute, only to be told, "That's not how we do it here." By asking interviewees some probing questions to

ascertain the reasonableness of their proposed scenarios, it appeared that the approaches largely seemed to have merit. Nonetheless, in numerous cases they were quashed in favor of a more traditional approach. The better news is that because of declining resources and substantial workloads, many more managers are allowing innovative tactics, for reasons of expediency.

Another positive trend is that procurement is gradually becoming viewed as the business leaders for projects. This is happening because of the diligence and professionalism of the contract specialists and contracting officers in their interactions with their customers. More frequently than ever before, program offices are looking to procurement for options as to various methods of meeting mission needs, and even, on occasion, taking procurement's advice about the best business approach for

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## Highlights...

What's it like at JPL and the NMO? Procurement Officer Rita Svarcas gives us her take on page 2.

More information about the NASA Contracting Intern Program appears on page 3.

Did you know that SBIR Phase IIIs can be a great deal for NASA? Learn more on page 4.

NASA places a lot of emphasis on training. Check out what's involved on page 5.

# Introduction to the NMO at JPL

By Rita Svarcas, Procurement Officer, NMO at JPL

Are you familiar with JPL and with the NMO? Before I became the Procurement Officer



out here, I certainly didn't know much about them. So in case you are unacquainted with this key NASA-Southern California connection, here's a brief explanation of what these organizations are and what they do.

The Jet Propulsion Laboratory, or JPL, is NASA's only Federally Funded Research and Development Center (FFRDC). FFRDCs are not governmental entities, but they have a much closer connection to the government than other contractors do. Our FFRDC, JPL, is managed and operated by a division of the California Institute of Technology (Caltech). The FAR encourages a long-term relationship between a government agency and its FFRDC. In the case of JPL such a relationship has been ongoing between NASA and Caltech since our Agency's inception in 1958. (If you'd like to learn more about FFRDCs in general, take a look at FAR Part 35.017 for the federal policy regarding FFRDC establishment and use.)

The primary mission of JPL is planetary science and exploration. JPL spacecraft have visited all known planets except Pluto. You may recall JPL's highly

successful Mars Pathfinder mission. Its landing on Mars on July 4, 1997, attracted a great deal of media attention. JPL also performs a variety of Earth Science missions, including the Topex/Poseidon satellite. Topex/Poseidon has provided insight into global climate and ocean interactions such as the El Niño phenomenon.

JPL has been designated as NASA's Center of Excellence for Deep Space Systems, and continues to manage the Deep Space Network (DSN) of ground-based antenna in support of NASA spacecraft.

In short, JPL is a world leader in science and technology. It performs research and analyses funded by all of the NASA Enterprises as well as by a significant number of other governmental and commercial reimbursable customers.

JPL is located in Pasadena, California, in the foothills of the San Gabriel Mountains. It is a federal facility – JPL's 150 acres of land, 133 buildings, and over \$500 million of equipment are owned by NASA. In that sense, you can also think of JPL as a Government-owned-Contractor-operated facility, or GOCO. There are about 5000 Caltech employees on-site, plus several hundred people performing subcontracted activities.

There is an on-site NASA presence here as well – the NASA Management Office (NMO) at JPL. NMO is a division of the NASA Headquarters Office of Space Science (Code S), so we are all Headquarters employees. We currently have a staff of 25 NASA

people here, about half of whom are contract specialists. Since this is an operational Procurement Office not affiliated with any NASA Center, we have our own Procurement Officer, just as the NASA centers do.

The NMO's primary mission is to manage NASA's FFRDC contract with Caltech. All work performed at JPL flows through this one contract, which is a very large cost-plus-award-fee, task-ordering, completion-type instrument. We currently have 500 active task orders against this contract, and we anticipate that obligations this fiscal year will total about \$1.2 billion. Issuance and management of the FFRDC task orders make up a large part of our procurement workload. We also handle a small group of related procurements, such as a



contract for operation of the DSN site in Australia and a cooperative agreement for construction and operation of the Keck Interferometer in Hawaii.

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## People on the Move

### **Kennedy Space Center:**

Jonathan Parker left the KSC Procurement Office in January for the life of a lumberjack. Actually he's taken a position as a Sales Manager for Williams Brothers Lumber Co. outside of Atlanta, GA. Jon and his wife Lauri are settling into their new home, nearer their families, and are expecting a baby girl in May. Jon was contracting officer in the Operations Support Office. He helped form and conclude negotiations on the Joint Base Operations Support contract that consolidated many similar U.S. Air Force and NASA institutional functions at Kennedy Space Center, Cape Canaveral Air Force Station and Patrick Air Force Base in 1998.

### **Marshall Space Flight**

**Center:** FY 98 Awards: Byron W. Butler, MSFC Director's Commendation Certificate; Marianne Campbell, Space Flight Awareness; John C. Cather, NASA Exceptional Achievement Medal; Efrem J. Hanson, Space Flight Awareness; Tracy Lamm, Acquisition Improvement Awards (IFMP related); Jane Maples, NASA Certificate of Appreciation; Michael J. McLean, Silver Snappy Award; Jeffrey (Scott) Moore, MSFC Technology Transfer Award; Carlos M. Smiley, MSFC Director's Commendation Certificate; Michael L. Sweigart, NASA Certificate of Appreciation; Robert E.

Whiteley, Silver Snappy Award. Retirements/Buyouts: John C. Cather, Melinda Gauthier, Merlyn M. Masters, Vicki S. Owens, Hattie M. Burruss, Doris M. Hipp, Sadenya W. Smith, Margaret R. Pettis, Dan C. Mitchell.

FY 99 Awards: Dwight B. Clark, NASA Procurement Support Person of the Year; Mellina Hudgins, (Nominated) NCMA Blanche Witte Award; Kim Whitson, NASA Contract Manager of the Year; T. Jerry Williams; Space Flight Awareness Award.

NASA Procurement Development Career Policy - Level III Certification: James Bradford, Stephen P. Beale, Byron Butler, Harry Craig, Elaine Hamner, Marty Hanson, Valerie Holmes, David Iosco, Warren Jones, Jane Maples, Stanley McCall, Richard McClearen, Marena McClure, Michael McLean, David Morgan, Earl Pendley, Emil Posey, Patrick Rasco, Dave Seborg, Carlos Smiley, Michael Sosebee, Mark Stiles, Michael Sweigart, Ketela White, Robert Whiteley, Kim Whitson, Jerry Williams, and Byran Williford.

**Headquarters:** In the last issue, we reported that Dave Beck of the Headquarters Contract Management Division was the only NASA employee recommended for a 1999 Fellowship at the Industrial College of the Armed Forces (ICAF), and that it was a "long shot" for Beck to actually get the fellowship. The long shot came in; he was chosen for the ICAF. Congratulations Dave!

## Students Chosen for First Intern Class

The last issue of the *Procurement Countdown* carried an article about the new NASA Contracting Intern Program (NCIP). The students for the first class of the program have been hired. The students will report as co-ops for their first work assignments in late May/early June. They will meet for an NCIP orientation in June at the Kennedy Space Center. Their names, schools, and Center assignments are listed below:

**Juli Davis**, Arizona State University, Ames Research Center; **Todd Czaplewski**, Arizona State University, Ames Research Center; **Tida Pichakron**, Texas A&M University, Dryden Flight Research Center; **Mark Spykerman**, Michigan State University, Glenn Research Center; **Shishir Patel**, Michigan State University, Goddard Space Flight Center; **Stuart Petty**, Texas A&M University, Johnson Space Center; **David Wood**, Michigan State University, Kennedy Space Center; **Melonie Collins**, Tuskegee University, Langley Research Center; **Monica Hill**, Tuskegee University, Marshall Space Flight Center; **Jennifer Fredrickson** Texas A&M Stennis Space Center.

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, or e-mail at [susie.marucci@hq.nasa.gov](mailto:susie.marucci@hq.nasa.gov).

# SBIR Procurements: Why Phase IIIs Are a Good Value

By Karin Huth, Glenn Research Center

Most of NASA's contracting officers are aware of the SBIR and STTR programs because of the large number of Phase I and Phase II contracts that are awarded each year. However, many COs have never awarded an SBIR Phase III contract and are therefore unfamiliar with the advantages of identifying a procurement as a Phase III award.

The SBIR Program Office is working with the NASA Strategic Enterprises to ensure that SBIR topics are tied closely to NASA's program needs. As more project offices recognize that SBIR-generated technologies will serve their needs, the number of Phase III contracts will greatly increase. The procurement workforce therefore needs to be aware of the procedures for using Phase III contracts.

The SBIR and STTR programs allot a portion of NASA's extramural research dollars for award to small businesses with the goal of stimulating and fostering scientific and technological innovation and increasing commercialization of federal research and development. The SBIR/STTR programs were designed by Congress as three phase programs: Phase I is the start-up phase. Awards support exploration of the technical merit or feasibility of an idea or technology. Phase II awards expand Phase I results. During this time, the R&D work is performed and the developer evaluates commercialization potential.

Phase III is the period during which Phase II innovation moves from the laboratory into the marketplace. Phase III awards must be funded from non-SBIR funding sources.

A Phase III contract can be awarded to procure products or services which are applications of SBIR-funded R&D or to continue research that was initiated during the Phase I or Phase II effort. While the NASA SBIR Program Office tracks



Phase III awards as a metric of the success of the program, the decision to award a Phase III contract is made at the Center level. Unlike the Phase I and Phase II contracts, there is no formal NASA-wide solicitation or selection process for Phase IIIs.

A requirement for a Phase III contract should be identified as such by the requester prior to the point when the purchase request is received in Procurement. However, if a requirement is not identified as a Phase III, but there is any indication that the proposed contract is a follow-on to prior work done under an SBIR contract, the CO should inquire as to whether a Phase III contract is the appropriate contract mechanism.

The congressional intent for the SBIR program was to stimulate scientific and techno-

logical innovation while increasing federal contracting opportunities for small businesses. Because of this, SBIR legislation includes some special incentives for agencies to utilize Phase III contracts. Competition for Phase I and Phase II awards satisfies the CICA competition requirements. This means that a Phase III contract can be awarded to a SBIR/STTR firm without seeking further competition.

A Phase III contract can be issued any time after the award of the Phase II contract. It is not necessary that the Phase II actually be complete prior to initiation of the Phase III. This means that a project office with a need for a specific application of an SBIR-created technology can start the effort prior to the end of the 24-month Phase II contract.

While all of NASA's Phase I and Phase II contracts are fixed price, the appropriate contract type for a Phase III should be determined by the contracting officer. In some cases, a cost type contract may be more appropriate than fixed price.

The number and dollar value of Phase III contracts awarded by an agency are metrics that are used to measure the success of the SBIR program. In order to accurately assess the effectiveness of NASA's SBIR program, it is important that Phase III contracts be properly reported.

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# Non-Procurement Training for Acquisition Personnel

By Barbara Cephas, Headquarters Acquisition Division

As procurement professionals, we are bombarded with things we must do, regulations we must know, and in the last few years, training we must have if we want career advancement. With all of this, sometimes it's hard to squeeze one more thing into our workdays. However, we must keep up our current skills that stretch beyond the procurement walls. We need continuing education.

Continuing education is vital because all of us need to keep our skills up to date. Learning how to create spreadsheets may not seem important to you, until you have a critical briefing coming up and no support staff available. You have to know how to do it. That's where continuing education comes in.

How do we assure that we are prepared for the future world of contracting? As a procurement professional you should make every effort to obtain additional training in skills currency and job enhancement. There are various NASA-sponsored courses available that will assist you in further developing your current skills. Procurement Officers have been strongly encouraged to support their employees in seeking out additional training opportunities in addition to the ones provided by the Agency.

The NASA Training Office is a very good place to start for a listing of NASA-sponsored training courses;

local colleges and universities are also good choices. There are a number of options for seeking additional non-procurement skill-based training, and you should take every opportunity to obtain this training.

An OFPP policy implemented by NASA requires an equivalent of at least 40 hours of continuing education or training every two years. This is specifically for contract specialists and contracting officers who have satisfied the mandatory and

Agency/assignment-specific training for the purpose of maintaining currency of procurement knowledge and skills. This continuing education may include, but not be limited to, computer training, Agency-sponsored training and management/executive seminars, special job and/or professional association-related projects and/or participation in seminars/workshops, or other appropriate developmental activities. Non-procurement skill-based training can be applied to the 40 hour requirement.

Keeping your skills up-to-date is always a good career move. Remember, in the end, your career, and how well you do with it, is up to you. Continuing education is one more tool to help you.

If you have any questions please contact Barbara Cephas at (202) 358-0465 or by e-mail at [barbara.cephas@hq.nasa.gov](mailto:barbara.cephas@hq.nasa.gov).



## Surveys

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maximizing program success. While this cultural shift will take time, the satisfaction that results from making inroads will keep this change alive. Someday, we may see this view of procurement held throughout NASA.

### Continuing the Struggle

On an interesting note, there are several aspects of the acquisition process where many centers continue to struggle with similar difficulties. Perhaps the most persistent of these is in the area of technical evaluations. From a survey team perspective, the best we've seen in this area is demonstrated tenacity, where the specialist/CO sends the initial, cursory reply of "Accept" back to the technical customer and firmly requests more meaningful input. Another area of common deficiency is in market surveys. While certainly not a complex procedure, significant focus is needed to reinforce the criticality of appropriately conducting, and documenting, this basic tenant of federal acquisition.

More recently the team had concerns with the cost/price aspects of several procurements. With several centers trending away from dedicated pricing positions, the support for some negotiation positions was not up to the past standard. Additionally, many specialists remain unclear about the need to do a price analysis to determine price reasonableness, even when cost elements have been reviewed. Also, additional attention needs to be given to the status of

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# Surveys

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contractor's systems, as reflected in the Prenegotiation Position Memoranda and the Price Negotiation Memoranda. This has a corollary effect in the larger area of contract management and delegations. In many cases, while the delegation block is checked on the "Checklist for Contract Award File Content," delegation requests or their corresponding acceptance letters are not found. Also, there is little evidence of interaction with Defense Contract Management Command, especially in the Contractor Procurement Status

Review arena. As more of NASA's funds are spent on longer duration contracts, contract management requires more diligence.

Personally, I'd like to take this opportunity to thank all of the procurement professionals who made personal sacrifices to participate as survey team members during my time heading up the surveys. Your efforts were invaluable and greatly appreciated.

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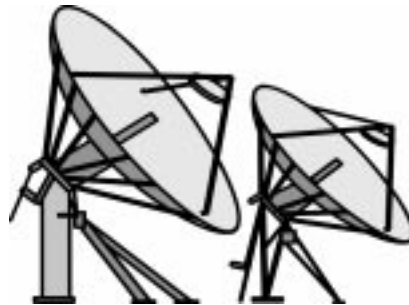
# JPL

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Additionally, since we are the cognizant government entity for the JPL division of Caltech, we are responsible for oversight of JPL's business systems, such as the accounting system and the procurement system. Because of this, the NMO contract specialists are also involved in a broad range of business management activities.

Although the NMO contracting organization has had a stable

workforce for quite a while, we anticipate some employee turnover in the next few years,



# SBIRs

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Phase III contracts should be reported as such on the NASA Form 507, Individual Procurement Action Report, by using a Procurement Placement Code of "GF" and by properly coding Block 40 (or Block 41 for STTR's) of the 507A.

SBIR procurement policy coordination was transferred from Headquarters to Lewis (now Glenn) several years ago. Policy questions in this area should be referred to your Center SBIR procurement manager or to Karin Huth at GRC. Karin can be reached at (216) 433-2770 or [karin.e.huth@grc.nasa.gov](mailto:karin.e.huth@grc.nasa.gov).

including the periodic rotation of the Procurement Officer position itself. If you're intrigued by the idea of working at the NMO, and if you think you might enjoy living in the Los Angeles area, I encourage you to consider the NMO in your career development plans.

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## Procurement Countdown

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