

Procurement Countdown

Winter 1999/2000, No. 117

What Happened at the Fall Procurement Officers' Conference?

By Rebekah Brewer and Susie Marucci, Headquarters

Twice a year, the Procurement Officers throughout NASA get together to discuss issues facing NASA procurement. Below are some of the topics discussed at the most recent Procurement Officers' conference, held in early November.

Procurement 2000 Spring Training Conference

Unlike most Procurement Officers' conferences, the Procurement 2000 Spring Training Conference, to be held next March, will be a major conference with a cross-section of NASA's acquisition workforce. This cross-section will include personnel from various skill classes and grade levels at each Center. The goal is to bring a number of procurement personnel together to discuss broad areas of interest and to provide an opportunity for more focused discussions within workshop settings.

Planning for the training conference is underway. But as

with everything in the government, plans can change. For example, NASA Associate Deputy Administrator, Jack Dailey was to be the keynote speaker. However, in the last few weeks, Dailey announced he was leaving NASA.



As it stands, approximately 150 people will attend the training conference. Procurement Officers, policy officers, grants officers, training officers, and others will be in attendance. Those chosen to receive Procurement Awards (nominations for which were just received) will also attend the Procurement 2000 Spring Training Conference. Each Procurement Office

will decide which additional personnel will attend.

This training conference is larger in scope than any done by the Office of Procurement in recent years. Associate Administrator Tom Luedtke said if it goes well, and the NASA budget can accommodate it, he will consider having similar training conferences in the future.

As the training conference dates get closer, Headquarters will provide more details about the Procurement 2000 Spring Training Conference.

Customer Surveys

Customer surveys were one of the hottest topics at the conference. As most people know, two surveys went out this fall. One was for the Center procurement personnel to comment on various aspects of the level of support they get from Headquarters and its quality. The other was a survey of the Center customers on what

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Highlights...

Have you heard about the Virtual Procurement Office? Read all about it on page 2.

Purchase cards are a part of our lives. Read about the contract challenges on page 4.

Electronic Procurement - its a new way to do business - page 5.

The head of the Procurement Management Surveys gives a review of his first year on page 6.

The International Space Station is a major undertaking. Learn about it from a procurement professional's point of view on page 8.

GRC issued a sources sought announcement and got its first Native American Tribally Owned Firm on page 10.

The Virtual Procurement Office

By Tom Deback, Headquarters, Contract Management Division

The growth of the Internet in the last five years has been nothing short of phenomenal. It has been compared in importance to the Industrial Revolution, and a revolution it certainly is. The amount of information available on even the most arcane subject can be overwhelming, and a major Internet thrust at this point is to increase the usability of information.

As you know, the amount of information and tools available on the Internet to support procurement can be intimidating. Laws, OMB Circulars, OFPP Policy Letters, the FAR, the NASA FAR Supplement, Handbooks, Guides, and other sites abound. The problem is trying to find the information you need when you need it or even knowing that you should be looking for information. After you find information, ensuring that it is current can also be an issue.

The Virtual Procurement Office (VPO) is the NAIS Team's effort to address these problems. It organizes procurement information, samples, and tools along the lines of the familiar NF 1098, Checklist for Contract Award File Content. It endeavors to provide relevant procurement information to the Contracting Officer/Contract Specialist. It does not provide the depth of information that the NASA Procurement Library provides but rather focuses on information essential to the operational 1102. In addition to providing the rules that guide the procurement process, it provides "build tools" for common procurement tasks. These tools are forms or templates

which may be easily transferred to your computer to complete frequently accomplished tasks. The Virtual Procurement Office also provides immediate access to other NAIS tools such as EPS, RFQS, and CCI. The VPO can be used as a research tool (in the "Browse" mode) or it can be used to track specific Procurement Requests.

As complicated as procurement is now, it is only going to become more so. We cannot control that complexity, but we can make the procurement process more accessible and, hopefully, more understandable. The objective of VPO is to provide access to current and future tools such as IFMP, new contract writing tools, and additional NAIS tools.

VPO is a work in progress. It currently addresses the contract award and contract modification processes. Plans call for the system to be expanded to the grant and cooperative agreement award and amendment process.

Beyond that we would like to address the contract management process to bring another set of tools to the 1102 to monitor contractor performance, deliverables, reporting, etc. Also, VPO could be used to support an electronic contract file if that capability is desired.

VPO is currently being tested at MSFC and rollout to the other centers is planned for the first quarter of 2000. In the meantime, however, NASA contracting personnel are certainly encouraged to visit the VPO web site at http://nais.msfc.nasa.gov/cgi-bin/VPO/vpo_matrix.cgi. As you surf its capabilities, your input would certainly be appreciated. Each VPO web page has a feedback capability. Please let us know what you think and offer any suggestions you have. Our goal is to make VPO responsive to your needs. If you have additional questions, you can call me, Tom Deback, at (202) 358-0431.

Acquisition Standdown Day At SSC

On September 2, 1999, the Stennis Space Center Procurement and Business Management Office conducted a joint Open House/Acquisition Standdown Day. Approximately 150 customers, including the Center Director and Directorate Chiefs, visited the office during a two-hour period and participated in mini-sessions on the NAIS, Commercial Credit Card Program, Purchase Request Requirements, new Facilities Support Contract with MSS, Business Management and ISO. Customers were given flyers on each of the aforementioned subjects to keep as handy desk references. At the end of these sessions, participants were treated to ice-cream sundaes. Numerous positive comments have been received indicating that the event was highly successful.



People on the Move

Stennis Space Center:

Congratulations to Rebecca Dubuisson, who was chosen as the new Procurement Officer at SSC, effective September 12, 1999. Becky wrote an article in the last issue of the *Procurement Countdown* about working with Kim Stone, the previous Procurement Officer at SSC who recently became the PO at Langley. Good Luck, Becky!

NASA Management

Office: Congratulations to NMO Contracting Officer Katherine (Kate) Wolf, who was recently selected for promotion to a Program Analyst position within NMO. Kate's primary duties will involve resource management for the Discovery Program. She will continue to serve as the NMO focal point for general financial and resource issues, including IFMP.

Congratulations to NMO Contracting Officer Catherine (Cathy) Higdon, who has retired after many productive years in civil service. Cathy plans to stay in the La Canada area, enjoying her family, hobbies, and pets in her well-earned free time.

Kennedy Space Center:

Farewell! Carol A. Farran has retired after 35 years of government service. Carol's final assignment over the last three years was Chief of the Mission Support Office in procurement. Under Carol's expert management, the Mission Support Office provided exceptional contract administration support to Johnson Space Center for

the Space Flight Operations Contract (SFOC) and the Consolidated Space Operations Contract (CSOC) as well as providing outstanding procurement support to its' customers at KSC. Carol was instrumental in keeping the proper flow of communication open between the three NASA centers involved in the SFOC (JSC, KSC, and MSFC) and focused on the centers working as a team to ensure highly efficient contract administration processes. Her hard work has been appreciated and will be greatly missed. We wish her well in her retirement!

Glenn Research Center:

Recent procurement work force ups and downs:

On the down side, we lost four highly experienced contract specialists to other centers and agencies. Tom Tokmenko and Jane Reutter left Ohio and joined the procurement staff at the Kennedy Space Center. Kathy Batke moved with her husband to Atlanta and was hired by DoD, and Anita Raman left for Chicago where she received a job with the Office of Naval Research. In addition, we lost two of our employees to other organizations at the Center.

Fortunately, we also gained some terrific new people. In addition to our Procurement Intern, Mark Spykerman, we were able to hire our first co-op for many years, Andrew Luckso. Teresa Monaco from Ames accepted our offer (in spite of our totally undeserved reputation for really bad weather) and joined our ranks in September of this year. Kimberly Hill and Joan Haug rotated to our Division from other Divisions, the former becoming a permanent member

of our grants office staff.

This year several of the Glenn Procurement Division employees had their day in the spotlight. Headquarters' Office of Procurement bestowed three of its eight prestigious Agency awards on Glenn personnel. Sandra Gage was recognized as Grants Specialist of the Year, Tim Pierce MidRange/Commercial Person of the Year, and Robin Strohacker Procurement Analyst of the Year. In addition Ken DeLaat received a Cleveland Federal Executive Board Award for his community outreach, and, in the near future, Kathy Webb will attend the shuttle launch as a Space Flight Awareness Honoree, in recognition of her outstanding role in the processing of simplified acquisition purchases.

Finally, several of our employees were involved in various professional and developmental activities. Jean Rogers took over the Presidency of the Northeast Ohio NCMA Chapter. Sonia Schriver, our close-out specialist, will graduate next month from the New Leadership Program. We have temporarily lost Kimberly Dagleish to Code H where she is doing a one-year rotational assignment in Anne Guenther's Analysis 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, or e-mail at susie.marucci@hq.nasa.gov.

In Memoriam

John W. Viger died on August 31, 1999, at his home in Long Beach, MS. John retired in 1990 as the Deputy Procurement Officer at NASA/SSC, after 38 years of government service. Until shortly before his death, John remained actively associated with SSC as a member of the NASA Alumni Association. He will be missed by his former co-workers.

The Purchase Card Contract: A Challenge

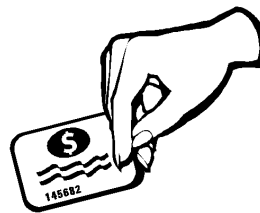
By Connie Stott, Langley Research Center

Since the inception of the new Travel/Purchase/Fleet Credit Card Contract which was awarded to BankofAmerica (BoA), NASA has issued about 3,000 purchase cards, 16,000 travel cards, and 3,000 fleet cards. Government-wide, there are 1.3 million BoA credit cards (includes all business lines). I must say that this year working on the credit card contract has really expanded my work experience. In addition to my knowledge of Procurement, I have had to learn more than I have ever wanted to know about Travel, Fleet, and Finance. Thank goodness, I do have Marilyn Aldrich who is the Agency lead for travel, and Charlie Harris who is the Agency lead for fleet, working here at Langley to explain their processes and help me understand them.

Implementation of this contract has been very challenging. In April, a GSA Users Group was formed to consolidate government issues and to “encourage” the BoA to perform. Since our Users Group has become active, some high-level BoA managers were relieved of duty and moved to other areas within the Bank. Now we have a BoA project manager and things seem to be turning around. The GSA/BoA Users Group consists of representatives throughout the

government who are BoA clients, e.g., DOT, DOE, DOI, DOD (Travel only), EPA, et al, as well as top management from BoA.

The Users Group meets every Tuesday in Washington, at the BoA Headquarters in Washington DC. Normally, I fly up on NASA 8 (or as BoA calls it “The Company Jet”) for the day. As



most of you know, “The Company Jet” is an 8-seat turbo-prop with no restroom. (I am not complaining -- it surely beats driving on I-95 any day.)

After a rocky start, the GSA/BoA Users Group has begun to work as a cohesive team, and progress is being made. Under the new BoA leadership, the bank did successfully meet its year-end goals. These goals were to ensure that all government bills were paid and all travel, purchase, and fleet files balanced.

Now that the end-of-the-year crunch is over, the Users Group (renamed the GSA/BoA Steering Committee) will be focusing on

problems and solutions by forming subgroups. So far, four subgroups have been formed: Reports, Communications, Invoices and Disputes, and Technical Advisory Group.

In our spare time, the Purchase Agency Program Coordinators (APCs) will be working on an Agencywide consolidated restricted items list and a proposed retreat for sometime in February. This retreat will also include the Travel APCs and Finance.

I would like to thank all of the APCs in Purchase, Fleet, and Travel and Finance for working so hard. This has been a very frustrating and difficult time for all of us. I would also like to thank the NASA Headquarters personnel in Codes B, H, and J who have given us total support in implementing the BoA contract and on other policy issues.

With the help of all of business lines (fleet/purchase/travel/finance) and the BankofAmerica, we will be streamlining our business processes into the next millennium and ensuring that our customers receive full benefit of the Agency’s fleet/purchase/travel contract.

If you would like more information concerning the Travel/Purchase/Fleet Contract Implementation, please contact Connie Stott, 757-864-2446.

EPRO's Next Steps Are Here

By Gene Moses, Ames Research Center

The December 1999 *Procurement Countdown* edition carried my article entitled "Electronic Commerce and You." It gave some background on the two NASA Acquisition Internet Service (NAIS) Pilots, discussed the particulars about the Forms-Based Pilot which I am leading, and identified future steps that the Pilot would take—namely, to move from Commercial Item Simplified Acquisitions to MidRange and large procurements. I am pleased to announce that those future steps are now being taken.

The Forms-Based Pilot recently changed its name to EPRO (which stands for Electronic Procurement). EPRO better captures the thrust of this Pilot. We started processing actual MidRange procurements the beginning of August 1999. We are currently doing five procurements through EPRO (ARC and LaRC each have 2, and GRC has one), and are looking for more to test this process. None of the five have been taken to completion as of yet, but several are at the point of receiving offers. The Offeror downloads the Informed and Entrust software packages (free of charge to the vendor) and, uses these Form and Digital Signature/Security packages to complete their offer and submit it electronically to the Contracting Officer. After review and selection, the Contracting Officer will be able to digitally sign the award document and

issue the award, all electronically. The MidRange testing is scheduled to proceed until early February 2001.

The same scenario will be followed to process large procurements. Large procurement testing commenced in early November. We will focus first on Source Evaluation Committee



level procurements before we move to the Source Evaluation Board level. Because of the typical document size of this

category of procurements, the Pilot utilizes the services of another Commercial off-the-shelf (COTs) software called Delegated Messaging Environment from Tumbleweed Corp. This software, operating on a NASA server, acts as a repository for the submitted offers. The features of the Tumbleweed software facilitate the submittal process and avoid a potential problem of electronic mail carriers crashing due to the size of attached documents. The large procurement testing is scheduled to proceed through October 2001.

If you are interested in participating in this Pilot by offering an actual MidRange or large procurement, you should contact your local NAIS representative. We currently have members from Marshall, Langley, Glenn, Stennis, Johnson and Ames, but all centers are invited.

Make a Difference: Participate!

Support the EPRO pilot by suggesting your contract! Contact your NAIS Center Manager. If you don't know who that is, <http://naisteam.msfc.nasa.gov/html/ecteam.html> will take you to a listing of them.

Good! – Not So Good!

By Tom Baugh, Program Manager, Procurement Management Survey, Headquarters, Program Operations Division

In the Spring 1999 issue of the *Procurement Countdown*, Don Abrams wrote an article about how he saw his 3 years as Manager of the NASA Procurement Management Survey. He wrote that after he had turned that duty over to me. This article is a review of my first year at the helm. Fresh off the boat following a permanent change of station from JSC, I hardly knew what to expect. As I believe you will see after reading this article, for the most part, I was extremely pleased with what the survey teams and I found at the four centers surveyed during FY 1999.

On the other hand, we did find some cause for concern regarding the quality of performance in some of the areas of procurement activities observed at various centers during the year. The four centers surveyed during FY 1999 were in order, the Goddard Space Flight Center, the NASA Management Office at the Jet Propulsion Laboratory, the Kennedy Space Center, and the Ames Research Center.

The good news is that the procurement management surveys conducted during FY 1999 reflect that the overall state of NASA's procurement operations continues to be very healthy. The not so good news is that there is ample room for improvement in many areas of NASA's procurement operations. On the whole, the areas which were evaluated as excellent or very good (strengths) far outnumber the areas where there was found to be a distinct need for improvement (weaknesses). In keeping with the generally positive nature of this

article, the strengths will be discussed first followed by a brief description of areas that require special attention. The strengths and weaknesses delineated herein represent a composite of the findings of the FY 1999 surveys. However, not every strength was observed in all of the surveys and, conversely, not every



weakness was observed in all of the surveys. Strengths and weaknesses unique to only one Center and survey are not included.

On the Plus Side

Most noteworthy among the strengths are the findings that procurement personnel are providing overall excellent support to technical and program customers. Customers frequently commented that they considered procurement personnel to be important and valued members of the team. The contributions and efforts of procurement personnel are greatly appreciated by the technical community and are considered integral to the success of various NASA programs. Customer appreciation of procurements role in the accomplishment of NASA's mission and

programs was a common theme in all of the FY 1999 surveys.

Another significant strength observed in all of the surveys was that Procurement Officers and supervisors at each Center surveyed were considered to be highly dedicated, hard working, concerned about the well being of the workforce, and committed to ensuring that the individuals in the trenches have the resources necessary to perform their duties and responsibilities.

Subordinates generally commended Procurement Officers, deputy Procurement Officers, and supervisors for maintaining workplace environments rated as good by most employees. Also, the degree to which managers and supervisors maintained open and frequent communications with their employees (an open door policy) was found to be impressive.

In the area of workforce development, all of the four centers surveyed were found to be making notable progress towards professional certification of the procurement workforce by January 1, 2000. In each instance, the Center had devised and was following a plan designed to assure professional certification of the workforce to the most practical extent by that date.

Competition advocacy is another area where the surveyed centers were found to be quite effective, as evidenced by the high levels of competitive new awards. The extent of competitive procurement actions at two of the centers was sufficient to exempt those

centers from the requirement to submit a formal Competition Advocacy Plan and Annual Report.

Among newer requirements, the centers were found to be doing a good job of implementing certification requirements for NASA Procedural Guideline (NPG) 7120.5, "NASA Program and Project Management Processes and Requirements."

A major element of NPG 7120.5 is that all projects and programs must have documentation (eg., Program Commitment Agreement, Program Plan, Project Plan, Formulation Authorization Document) approved by the governing Program Management Council. However, widespread misunderstanding of the applicability of that requirement in the past enabled many projects and programs to continue operating without the required documentation. In order to remedy that situation, the NASA Associate Deputy Administrator requested that the Office of Procurement deny continued contract funding to projects and programs lacking the NPG7120.5-required documentation.

Accordingly, the Office of Procurement established a requirement in the NASA FAR Supplement (see NFS 1804.7301) for purchase requests that accompany draft or final solicitations to contain a certification from the project office that indicates compliance with or non-applicability to NPG 7120.5. In checking several purchase requests at the various centers surveyed after

this direction was issued, the survey teams found that all of them contained the required certification.

Strong performance was also observed in the following areas:

- ♦Disposition of Post-Award Audits and Follow-up Activity
- ♦Utilization of the Test Authority
- ♦Allowing use of Simplified Acquisition Procedures for Commercial Acquisitions
- ♦Reduction of Unliquidated Obligations
- ♦COTR Training and Maintenance of COTR Training Database
- ♦Credit Card Purchases
- ♦Management of the Credit Card Program
- ♦Completion of Past Performance Evaluations
- ♦Overall Performance of SBIR and STTR Contracts

The Other Side of the Ledger

Everyone who worked so hard to bring these strengths out should be applauded. Unfortunately, there were also multiple significant areas of concern identified during the FY 1999 surveys.

Foremost among the areas of weakness identified during the FY 1999 surveys was the quality of technical evaluations. The technical evaluations reviewed were generally poor, consisting merely of brief statements of proposal acceptability without any evidence of critical analysis of its elements. In none of these cases was there any evidence of the Contracting Officer attempting to obtain more detailed information. As a result, negotiations focused

largely on minor rate issues with a negotiated settlement at or near the proposed amount or the government's budget. At one of the centers surveyed, this weakness was a repeat finding from the previous survey.

Another significant weakness found almost universally was the use of grants and cooperative agreements to acquire goods or services for the direct benefit of NASA. A grant or cooperative agreement award is not the proper means of acquisition where the primary purpose of that award is acquiring something that directly benefits the government. Inappropriate use of grant or cooperative agreement awards for such requirements reduces NASA's ability to ensure that all qualified sources are considered and that competitive price quotes are received.

A third problem area was the lack of systems or databases used to track centers' entire closeout inventories. The closeout tracking system must be comprehensive and include all award instruments (contracts, grants, cooperative agreements, interagency acquisitions, etc.) and must be capable of generating information on closeout performance at the Center.

The files for several Interagency Purchase Requests reviewed did not contain evidence of the Determination and Findings (D&F) required when using this approach to acquire goods or services through another government agency.

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Ready For Flight: International Space Station Hardware

By Kelly Rubio, Johnson Space Center

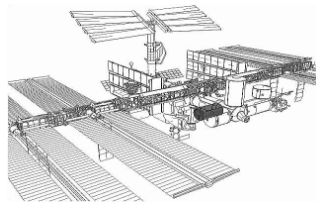
Imagine constructing a world wonder so high in the sky that it is situated 230 miles above the earth we live on. A structure so great, so dynamic, and complex, yet able to withstand external forces immeasurable to anything experienced on this earth. Further to be complicated by the presence of living, breathing human beings vulnerable to the very structure and environment they will call home for a duration of three to six months. Welcome to the International Space Station.

In simplistic terms, the ISS has a floor plan, footprints, and a skeletal diagram. Together, they lay out its physical and functional attributes. Technically, this represents a system and sub-system configuration that is made up of thermal and electrical control systems, command and control, communications, power and propulsion, robotics, structures and mechanisms, and environmental control and life support. In addition, the system interfaces with a structure that consists of various embedded components that make up a module or element. Combined, this major system and its subparts must cohesively flow to and from one another, step by step, piece by piece, with such precision and accuracy that, in its finale a fully functional, integrated, and assembled ISS is formed on-orbit. This ISS will be a pressurized living and working quarters for the ISS crew.

The ISS will have a mass of about 500 tons when fully completed and assembled. It will measure the length of a football field. The electrical power system is connected with 42,000 feet, or

8 miles, of wire. The batteries line up to more than ½ mile in length. Electrical and component parts include 1,900 different types of resistors, 500 types of capacitors, and 150 types of transistors. Fifty-two computers will control the systems on the ISS. The flight support software has 1.7 million lines of code.

The ISS is a multi-faceted collaboration of hardware and software produced and provided by the United States and 16 International Partners around the



world. The ISS hardware and software is developed and produced by the Boeing contractor, its many sub-tier level subcontractors, other NASA centers for Government Furnished Equipment and Data, and various international space agencies and their contractors. This provides a unique blend of international cultures and engineering disciplines working together toward a common goal.

Acceptance

What is government acceptance of the ISS? The ISS Hardware and Software Acceptance Process was developed to establish the process by which to accomplish the acceptance of the ISS flight hardware and software. This process is consistent with the contractual arrangement of the Boeing contract, configuration management requirements,

quality assurance requirements, and International Partner Bilateral Agreements. The process illustrates the required activities leading to acceptance and identification of certain critical roles and areas of responsibility.

The hardware and software acceptance process is designed to verify that the hardware and software is complete, compliant with requirements, properly documented and ready for safe and successful integration and operation. Based on the above, the acceptance process ensures that appropriate activities have been conducted to certify flight hardware and software prior to integration, and that verified, complete, and current documentation will be properly developed and archived to enable the continuation of integration and operations over the life of the ISS program.

All levels of hardware and software (U.S., International, government furnished), from non-complex items (connectors, cables, tools), to assemblies and major components (system racks), and cargo element items (such as the Node and Node Control Software) are processed through a flow of activities. This “flow” begins with the system requirements review, system design reviews, preliminary and critical design review, and stage integration reviews. These reviews establish the specifications, interfaces, design approach and allocation. In short, stage integration reviews are to demonstrate the inter-element and inter-system functionality of elements and subsystems.

And Software Acceptance Process

Functional and physical audits are performed to approve qualified items meeting physical requirements and design configuration. Lastly, an Acceptance Review Board (ARB) is established for cargo elements (Flight 2A, with Node, Pressurized Mating Adapters 1, 2, &3, and software) and incorporates a senior NASA board review of the completeness and readiness of the item and its associated documentation being presented to NASA for acceptance. Details of the prior reviews are presented at the ARB. The hardware/software developers and providers present a review of the certification status of the

hardware/software and provide rationale as to the acceptability of open issues/actions or open/planned work with a closure schedule of these items.

Our Involvement

Throughout the “flow” process, the Procurement Office is intricately involved with the technical community in matters concerning quality assurance, change management, and technical, schedule, and delivery of hardware and software. The Procurement Office is sought after for its expertise relating to these matters so as to maintain the flight worthiness of hardware and software against the contrac-

tual arrangement. For the final step before an ARB, the Procurement Office is called upon by lead technical managers to review, analyze, and authorize all pre-ARB documentation, including the form DD 250.

The Procurement Office has undertaken a key role in the crucial process of the government’s acceptance of major systems hardware. The ISS Program Office leans so heavily on procurement to ensure that the integrity of the contractual requirements are of such a high caliber that the Contracting Officer’s Technical Representative knows that the dynamic mix of hardware is acceptable and ready for flight.

SBA News Release: Certification of Small Disadvantaged Businesses **SBA Information Notice**

CONTROL NO.: 8000-510

SUBJECT: Extension of July 1, 1999 Deadline

EFFECTIVE: 7/20/99

The Department of Defense, the General Services Administration, and the National Aeronautics and Space Administration have agreed to issue an addendum to correct Federal Acquisition Circular (FAC) 97-07 to make amendments to the Federal Acquisition Regulation (FAR) concerning programs for small disadvantaged business (SDB) concerns. These amendments allow contractors acting in good faith to accept the self-representation of subcontractors as to their status as small disadvantaged business concerns. Effective with this rule, prime contractors may continue to rely on self-certification of SDB subcontractors until October 1, 1999. As of October 1, 1999, solicitations will require prime contractors who wish to take advantage of the SDB Participation Program to subcontract with firms certified as SDBs by the SBA.

This amendment will allow more subcontractors to become certified by the SBA. The FAR Council will finalize the FAR rule (FAC 97-13) with an October 1, 1999, effective date. The FAR rule will also finalize all previous Adarand FAR interim rules that were issued June 30, 1998 (63 FR 35719), July 1, 1998 (63 FR 36120), September 30, 1998 (63 FR 52426), and December 29, 1998 (63 FR 71721).

Additionally, the FAR Council expanded the exclusions to be applied to SDB Price Adjustments. They are: where the solicitation is a HUBZone Set-Aside; where price is not a factor in selection (e.g. Architect/Engineer acquisitions); and where all fair and reasonable offers are accepted (e.g. GSA Multi-Award Schedules).

The final rule, published on July 2, 1999, on page 36222 of the Federal Register, issues correcting amendments for the SDB program and amends the effective date for government certification of SDB subcontractors. The final rule, entitled “Federal Acquisition Regulation, Reform of Affirmative Action in Federal Procurement,” may be viewed at http://www.access.gpo.gov/su_docs/aces/aces140.html.

This extension does not apply to joint venture partners and team members representing themselves as SDBs. In accordance with FAC 97-07, the SBA must certify such companies.

For further information, please reference the Internet address above, or call (800) 558-0884.

8(a) Program Sole Source Award to a Native

By Linda Kendrick, Glenn Research Center

NASA Glenn Research Center has an on-going need for on-site test operations and technical support. We knew that the existing contract for those support services, which currently employed approximately 120 skilled workers, was scheduled to end on September 30, 1999. A new contract would need to commence on October 1, 1999. The existing contract had been competitively awarded under the SBA's 8(a) Program. The incumbent contractor had excellent performance evaluations but had recently graduated from the 8(a) Program. To assist in determining whether the follow-on acquisition should be restricted to small businesses, GRC issued a Sources Sought announcement which was designed to specifically encourage responses from various types of businesses. We received several replies – including, for the first time, information packets from two different Native American Tribally Owned 8(a) Program Certified Small Businesses.

As a result of the Sources Sought synopsis, it was determined that this acquisition would remain in the SBA 8(a) Program. This decision effectively foreclosed any opportunity for the incumbent contractor to compete for the follow-on acquisition; GRC would be awarding this work to a new entity. I have a confession to make — despite my 15 years of experience soliciting, negotiating, awarding, and administering large dollar contracts, I'm a novice with support services. I reviewed the need and determined that the new contractor would be performing on-site, would be using on-site facilities

and equipment, and would probably “inherit” an experienced workforce familiar with the specific work required. I considered the administrative cost (for an award of this magnitude, a Source Evaluation Committee usually requires about six people at GS-13 or above, for approximately six months, plus ancillary support), and I furrowed my brow. Frankly, I was troubled by what I perceived as a significant consumption of resources without an off-setting savings via the competitive acquisition process. I expressed my concern to my management and to our technical



community, and they encouraged me to find a worthy alternative. Actually, I had one in my back pocket. For those of you who are not familiar with FAR 19.805-1(b), I will summarize: Government can make a sole source award to an 8(a) certified Native American tribally-owned small business, *for any dollar amount*.

Both of the aforementioned Native American firms that had replied to our Sources Sought had identified various existing federal contracts. Contact was made with the cognizant Contracting Officers for the significant (over \$1 million) contracts. Both companies received praise for

their overall performance. The Akima Corporation (which is 100% tribally-owned) had four significant contracts, one for similar services, from four different contracting authorities at four locations. The other company (which is 51% tribally-owned) had one significant contract and several smaller contracts all at the same location and with the same Contracting Officer. Our GRC technical personnel met with Akima, reviewed the available information, and determined that Akima was capable of performing the anticipated effort. The Akima Corporation is owned by three Alaskan Native Regional Corporations. Technically, Alaskan natives are not organized into “tribes.” However, thanks to the miracle of “legal definitions,” the FAR does recognize these Regional Corporations as Native American Tribes, and Akima does meet the requirements of FAR 19.805-1(b). An offering letter was sent to the SBA on February 5, 1999, and the SBA accepted on behalf of Akima on February 12, 1999. No Source Evaluation Committee was formed; Source Selection was complete.

This Time — PBC

At this point in time, we were still writing the Statement of Work. The incumbent contract had been awarded as a Task Order (similar to a time-and-materials level-of-effort type) contract. Obviously, the Performance-Based Contracting philosophy had not yet taken hold at NASA when the

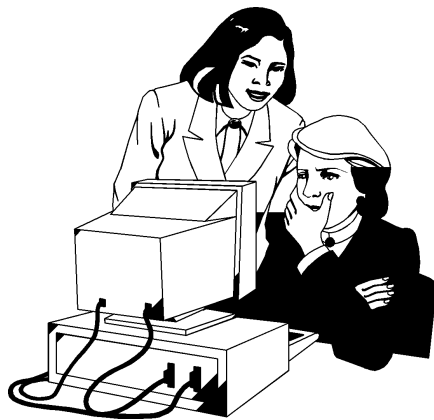
American Tribally Owned Firm

incumbent contract was awarded. Because of the nature of the work (non-routine, schedule- and quality-driven, shifting emphasis dependent on launch dates, test schedules, competing needs for expertise, etc.), we determined that a cost-type contract would be necessary. Our SOW Team had taken classes in writing PBC SOWs, and was committed to expressing the work effort in a PBC format. We issued a Blanket Purchase Agreement (to the company that had provided our PBC training) to reinforce the PBC training as we progressed through the SOW and Performance Review Summary (PRS) process, and to assure that our SOWs and PRSs reflected the technical effort in PBC language.

Since there were no concerns about competition or source selection information, we were in a position to openly discuss our Statement of Work with the incoming contractor as we were writing it. Akima was delighted to participate and made its corporate personnel available, as needed, at no cost. However, those persons were corporate-level—they would not be on-site daily at GRC after the contract was awarded. When I had polled the Contracting Officers who had made previous awards to Akima, I had asked for “lessons learned.” I got a big one: Include the Akima Project Manager (PM) as soon as possible, so that she (well, it ended up being a “he”) “buys in” to the way the SOW is

organized and understands the goals of each task, how the tasks are dependent/independent, etc.

Our technical community agreed that the recommendation had merit and determined that it was essential to the success of the anticipated contract to bring in the Akima PM as soon as feasible. Consequently, we obtained an offer from Akima, and in July we awarded a Purchase Order to the Akima Corporation, specifically for the purpose of including the Akima PM in the transition process



(from Level-of-Effort to PBC). By including the Akima PM so early in the process (two months prior to Phase-In), we opened the door to many frank and fruitful discussions about the work and our expectations. We also had the opportunity to become professionally acquainted and to build a good working relationship early on.

Lessons Learned

First, because the sole source process is so flexible and because there were no competition/source selection/protest concerns, there was a temptation to become very casual in our interactions with the

contractor. For example, in a conventional acquisition, everything would have been collected, finalized, and released at one time with a very formal revision process. In our case, the contractor PM was on-site and very cooperative, so we just provided a draft contract with proposal preparation instructions and supplemental documentation as it became available, revising it as needed. In this instance, the comfortable and collegial process worked, but I appreciate the value of structure and would probably strive to maintain a higher level of formality next time.

Second, I’ve learned that no matter how much time I have, I’m going to use all of it. There were a few snags toward the end (personal issues, scheduling blips, etc.), so we didn’t complete negotiations until mid-September. The facts that the selection had been made months before and that the Akima PM had been on-site for several weeks prior, had created a high level of confidence on both sides and afforded the maximum opportunity for successful transition at that late date. Once he got the word that negotiations were finalized, the Akima PM was immediately ready to do all of the things required for the Phase-In. In a future effort, I would be more diligent in keeping to the planned schedule and not rely so much on the schedule flexibility of the sole source award process.

Third, I had thought that knowing the identity of the follow-on employer in advance

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Procurement Officers' Conference

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they thought of their Center Procurement Offices. Although many of the respondents were positive in their review of the work done, all of the Center and Headquarters Procurement Offices are very sensitive to the concerns and complaints of respondents. Each of the centers is working on its own plan to address areas that received negative responses. On the Headquarters customer survey, training, personnel attitudes, and policy all received some negative responses. The Office of Procurement will address all of the issues raised on the Headquarters customer survey. A special bulletin on the Headquarters survey, addressing the issues, explaining them, and outlining what changes are being made (where appropriate), will be sent out early in 2000.

Training

Training is a difficult issue. This was brought out in the survey of Center procurement personnel, but the issues surrounding training were well known before. Some of the training issues include people with special problems – those who can't be away from home for long periods of time. The Office of Procurement looks at these on a case-by-case basis and does what it can to accommodate people. However, many people do not seem to know this. At Headquarters, the philosophy is to make the logistics surrounding training easier for people, since training won't go away. On-line courses are in the near future. (These were discussed in the last issue of *the Procurement Countdown*.)

For those with a DoD background, NASA will accept the DoD certifications. Courses that were already completed through DoD do not have to be repeated at NASA.

Another issue raised was about the CON 301 class. This class is designed for GS-13s and above. They need the class to get their Level III certifications and be eligible for promotions. Headquarters is not considering opening the class to GS-12s until all GS-13s have had it. However, in rare cases when there are last minute cancellations, centers may be contacted to fill a slot. In that case, a GS-12 employee may be accepted into the CON-301 class.

VPO

The Virtual Procurement Office is a program to help operational contracting personnel do their jobs more effectively. (An article detailing the VPO is located in this issue on page 2.) The Procurement Officers discussed the VPO and its implementation to date. They agreed that centers needed to add Center-unique rules to make the system functional and valuable to their staffs. Overall, they were very pleased with the idea of the VPO and support its implementation.

Intern Program

As reported in recent articles in the *Procurement Countdown*, the intern program is expanding. Ten students were recruited from four schools for the first class of co-ops. This year the number of new students will be expanded to about 15 and the number of schools recruited from will

increase from four to seven. Schools were determined by those with Business Programs, schools with an accent on diversity, and suggestions from upper NASA management. At the conference, one suggestion was made to have the current co-ops participate in recruiting the next set of co-ops. Recruiting is now completed at six of the seven schools. The last school recruitment will take place in early January 2000. Current co-ops have participated in most of the recruitments.

The Procurement Officers' conference is usually structured like a working group. Items are discussed; solutions are sought. Many of the topics have been or will be discussed in the *Procurement Countdown* or through other bulletins that will help the procurement personnel at all of the centers understand what is being done to improve procurement in the Agency.

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would completely erase contractor-employee transition stress. Well, it didn't. Once the source selection was made, Akima did hold a "meet & greet" with the incumbent personnel, and that was very well received. However, there are differences in benefits packages, and in some cases there are hiring decisions that cannot be dealt with until the contract terms are settled and Phase-In begins. And, there were rumors. If I were to do another acquisition of this type, I would encourage the incoming contractor to offer a discussion session at least once a month. These meetings would be held to address rumors, to let the workforce know the schedule for the Phase-In, and to communicate those items which are appropriate for that time in contract placement.

Fourth, this acquisition could not possibly have been accomplished without the unwavering confidence and support expressed by the Procurement Officer and the Support Services Branch Chief here at GRC. Co-workers shared heads-up experiences and samples. The technical management community took a courageous step when they endorsed and supported a sole source award to a company they had never heard of, and their staff worked hard to make it happen. It was a tremendous, successful team effort.

Conclusion

Did we accomplish a quality contract? Yes. The Statement of Work clearly identifies the scope of the

effort, and the PRS sets forth our standards. The contractor clearly understands the importance of its contribution to our technical goals. Certainly, Akima Corporation has developed an excellent reputation elsewhere, and I'm confident that they will follow through with excellent performance here at GRC. If for any reason the contractor does not perform well, the contract contains certain governmental rights that use contractor accountability and appropriate corrective action to promote the philosophy of PBC. Was the cost/fee "right?" Yes, it was fair and reasonable, although I can't absolutely guarantee that competition would not have yielded a slightly better fee. On the other hand, I do feel that the additional administrative cost (which, of course, is never really analyzed or assessed) would have been fully off-set by any savings in fee. Therefore, I am very confident that the government and NASA sustained an overall savings by using this sole source process.

Concern has been expressed about the overall fairness of this particular process: Why shouldn't Native American Tribally Owned companies have to compete? In my opinion, Akima had to do something more than merely compete — GRC would never have given over a contract of this dollar amount (just under \$50 million) to a company that had not established an excellent, outstanding past performance reputation with other government entities. Moreover, in lieu of competitive proposals, their cost proposal was closely analyzed against our

expectations, which were based upon recent competitions for similar efforts. We also extrapolated rates and projected economies which were incorporated into our estimate. Although it wasn't necessary to consider it in this case, GRC could have pulled the acquisition from the SBA 8(a) Program if we believed that a fair and reasonable agreement could not be achieved. It would be extremely naive to presume that an acquisition under FAR 19.805-1(b) was ever intended to be, *or would ever be allowed to be*, a slam dunk for an unproven, unexceptional company.

Definitely, the FAR places Native American Tribally Owned firms in an extremely unique position: A straight sole source award, no competition, no JOFOC, no limit. In point of fact, such a contract can be increased in scope or duration at any time (presuming SBA concurrence/approval), with no "new work" constraints. Keep in mind, however, that a Native American Tribally Owned company is just what it says — ownership rests not in the hands of a single individual of a certain heritage, but in the hands of every person who is a member of the Tribe. The entire community — elder, infant, and all the in-betweens — benefits equally from the success of the firm. I'm very proud to have participated in the award of this first GRC contract to a Native American firm.

Procurement Management Survey

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Even where the D&F was found in the file, responsible procurement personnel apparently did not understand that the NASA Associate Administrator for Procurement must approve a D&F for acquisition from an agency not covered by the FAR. As this requirement is clearly spelled out in the FAR and NFS, it appears that some personnel are not keeping up with regulatory requirements.

Other weaknesses found during the course of the FY 1999 surveys include the following:

- ♦High Number of Undefinitized Contract Actions
- ♦Failure to Delegate Grant Administration to the Office of Naval Research
- ♦Insufficient Market Research Supporting JOFOCs
- ♦Contract Changes Authorized by Contracting Officer's Letter
- ♦Improper Use of Cost Plus Incentive Fee as Type of Contract

A Lot of Help From My Friends

The success of the procurement surveys during the recently completed fiscal year resulted primarily from the efforts of the various individuals at NASA Headquarters and NASA Centers who staffed the respective survey teams.

My sincere thanks to the following for their valuable contributions:
Goddard Space Flight Center Survey: Jeff Cullen (HQ), Warren Jones (MSFC), Michelé Hull (PDP from ARC), Barbara Cephas (HQ), Diane Thompson (HQ), Tom O'Toole (HQ), Bob Democh (NMO-JPL), Chris Jedrey (HQ), Bill Childs (HQ), Tony Diamond (HQ)
Jet Propulsion Laboratory – NASA Management Office Survey: Jeff Cullen (HQ), Michelé Hull (HQ)
Kennedy Space Center Survey: Angel Castillo (JPL – NMO), Carl Eichenlaub (HQ), Michelé Hull (PDP from ARC), Vernell Jackson (GSFC), Jeff Lupis (HQ), Dean Patterson (PDP from GSFC), Daryl Wong (ARC)
Ames Research Center Survey: Roberta Beckman (HQ), Jeff Cullen (HQ), Stan McCall (MSFC), Steve Miley (HQ), Dean Patterson (PDP from GSFC), Ken Sateriale (HQ), Reginald Walker (HQ), Karen Weaver (GSFC).

The points of contact at the various centers surveyed also made significant contributions to the surveys.

Goddard Space Flight Center: Billie Smith
Jet Propulsion Laboratory — NASA Management Office: Bob DeMoch
Kennedy Space Center: Donna Rafferty
Ames Research Center: Mike Basta and Tom Dussault.

Also my special thanks and appreciation to Beverly Smith and Donna Sprinkle of the Program Operations Division in the Office of Procurement for providing procurement data for all of the centers surveyed.

One final note: Any Center personnel interested in participating as a member of a future survey team, please make that desire known to your Procurement Officer.

The following surveys have been scheduled for FY 2000:
Stennis Space Center
11/15/99 – 11/19/99 (completed)

Johnson Space Center
02/28/00 – 03/10/00

Dryden Research Center
05/08/00 – 05/12/00

Langley Research Center
08/07/00 – 08/18/00

Procurement Countdown

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