



## NASA Awards the Follow-on JPL Contract

By Suzan P. Moody, NASA Management Office

Last November, something amazing happened. We completed the negotiation of a follow-on cost-plus award fee contract to the California Institute of Technology (Caltech) for the operation of the Agency's Jet Propulsion Laboratory (JPL) in Pasadena, CA. Even more amazing, we set up a strategy and plan for the new contract, worked with members of many NASA organizations and JPL management to reach consensus, and moved from a conceptual idea to a signed contract – all in under eight months. The contract has a basic period of performance of five years and a value of approximately \$8 billion. Going from an idea to a signed contract was quite a feat. I'm writing this article to tell you about it.

### Background

The Jet Propulsion Laboratory (JPL) is NASA's only Federally Funded Research and Development Center (FFRDC). It conducts research expanding

human understanding of the Earth, the Sun, solar system, stars, planetary systems, galaxies, and the formation and evolution of the Universe.



NASA had a five-year contract with the California Institute of Technology (Caltech) for the operation of JPL in Pasadena, California. This contract expired on September 30, 2003.

### Contract Improvements

The new contract provides JPL and Caltech with greater clarity in their relationship with NASA and other government agencies. It focuses JPL on its core mission with incentives for performance and returns operational management to JPL of the Deep Space Network, which is used to communicate with interplanetary spacecraft. The

management change will assure greater reliability of the network and more management clarity.

In addition, under the new contract NASA has greater authority to require contractor compliance with government policies including Executive Orders, NASA Policy Directives, and NASA Procedures and Guidelines. Caltech has the ability to review and comment directly on NASA policies that affect its performance. This improves JPL's ability to accomplish its missions and provides NASA with advice on the impacts of new policies.

We are also implementing a new award fee evaluation process which will help to ensure that performance expectations are clearly defined. The contract also includes a new award-term provision that, based on performance reviews, may extend the contract period of performance for up to an additional five years and potentially doubles the estimated cost of the

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# Robert A. Greco, September 8, 2003

“Bob” is what he preferred, but he was “Robert” to us for the two years he was at the NMO. Because there were a number of “Bob’s” working at NMO, “Bob Number Three” didn’t seem to fit his playful personality. Bob was a unique man with many fine qualities that he freely shared with others.

Born in Brooklyn New York, he graduated cum laude from Woodbury University in Los Angeles with a major in finance and accounting minor. After enjoying the fruits of his labor in private industry as a consultant, Bob’s curiosity about the federal government got the best of him. He chose to experience the civil service. Bob’s strong financial background and procurement training quickly propelled him into a team lead Contracting Officer position with NASA. Bob had a broad experience base with a multiplicity of federal agencies including the Department of Navy, the Department of the Air Force, the Defense Logistics

Agency, and the Internal Revenue.

Many folks that had the opportunity to work with Bob, particularly here at NMO and at Dryden Space Flight Center, expressed their appreciation for who he was, the talents he offered, and his rare gift of inner strength that allowed him to put others before himself.

Some would say.....

He had a dry wit, and he liked to tease  
was a very savvy guy, who worked hard to please

Some would say.....

He could negotiate a fabulous rate  
And was happiest in a number crunching state



Some would say.....

He had a very level head  
Accepted a challenge  
And meant what he said

Some would say.....

He expressed true leadership  
Never used four letter words,  
Except maybe..... “IFMP”  
While he helped us all keep our  
SANITY.

All would say....

Bob was well liked and greatly admired  
for his friendliness, intelligence,  
leadership and strength  
and he leaves a void in those he inspired.

Bob Greco lived his life with purpose, he planted a positive seed in the garden of our hearts and will truly be missed by all who knew him.



## People on the Move

### GSFC

**Congratulations:** to the following people who recently received promotions: Michele' Hull, James Geiser, Lori Levine, Janet Langweil, Veronica Okai, Mandy Parham, Antwan Reid, Lashawn Davis. Congratulations also to the following people who recently were selected for these positions: *purchasing agents* - Talaya Brooks, Mary Brown, Jolyn Nace, Keva Crossen; *contract specialist S.A.* - Joan Murden; *contract specialists* - Louetta Milstead, Janet Osterman, Kathy Richardson; and *contract administration* - Debbie Bittner, Joyce Tsugawa.

**New Faces:** Alpana Jenne to Code 210.H; Darlene Dorsey to Code 210.M; Larry McMichen to Code 210.I; Donna Santos to Code 210.Y; Karen Place to Code 210.H; and Susan Richards to Code 210.H.

**Farewell:** John Baniszewski to Code 400 (within GSFC); Patricia Willis; Camille Thurston to Headquarters; Kathryn Lingerfelt to Code 153 (within GSFC); Michael Allen to TSA; and Kim Phillips to Code 295 (within GSFC).

### HQ

**Congratulations:** to Patrick Flynn, Contract Management Division, who recently received a promotion.

**New Faces:** Jim Becker, from Goddard, where he spent 14 years, most recently as a procurement office team lead and the senior contracting specialist in the Earth Sciences Procurement

Office. Kim Dagleish, from Langley where she spent three years. Before that, she spent 18 years at GRC. Kim is the SEB Chair for the NSSC. Jerry Edmond, from Goddard, where he spent three years, most recently as the Contracting Officer for the Structure and Evolution of the Universe program office. Prior to working at GSFC, he spent two and a half years at the Naval Air Systems (NAVAIR) Command as a contract specialist on the P-3 Orion Acquisition's Team as apart of the NAVAIR Outstanding Scholar's Intern Program. Diane Frazier, from the OIG office at Headquarters, where she spent six years as a procurement analyst, reviewing procurement issues Agencywide and advising OIG staff of procurement matters related to their audits and investigations. Before the OIG's office, Diane was in Code HW/CW for about seven years, first as a pricing analyst then as a contract specialist/Contracting Officer. Monica Manning, from Department of Commerce where she spent three years, most recently as Chief of Customer Outreach and Programs for the Department of Commerce, Office of Acquisition Management, Commerce Acquisition Solutions Division. Mary Stevens, from Goddard, where she has worked for 15 years, most recently as the Contracting Officer responsible for awarding and administering the James Webb Space Telescope (JWST) Observatory contract. Mary is currently finishing up some work at GSFC and should be at Headquarters in the beginning of the new year.

### KSC

**Congratulations** to the following KSC Procurement Office employees who recently received promotions: Chris Pino, Acquisition Management Office; Linda Ranow, Engineering Support Office; Teri Jackson, Mission Support Office; Chris Canary and Joyce McDowell, Operations Support Office; and Jeannette Platt, Launch Support Office. Also promoted was Gladys Escobar, former executive secretary to the Procurement Officer, and is now performing as an administrative specialist. Jaime Carter recently graduated from the NASA Contracting Intern Program to a permanent position in the Mission Support Office.

**New Faces:** KSC extends a warm welcome to our newest employees. Melinda Bouchez comes to us from the Shuttle Processing Directorate and serves as the executive secretary to the Procurement Officer. Steven Horn transferred to the Acquisition Management Office from the KSC Legal Office.

Joshua Soto comes to us from White Sands, NM via the NASA Contracting Intern Program. Justice Harvey recently graduated from University of Florida and accepted a contract specialist position in the Mission Support Office.

**Farewells:** Alas, we must bid farewell to Laura Molnar, who resigned from NASA after 11 years of government service, and Becky Fasulo who transferred to the Launch Services Program Directorate.

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@nasa.gov](mailto:susie.marucci@nasa.gov).

# JPL

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contract. The award-term provisions, along with the award fee and task order performance incentives provide significant incentives for contract performance.

Some other contract improvements include:

- A reduction in the number of contract deviations. Only deviations that were written to recognize JPL's unique role as an FFRDC were included in the contract;
- Clearer and more equitable provisions for the end of contract options;
- Provisions aimed at mitigating organizational conflicts of interest;
- Greater JPL autonomy from its parent organization – Caltech;
- Competitive Sourcing requirements; and
- Requirements for stricter cost principles and adherence to accepted cost accounting standards.

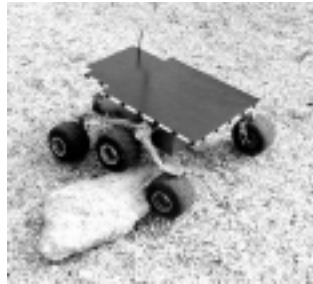
According to Carl Weber, then NMO Procurement Officer, "The operation of an entity as large, complex, and important to the NASA mission as JPL requires flexibility and continuous review and improvement of the contract and contract management process. I think the new contract gives that flexibility, and enhances relationships between the functional codes, programmatic codes, and the contractor." So, how did all this happen?

## Contract Negotiations

Because the JPL Operations contract is cost plus award fee with estimated cost and funding requirements determined on a

task-by-task basis, our negotiation team negotiated not over the cost of JPL operations, but the terms and conditions that guide our relationship with Caltech. These terms and conditions encompass a wide range of areas including: the role of the FFRDC, cost principles and allowable costs, task order processes, environmental regulations, subcontracting, education and outreach, and end of contract options.

We started the contract renewal process writing a term sheet documenting the type of working relationship that NASA would like to have with Caltech



going forward into the future. The NASA General Counsel and a core team of NASA principles (customers) all came together to write the term sheet. By writing it and presenting it to the contractor, we borrowed a best practice from the private sector – documentation of our interests and requirements for relationship changes. This term sheet included very specific rationale for each area of relationship change that we identified. Most importantly, we developed the term sheet as a unified negotiation team. Our negotiation team included not just the NASA Management Office (NMO), but all of the HQ enterprise and functional offices that have an

interest in JPL operations.

Principles from NASA held discussions with Caltech officials to discuss these changes. Our list culminated into a "Letter of Intent" that was signed by the heads of the Office of Procurement and Caltech. This Letter of Intent documented our goals for the negotiation and served as an important tool to focus the discussions. It defined the key goals for the new relationship and supported our core negotiation team throughout the contract renewal process.

Our core negotiation team was responsible for working with Caltech to develop the contractual document. The negotiations on the contract terms and conditions were scheduled to be completed in just two months. This was an ambitious goal since the last two contract renewals (in 1993 and 1998) took considerably longer. These terms and conditions included security requirements, occupational health, technology transfer, environmental management systems, information technology, and export requirements. As you can imagine, with only two months, the tight schedule involved many twelve-hour days, weekends, and TDYs. I am sure that you have all been there.

## Transition Activities

We awarded the new contract in November of 2002 - 10 months before the effective date so we would have time to complete the transition activities and to cement our new relationship with Caltech. Having a transition period is an important process improvement. This has been a busy time, but we

are thankful to have this time to implement the new contract processes, especially since we went “live” with IFM in February. Our transition activities included: transitioning task orders, developing a Competitive Sourcing plan with the contractor, redefining the role of the COTR, adjusting to IFM, training award fee participants, setting up incentive arrangements on task orders, refining our task order process, and a number of other activities. Caltech has been an active participant throughout this transition. The contract went into effect October 1, 2003. Despite the fairly short time scheduled to complete negotiations and construct a signed contract, we were able to accomplish all of our negotiation objectives and create a much-improved contract. We are confident that we have a solid foundation to administer the contract.

As part of our transition activities, we conducted an orientation briefing at HQ to review the new contract changes, including the new award fee process and task order procedures. This orientation is important because the JPL contract is administered not only by the NMO, but also by a number of enterprise and functional offices at HQ.

## **Negotiation Team**

On July 9<sup>th</sup>, the Administrator presented our team with a NASA “Group Achievement Award” for our work as the “JPL Negotiation Team.” This award was noteworthy because the success of our contract renewal process came from the dedication of the many

people involved. The support of our NASA principals, HQ enterprise and functional offices, Code H, and the core negotiation team and the cooperation of Caltech were critical to this effort. Our contract renewal team consisted of a core group responsible for the entire contract renewal process including: developing the acquisition strategy; writing the comprehensive review and JOFOC; and negotiating the contractual document. Jeff Lupis, Code HS procurement analyst, served as the procuring Contracting Officer for this effort. Carl Weber – then NMO Procurement Officer, provided his procurement exper-



tise. I supported the team as the contract specialist. Our legal team consisted of Tim Howell – NMO Chief Counsel and Vincent Salgado – a senior attorney at HQ Code GK. Marcus Watkins from the Office of Space Science (Code S) and Mike McNeill from the Office of Management Systems, Environmental Management Division (Code JE) served as functional experts.

Our negotiation team was fortunate to have the expertise of two former NASA Management Office (NMO) Procurement Officers in Code H – Tom Sauret and Rita Svarcas. Tom Sauret led the negotiations of the JPL contract in 1993 and Rita Svarcas led the negotiations in 1998.

Having been through similar sole source renewal processes, Tom and Rita were able to provide meaningful comments on our acquisition strategy, solicitation, and resulting contract.

The Caltech staff collaboratively participated throughout the process. They demonstrated a willingness to accept new terms and conditions, supported our compressed acquisition schedule by submitting a timely proposal, and assisted NASA with all of the transition activities.

Carl Weber summed it up best, “The bi-coastal and multi-functional effort strengthened the connection and enhanced the product - resulting in an expeditious and successful activity. I hope those strengthened ties between the East coast and West coast participants will continue.”

## **Personnel Changes**

At the same time, there will be a number of personnel changes at the NMO. The Contracting Officer for this effort – Jeff Lupis is now the Procurement Officer at the NMO. The NMO staff is looking forward to working with Jeff because of his extensive knowledge of the NMO’s primary contract and mission. Jeff was the HQ procurement analyst for the NMO. He has a good working relationship with the people at the NMO. Jeff says he is looking forward to being back in the field again and living on the West coast.

The NMO’s former Procurement Officer – Carl Weber is now

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# Transitions

By Michal K. Malik, Johnson Space Center



Many of us understand the meaning of the word “transitions,” but we all have different examples of transitions that we have experienced. Senior year in college is a year filled with roller coasters of emotions. One such roller coaster comes from the question, “Where am I going to work after this is over?” In one of the worst job markets in years, I found myself among thousands of graduating seniors looking for careers. I can recall countless hours perfecting my resume at Kinko’s, flipping through interview books for all the preparation needs, and sitting through nerve-racking interviews.

Early in my senior year, along with many other students at Michigan State University, I submitted my resume hoping it would end up on top of the pile to interview with NASA. Even though I was very experienced for an undergraduate student – having a corporate accounting internship at Daimler Chrysler and a position as financial analyst at TRW Inc., – I thought I would never get the interview. Several weeks later an e-mail popped up on my screen congratulating me on being selected for the interview. Many

emotions ran through my mind when I read that e-mail. I mean what kid growing up didn’t dream about NASA?

Most people tend to get nervous before and during interviews, but I was especially nervous about this one. I knew that my dream job was across the table from me, I just needed to prove to the interviewer that I was the right person for the job in a very short period of time. During the interview, I wasn’t sure how I did. And as the time went on, I figured I didn’t get the job.

Several months later, I was taking notes in an economics class and my telephone rang, I looked down at the number and it was an area code that was familiar to me, having traveled to Florida in the past. I checked my voicemail and I heard the voice of a Human Resources representative urging me to call him back at Kennedy Space Center. I’ve never been so happy to call someone back. I was extended an offer at Johnson Space Center. I immediately accepted.

My mom was the first person I called, and like every parent, she was ecstatic. She even cried. My mother and I came to America from Europe 14 years ago with

two suitcases and a dream, the American Dream. And for me it was finally happening. I was educated in one of the nation’s top business programs and now I was going to work for the US government.

Many people think differently of the government, but for a person who had to obtain his citizenship on his own, this country means so much. To be able to work for the government’s elite federal agency was a dream come true for my family and me.

I went to the Expedition 7 Downlink Event recently, and I just thought to myself how wonderful this career is. I was able to see and hear two astronauts aboard the International Space Station. What an amazing place this is! I have been able to see things that put goose bumps on my skin.

Working here is a great privilege; I am surrounded by wonderful people who challenge me everyday. I hope that I can make them and NASA proud by being a part of the next generation of NASA employees.

What an amazing transition it has been.

## JPL

a Code HS analyst at HQ. Carl is originally from JSC and has just completed his three-year NMO rotation. He will be missed. With Carl’s move, this will be the first time there will be three former NMO Procurement Officers working in Code H – Carl Weber, Rita Svarcas, and Tom Sauret.

Another positive outcome of this process is that the staffing of the NMO will be increased 40 percent. Our new staff will encompass a number of disciplines including Procurement, Security, IFM, Environmental, and FOIA & Records. The new staffing will give the NMO the opportunity to conduct better administration of the contract. In a small office, every person counts. We are really looking forward to our new personnel. The NMO is even taking over part of another floor of our building in order to accommodate everyone.

As for myself, I am currently detailed to HQ working in the Sponsored Research Business Activities group. It is great to be working for my former supervisor – Rita Svarcas. This year has been a wonderful opportunity to not only work at HQ, but to experience life in DC. Being at HQ has also given me an opportunity to support the NMO by working closely with Code S.

# What Does NNG04AA01C Really Mean? GSA's New Numbering Scheme

By Bill Childs, Headquarters Analysis Division

Everywhere you look you need a number these days. Cell phone numbers, social security numbers, contract numbers. Often, there is no rhyme or reason to the numbers. They are what you have to use. GSA is tackling the confusion of numbering procurement actions and possible conflicts across the government. It has established a register of agency numbering schemes. It started October 1<sup>st</sup>. Now, all contracts, grants, BPA calls, and other procurement instruments have a unique number in the government. To make this happen, every agency has to create a specific numbering scheme. In addition, GSA has lowered the threshold for reporting details of procurement actions. It was \$25,000. The threshold is now \$0. The one exception is bankcard transactions.

At NASA, the Headquarters Office of Procurement has created a unique way to identify procurement actions. The NASA numbering scheme has been registered with GSA and will provide more "intelligence" in the numbers by indicating the type of action and the fiscal year it was issued. This aligns NASA with the Joint Financial Management Improvement Program's Acquisition System Requirements.

Centers will need to use the new numbers on all new actions with an award date on or after October 1, 2003, regardless of when the solicitation was issued, when the award becomes effective, or when performance starts. Existing awards will not need to be renumbered, but new task

orders against existing contracts must either be numbered as contract modifications or use the new scheme. Definitizations of letter contracts that are performed by issuance of a modification of the letter contract do not require a new number. Hybrid procurements should use the type of action that most clearly represents the procurement.

This scheme provides for the possibility of separate number series for each type of action, allowing for over 50,000 annual actions for each type. However, centers with smaller annual numbers of actions may elect to use a single series of action numbers across all types. Centers are not prohibited from assigning blocks of numbers to various offices if desired.

To understand the numbering scheme, let's look at the example in the title: NNG04AA01C. The first two alpha characters "NN" stand for the Agency, NASA. The third character is a single alpha character used to define a center. So "G" stands for Goddard. These are the same letters that IFMP uses (first letter of the center acronym, except for GRC which uses "C"). Following that are two digits for the fiscal year. The next four characters are for the contract action. Two are alpha characters. Two are numerical digits. In the example, "AA01" is the first of its type. For this section, the numbers run from AA01, AA02 ... AA99, AA00, AB01, AB02, etc. through ZZ00. The last alpha character identifies the type of action (listed below). So NNG04AA01C is a NASA/Goddard action issued in FY 04.

It is the first of its kind. It is a contract.

## Action Codes

A – Cooperative agreement; B – BOA, GWAC, FSS, or other indefinite delivery type contract; C – Contract (except IDC); D – Delivery order against a BOA, FSS, or other IDC, or call against a BPA; G – Grant (other than training); H – Training grant; I – Intragovernmental transaction; P – Purchase order; S – Space Act agreement; T – Task order against a service (including R&D) contract; and Z – BPA. Note – purchase order as used here carries the FAR meaning rather than the IFMP meaning. Also, purchase order refers to a stand-alone purchase, not an order against an existing contract. Delivery and task orders are often placed using purchase order forms; this does not make them purchase orders.

Changes to the NASA FAR Supplement (PN 97-87) and the NASA Grant and Cooperative Agreements Handbook (GN 00-11) have been issued to reflect the new scheme. While it may be confusing for a short time, in the end, it will help us and help GSA. If you have additional questions, you can contact me, Bill Childs, Code HC, (202) 358-0454, [wchilds@nasa.gov](mailto:wchilds@nasa.gov).

# NASTRAN Reloaded

By Linda Marie Kendrick, Glenn Research Center

This story began in 1998, and just ended a few days ago. It's about cynics versus idealists.

NASTRAN is a code that was originally developed by NASA about twenty years ago.

NASTRAN is a very sophisticated software used by engineers to determine an approximate answer, rather than a definite single answer; some of these calculations run for weeks before the computational analysis is complete. NASA depends on NASTRAN analyses for many flight decisions. Over the years, various companies took the original NASTRAN code and developed/improved it, so that there were a number of commercial versions. MSC-NASTRAN (MacNeal Schwendler Corporation's version) was very heavily used by NASA Glenn Research Center (GRC) scientists for the CASSINI flight mission in 1997.

For many years, GRC's NASTRAN acquisition was sole-sourced to the incumbent provider (MSC), at an approximate cost of \$600,000 per year. In 1998, GRC determined that it could compete a portion of its NASTRAN computing needs. This is where our story actually begins. When all the dust settled, GRC awarded a seat-license (one user at a time) contract to MSC for MSC-NASTRAN, and a site-license (multiple users) contract to Universal Analytics, Inc. for UAI-NASTRAN. The combined annual cost of both contracts was a little more than \$150,000 per year, a savings of about \$450K annually. [To be fair, I have to point out that we changed the

original requirements somewhat, which probably contributed to the reduction in total cost.] We were very impressed by the impact of competition on the price and we regarded this acquisition as a shining example of all that CICA intended. The idealists won!

That is, if you stop the story in August 1999, the idealists won. Now that the contracts had been awarded, Alice Wilson took over



the administration responsibilities for what I believed would be a quiet five-year contract lifetime. However, in late 1999, we heard that MSC had acquired UAI. This was not exactly true: MSC had acquired "certain assets only" of all of the competitors on our NASTRAN competitive acquisition. And, MSC had hired all of their key design/development personnel! AND, although MSC had acquired some of the assets of these companies, and hired all of their key employees, and acquired their income streams (like, monies flowing from our contract), MSC explained that it had not acquired the companies themselves (meaning: UAI was still an independent entity and still retained ownership of UAI-NASTRAN, so there could be no novation of the existing UAI-NASTRAN contract). By letter dated January 12,

2000, MSC stated that "UAI/NASTRAN will no longer be maintained as an active product, there will be no further releases or new versions." MSC indicated that it would honor the existing contract (meaning: MSC would fix any actual programming errors for UAI-NASTRAN, but GRC would not get the inherent benefit of its bargain with UAI — the anticipated future UAI-NASTRAN code development). MSC recommended that GRC terminate the UAI contract (for convenience, not default) and contract with MSC directly for MSC-NASTRAN (the only viable NASTRAN code commercially available from this time forward).

Let's pause for a moment and review what happened: NASA originated and funded the basic NASTRAN source code and encouraged its commercial development (heck, NASTRAN drew its name from NASA!). In order to take advantage of the commercial competitive atmosphere that NASA had fostered, GRC conducted a competitive acquisition and awarded contracts to two commercial entities (both UAI and MSC). After losing one of those contracts to UAI for price reasons only, it appears that MSC used its economic power to turn UAI and all the other competitors into mere shell entities (thereby eliminating all MSC's current NASTRAN competition) and hired their employees (thereby pre-empting any future competition). Then, MSC abandoned all the alternative NASTRAN codes and politely dictated the terms under which NASA would continue to have access to



NASTRAN developments. Does this sound “right” to you? Well, it sounded like a blatant violation of Anti-Trust laws to me. I went to our legal office to ask for a phone number at the Department of Justice, but they told me that the Federal Trade Commission (FTC) has cognizance over Anti-Trust matters. And, they reminded me that the FTC has limited resources (just like NASA), and chooses its battles – it was unlikely that the FTC would devote much time to a product in such a narrow market niche. But, I wouldn’t listen. I wanted to press the issue. I was thrilled when the FTC returned my call in March 2000, and requested a full account. Then, there was silence.

Naturally, it made no sense to continue paying out money for mere bug-fixes on an abandoned software code. If GRC wanted to stay current with NASTRAN development (we did), GRC would have to contract with the only NASTRAN supplier, MSC (so, we did). Alice sent the UAI contract to closeout/storage.

You know, it’s very discouraging to believe that an injustice has occurred, and receive a response of silence. You get back to work on other things, but all the time you’re nagged by a voice that whispers, “Why bother? Nobody cares.” Clearly, the cynics were having the last laugh.

But, that’s only if you stop the story in September 2001. On November 6, 2001, the FTC hosted a telecon. Alice Wilson and I answered a barrage of questions. The FTC seemed satisfied with our responses, and I was enthused, confident that SOMETHING WOULD BE DONE!

But, nothing happened. Occasionally, we’d ask each other, “Did you hear anything from the FTC?” but there would be nothing.

Then, in May 2002, GRC’s legal office received a subpoena via the FTC. MSC wanted copies of various documents, all of which were in storage. We called the boxes back to GRC, and provided the documents as promptly as we could.



Now and then, I’d see our attorney in the hall, and we’d ask each other about the NASTRAN issue, but there was never any news.

Then! On August 14, 2003, GRC received a letter from MSC, which was accompanied by an “Order and Decision” issued by the FTC. The FTC “Order and Decision” stated that MSC has to divest itself of MSC-NASTRAN by selling its software source code to competitors, and provide a list of all non-clerical MSC-NASTRAN design/development employees to competitors (for recruitment/hiring purposes), and provide MSC-NASTRAN’s customer list to competitors.

The accompanying MSC letter stated that GRC can cancel any long-term MSC-NASTRAN

contracts at will with no penalty, and freely contract with an MSC competitor.

For the record, MSC has not acknowledged any wrong-doing, and the FTC has not made such a finding. MSC is still in the MSC-NASTRAN business. In fact, MSC-NASTRAN is a valuable component in NASA’s core endeavor: space flight. For example: Under the predecessor contract, GRC’s contract costs were linked to usage. During the 1997 Cassini mission, GRC’s usage/costs spiked precipitously. Before the Contracting Officer even blinked, MSC stepped forward and voluntarily waived its right to tens of thousands of dollars that it had already earned, no strings attached. Despite this current issue, MSC has been and continues to be a valued partner. It would be wrong to characterize MSC as anything else.

It took almost four years to resolve this contractual/legal/moral issue. For NASA, it wasn’t four years of work — it was four years of silence. All that time, the FTC was working! This was really a terrific example of two agencies with different missions, working together for a common goal — the congressional mandate for open competition. The FTC relied on us to provide them with notice of an Anti-Trust violation and substantial facts to support their case, and we relied on them to make the appropriate decisions and take the facts all the way home. Even though we weren’t in each other’s knickers on a daily basis, we both did our jobs.

Story’s over: Cynics 0, Idealists 1.

# Shop Less, Buy More

By Roberta Ross, Dryden Flight Research Center

Did you know that the idea of the government using purchase cards has been around for over 20 years? Executive Order (EO) 12352 turned 21 this year! This order empowered government agencies to “make procurement more effective in support of mission accomplishment” outlining nine guidelines. EO 12352 asked the director of the Office of Management and Budget to “work jointly with the heads of the executive agencies to provide broad policy guidance and overall leadership necessary to achieve procurement reform.”

The Department of Commerce test piloted the card in 1986. Three years later in 1989, GSA was awarding government-wide contracts: the government purchase card program was born! Further support in purchasing reform was received from the 1994 Federal Acquisition Streamlining Act (FASA) and Executive Order 122931.

Several agencies got together and pledged to extend the use of the purchase card and the numbers of cardholders by 100 percent in FY 94. The focus was on appropriately training cardholders and approving officials, identifying and eliminating impediments, and sharing experiences to expand use.

Later, another council “focused on the use of the card, tracking progress, publicizing the card, performing a cost-benefit analysis; challenging administrative and regulatory barriers to card use; and sharing best practices in implementation and training.” Roadblocks they encountered that hindered full implementation were a concern

over adopting cards without explicit Federal Acquisition Regulation (FAR) regulations or mandates; a cumbersome dispute process; reluctance of program offices to use the card; the vendors charging sales tax and not refunding it; the single purchase limit of \$2,500 being too low, and some offices that still required paper forms.

As these problems were solved, cost-benefit studies were accomplished to determine the costs and savings related to the program. One initial study noted the cost savings of utilizing the purchase card was roughly \$54 to



that of preparing the good old fashion paper purchase order. The cost analysis encompassed the costs associated with the requisitioning, purchasing, administrating, receiving, invoicing, and finance processing. Basically this study proved that the card saved time AND money.

The program has grown tremendously since its inception in January 1989: increased transactions, transaction dollars, and cardholders. In fact, on October 2, 1998, the Department of Defense’s Principal Deputy Undersecretary of Defense issued a memorandum on “Streamlined Payment Practices for Awards/Orders Valued at or below the Micropurchase Threshold.” It mandated that any award or order valued at or below \$2,500 (that does not use the purchase card on

a stand-alone basis as the method of payment) requires a written determination by a member of the Senior Executive Service (SES), Flag Officer or General Officer. It must state that the available source does not accept the purchase card and that the contracting activity is seeking a source that does accept the card. (Visit <http://www.acq.osd.mil/dp/> for more information on DFAR 213.270).

Not only did the government see the benefit of using this streamlined method of purchasing, but vendors also saw a benefit. One of the biggest benefits was the timely receipt of payments. No longer did a vendor have to wait thirty or more days to receive payment. Also with some government agencies, use of the card did not require the extensive amount of paperwork and/or establishment of accounts in order to receive payment via credit card as opposed to electronic means.

Other organizations and bodies of law have shaped the purchase card program, as we know it today. Do lawmakers and management still have the same concerns today as they did when the program was initially started? Yes – the same, if not more.

For the past couple of years, the purchase and travel cards have been under close scrutiny in the media. The allegations have normally revolved around misuse, lack of control/audit, and training.

Last May, there was a hearing before the Subcommittee on Oversight and Investigations of the Committee on Energy and Commerce, House of Representatives 107<sup>th</sup> Congress on the “Oversight and Management of the Government Purchase Card

Program: Reviewing Its Weaknesses and Identifying Solutions” Serial No. 107-96. The hearing disclosed many infractions, raised a lot of questions, and left everyone with many more questions to be researched. Recently, the media documented that legislation was introduced in both the House and Senate to prevent credit card abuse. Sen. Joe Wilson (R-S.C.) along with Sen. Charles Grassley, (R-Iowa) have been the primary supporters of the bill “Credit Card Abuse Prevention Act” (S 1744) to help combat this problem.

While NASA has not been one of the agencies spotlighted in the media concerning purchase and travel card abuse, we too have had our share of IG audit reviews.

In 2002, at the request of the Assistant Administrator for Procurement, the NASA Office of Inspector General was asked to validate “whether the cardholders were using their [purchase] cards appropriately and whether NASA was providing adequate oversight and training.” The final review report IG-03-025 “NASA’s Purchase Card Program Was Effective; Additional Controls Will Further Reduce Risk” dated August 25, 2003, highlighted nine recommendations to help NASA management reduce potential risks. These included increasing the monitoring of accounts, conducting refresher training, and providing additional guidance.

A couple of key items that were derived from the recommendations were that a Procurement Information Circular (PIC) (issued October 31, 2003) provides guidance on the purchase card program; that refresher training is required every 3 years

for cardholders, approving officials, and alternate approving officials; and that centers must include in refresher training that the NASA OIG must be notified when suspected fraudulent transactions are referred to the Bank of America.

So how do the NASA Purchase Card Program Coordinators from each center effectively manage the program? Through guidance, leadership, training, conferences, mentoring, and other government agencies. There are many resources available to assist them in this endeavor.

When the last of the Wave 3 centers implemented SAP and P-Card in July 2003, NASA was finally able to use a tool to track credit card transactions at all centers. P-Card is an end-to-end electronic bankcard system that provides the ability to input purchases into electronic order logs, reconcile bankcard transaction, indicate receipt, and provide search capabilities. P-Card’s ability for reporting and auditing allow for better management and oversight of the program.

In August 2003, center Purchase Card Program coordinators, alternates, and NASA’s Purchase Card Management Team from each center attended the 5<sup>th</sup> Annual GSA SmartPay™ Conference in San Antonio. The training breakout sessions were provided either by GSA (General Services Administration), one of the GSA contracted financial institution, a GSA vendor, or a government installation. Some of the breakout session topics were: Purchase Card Program Management, New A/OPC Orientation, Fraudulent Activity, Best Practices, Disputes,

and learning the financial institutions individual software tools. A smaller meeting was scheduled with the NASA stakeholders to ask questions, discuss concerns and meet with the other center card managers.

GSA is currently completing a best practices manual to assist agencies to better manage their card program. In the meantime, coordinators, cardholders, approving officials, or anyone interested in learning more about the rules governing the purchase card overall can visit GSA’s website “GSA SmartPay Purchase Card: Your Blueprint for Success” at <http://fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm>. However, no one person or organization will make the purchase card program run efficiently or effectively. It takes the assistance of cardholders, approving officials, and management.

With the explosion of the usage of purchase cards since their inception in 1989, no one expected to see the successful, yet controversial, rise of a procurement reform. It is true that the purchase card made an impact on re-shaping the way the government does business. Successful management of the purchase card program can only be through administrative oversight and enforcing those controls over the purchasing process. Trust and confidence need to be restored in the effective management of the program – governmentwide. It is a win-win situation: protecting our investment in our electronic commerce venture.

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## A Closer Look:

# Langley Branch Head Receives Exceptional Service Medal

Mary Jane Yeager knows how to make a good first impression! On August 11, 2003, his first day as the new Langley Center Director, Mr. Roy Bridges presented Mary Jane with the NASA Exceptional Service Medal.

Mary Jane is the head of Langley's R&D Programs Contracting Branch in the Office of Procurement. She received the NASA Medal for her outstanding contributions to LaRC's research mission through innovations in the award and administration of critical R&D contracts. The manner in which the center competes for the work that constitutes much of Mary Jane's branch workload has necessitated unusual initiative and creativity on her part. One example is her development of a formal business process for selecting industry partners to support new business activities related to NASA Research Announcements (NRA) and Announcements of Opportunity (AO). Applicable guidance was minimal, and Mary Jane initiated a process to enable LaRC proposal development teams to respond competitively to these announcements. The process includes a formal partner selection phase that obviates duplicative market research and source selection activities. Lead times under her innovative process are significantly reduced.

Participation in the development of LaRC's proposals submitted in response to these Broad Agency Announcements is not traditionally thought of as a function of a Procurement Office.

Nevertheless, Mary Jane is repeatedly sought for advice and assistance by LaRC proposal teams. She obtained Headquarters approval for a JOFOC in advance of a selection on an interagency competition so LaRC would be ready for a major buy if selected. Mary Jane has participated in "Red Team" reviews of numerous LaRC proposals. She also led the Revolutionary Concepts (REVCON) NRA process that involved a multiple-center team. Most recently she and her branch worked closely with the ARES project office prior to source selection to develop all necessary documentation, solicitations, and draft contracts. ARES is a proposed Mars mission. By working with the project office, Mary Jane and her staff ensured the center was poised to respond to the needs of the Agency if Langley was selected.

Mary Jane graduated from Western Kentucky University and started her procurement career in 1976 with the Veterans Administration (VA) ultimately becoming deputy head of Purchasing & Contracting at the VA in Richmond. Since she came to LaRC in 1980, she has handled construction, IT, supply, service, and R&D contracts. She has served on numerous SEBs. Since 1994, Mary Jane has been head of the R&D Programs Contracting Branch. In this role, she has managed the activities of a dozen contract specialists, most of whom are senior Contracting

Officers. Her branch is responsible for the award and management of contracts and cooperative agreements (with for-profit concerns), including major R&D project contracts for hypersonics and advanced aircraft research, GIFTS (New Millennium), CALIPSO, CERES, RLV, SABER and SAGE. She serves as the procurement member of the center's Contract Program Management Council during the absence of the Procurement Officer.

In addition to managing R&D efforts, two years ago Mary Jane assumed the responsibility for the management of the ODIN delivery order. Under her guidance and leadership, the contractor for the delivery order is showing improved performance. She also assumed responsibility for support service procurements to allow career development opportunities for her employees .

Mary Jane's extensive experience and versatility in all types of procurements and her unfailing commitment have resulted in innumerable benefits to the Office of Procurement, the Center, and the Agency. We, who work with and for her, are delighted that her work has been recognized at the Agency level.



## What's it all about:

# Get Them to the Desks on Time

By Jill Willard, Ames Research Center

Simplified acquisitions are one of the most important functions at a center. While often in procurement we think of the big dollar contracts, to many people working at their desks, getting the little things are a big deal.

ARC's Acquisition Division is structured to support individual center organizations, all of which have simplified requirements; therefore, there is no single group dedicated to simplified acquisition. In fact, there are three separate branches that routinely handle simplified acquisitions. ARC's Simplified Acquisition Procedures (SAP) working group was formed to promote consistency and knowledge sharing in the area of simplified acquisitions.

The working group consists of motivated Contracting Officers, contract specialists, purchasing agents, NCIP Interns, students, and technical buyers. The group meets on a monthly basis to discuss topics of interest and new developments related to SAP (e.g., market research, affirmative procurement, documenting price reasonableness, single source requirements). The group identifies areas of interest or potential vulnerability (items the "dreaded" procurement survey team might focus on). Members of the group volunteer to research and present information on individual topics of interest to the whole group. Sometimes subject matter experts from the division, the center, or from outside the Agency (e.g., GSA) are invited to speak.

The SAP working group has been described by many as a "good team full of contributing members." Why does the SAP working group work so well?

Members provide positive feedback to the division. One of the technical buyers praised the group, calling it a "godsend" – he loves it. Because he is not located in the same building as the procurement organization, the working group provides him valuable feedback. He specifically stated it "really helps me, so many things change. It gives me a chance to interface with peers – the networking is helpful." One of our local students stated, "It's great – all of us can exchange ideas. It is helpful to get other people's perspective." A relatively new contract specialist commented it is "very helpful when addressing new requirements" and likes "developing a sense of uniformity."

The SAP working group has developed a work instruction for SAP which supplements the FAR and the NASA FAR Supplement. The work instruction defines terms (e.g., Statement of Work, Purchase Request, Purchase Order); explains the acquisition process from receipt of the purchase request, award, and closeout; and provides a list of reference documents.

One project the SAP working group decided to reevaluate was the single source process. There was confusion and frustration between the technical organizations and procurement. The SAP working group set up teams to review sole source files to determine if the current work instruction was meeting the FAR and NFS requirements. After the review, it was determined that work instructions needed to be improved. The working group developed a template for use by the technical organizations to

support the basis for sole sourcing a requirement. The template has become a valuable tool to assist procurement personnel with market research to determine that the circumstances deem a sole source.

Currently, the SAP working group is developing a guide for Interagency Agreement procurements. With the issuance of PN 97-83, "Interagency Agreements – Authority for Use," and PIC 03-03, "Scientific and Technical Information," the working group has been researching and reviewing how the three operational branches at ARC award and administer Interagency Agreements. This review will result in a uniform approach in the branches and will provide for a more consistent relationship with our technical customers.

Members of the SAP working group have demonstrated that a good team includes:

- active and positive participation by every team member
- creative solutions to problems
- special attention to and support of all members
- individual initiative to accomplish goals, and most importantly
- unparalleled willingness to take risks.

In the last ARC procurement survey, the survey team commended ARC for its high quality and the completeness of the SAP files reviewed. The team annotated the SAP working group as a "best practice." The compliments

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# Contractor Initiated Acceleration

By William G. Brandweiner, Dryden Flight Research Center

A construction company was awarded a firm fixed price construction contract for the rehabilitation and modification of an Air Force base sewer system. The contract allowed a performance period of 360 days. The contractor submitted a progress schedule for the government's approval reflecting a performance period of 120 days. What are the government's concerns? What are the contractor's concerns? What are the implications for the government and the contractor? And finally, should the government approve the contractor's accelerated progress schedule?

## Background

The contract performance period for a project, as determined by the government, is designed to protect both the government and the contractor. It generally has additional time built in to allow for contingencies such as unexpected or lengthy lead times for materials and equipment; changes in specifications; inspections and re-inspection in case of substandard performance by the contractor; and any other unforeseen contingencies. The Federal Acquisition Regulation (FAR) does not provide any guidance in case of a dispute between the contractor and the government in the event that the contractor elects to accelerate the performance period. I was unable to find any case law addressing the issue of a contractor being forbidden to complete the work more quickly than the performance period indicated on the contract. Most case law pertains to a government directed acceleration of the contract performance. There are

cases when, due to space availability or other specific circumstances known to the government, accelerating the schedule is not in the government's best interest. In these cases, the contract will normally reflect the limitations on the schedule. Since we did not deal with these issues in our example, this article does not address them.



FAR Clause 52.236-15, "Schedules for Construction Contracts," states in general terms the purpose of the progress schedule. Basically, the progress schedule shows how the contractor proposes to perform the work and the timeframe in which the contractor anticipates completion of the major subtask and the final project. It is a tool used by the government to determine the amount of the progress payment to which the contractor is entitled. The progress schedule is also used to insure that the contractor is diligently fulfilling the requirements of the contract and it alerts the government when the contractor falls behind in his work. The FAR states that the progress schedule has to be "practicable."

## Government Concerns

The government is generally opposed to approving a contractor's progress schedule if it accelerates the period of performance. We have concerns that the contractor does not understand the requirement to

adhere to the schedule he submits. We are also concerned that approval of a contractor initiated accelerated schedule may make the government liable for delays that would not otherwise be a concern, since the shortened schedule will cause more items to be on the "critical path" for completion. Finally, we are concerned that the contractor does not understand the contract requirements, since his estimate of the length of time necessary to complete the contract is so much shorter than the government's estimate, as reflected by the period of performance initially set forth in the contract.

## Contractor Concerns

The contractor is aware that successfully finishing the project before completion date is in everyone's interest. However, in the instant case, the contractor is concerned that if he submits an initial progress schedule that reflects the government allowed performance period, then the government may delay the tests and inspections because the contractor is ahead of schedule and the government has other projects that have priority. The contractor has expressed his belief that by submitting an accelerated progress schedule, he can protect himself against government delays.

## Implications

It is imperative that the government have an open and frank dialog with the contractor and all the issues are clear to both sides. The contractor must understand that the cost for an accelerated performance initiated

by him is not recoverable from the government. A leading text on this matter is “Administration of Government Contracts, John Cibinic, Jr., Ralph C. Nash, Jr., page 322, para C. Acceleration.” The contractor needs to be assured that his fears of being delayed by the government are appreciated and that he is entitled to delay costs if such a delay was unreasonable, ordered by the Contracting Officer, or was not caused by the contractor’s negligence or failure to perform (FAR 52.242-17, “Government Delay of Work.”) The contractor must also realize that the government may withhold 10 percent from progress payments if the contractor falls behind in the accelerated progress schedule. Finally, the contractor must also understand that an accelerated progress schedule will require more items on the “critical path” for contract completion. These are the primary issues that the government should convey to and discuss with the contractor. In addition, there may be other issues of concern. The contractor and the government must strive to achieve a mutual understanding of the issues, so that both parties are in agreement and neither party is confused or misinformed.

### Approval/Disapproval

In general, I am in favor of approving the contractor’s initiated request for acceleration. Before approving an accelerated progress schedule, I would recommend checking to make sure that the past performance of the contractor is excellent and, ideally, reflects a trend of successful early project completion. I would also recommend a thorough review of the proposed

progress schedule by the appropriate technical personnel. In particular, I would ask the appropriate technical personnel whether they consider the contractor’s accelerated performance schedule to be reasonable. In this case, where the contractor’s accelerated performance schedule reflects only a third of the government’s recommended performance period, reasonableness is a major concern. If the appropriate technical personnel indicate that the accelerated period of performance proposed by the contractor is unreasonable, then I would recommend working with the contractor to achieve a mutually agreeable compromise. For instance, the contractor could provide additional justification to support the contention that the accelerated progress schedule is reasonable. Or the contractor should work with the technical personnel to establish a mutually agreeable timeline.

### SAP

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received and the strengths noted by the procurement survey team were a direct result of the SAP working group’s efforts. The SAP working group provides a valuable forum for ensuring the quality and consistency of SAP actions at ARC by promoting the sharing of knowledge, work experience, best practices, lesson learned, and solutions to problems.

## Conclusion

The government rewards early completion of projects by contractors with high praise on the performance evaluation. Finishing the project ahead of time is a win-win situation and should not be discouraged. However, where a proposed progress schedule is significantly shorter than the period of performance in the contract, the government should work with the contractor to ensure the schedule is reasonable and identify and explain any misunderstandings that might have caused the contractor to believe incorrectly the project could be completed early.

## Purchase Cards

*(continued from page 11)*

For more information on the Governmentwide Commercial Purchase Card see Federal Acquisition Regulation (FAR) 13.301 — Governmentwide Commercial Purchase Card, NASA FAR Sup 1813.301 — Governmentwide commercial purchase card, NASA PIC 03-20 — Purchase Card Account Management, or Defense FAR (DFAR) 213.270 — Use of the Governmentwide commercial purchase card.

Sources: <http://www.fss.gsa.gov>, [http://archives.gov/federal\\_register/](http://archives.gov/federal_register/), <http://www.wastimes.com>, <http://www.bankofamerica.com>, <http://www.govexec.com>, <http://www.hq.nasa.gov/office/oig/hq/ig-03-025.pdf>, <http://www.acq.osd.mil/dp/dars/>

# Contractors Meet Senior NASA Managers

If you've been around procurement at NASA for any time, you've heard of or seen a Contractor Open Forum. Normally, these are a chance for contractors to hear from the Assistant Administrator for Procurement about where NASA procurement is and where it is heading. This gives contractors more of an insight into policy and procedures. That in turn can help them be more competitive when responding to RFPs.

This Contractor Open Forum in June was unique. Yes, it was open to all contractors doing business with NASA or wanting to do business with NASA. Yes, they had a chance to hear from the AA for Procurement. And, yes, they all had the opportunity to ask questions. So how was this one different? At this Open Forum, the contractors had the chance to hear and ask questions of Agency senior management: Dr. Michael Greenfield, Associate Deputy Administrator, Technical Programs; Courtney Stadd, then White House Liaison and Chief of Staff; Steve Isakowitz, Deputy Chief Financial Officer; Bob Stevens, Deputy General Counsel, and Tom Luedtke, Assistant Administrator for Procurement. Yolande Harden, from the Headquarters Contract Management division set up the forum and was the Master of Ceremonies.

## Greenfield

Dr. Greenfield was first up. He spoke about the strategic plan, as well as some of the science and

missions NASA expects to do in the future. He told the contractors present, "We've got challenges ahead as well as opportunities. This is a great time to discuss how collectively we can all address them and be in a position to help the Agency and the country move forward."



## Stadd

After Dr. Greenfield, Courtney Stadd spoke. He was the one who suggested a forum of this type and encouraged senior management participation. This was one of his last presentations before leaving NASA for the corporate sector. He spoke about many things including full cost accounting. The Agency is going to full cost by the FY 05 budget cycle. He said moving to full cost accounting has been a "very painful process. It's going to have enormously profound implications not the least of which will be in the culture and organization." Stadd stressed that while it hasn't been easy, it's been very important. "It's pretty new territory for those of us at NASA," he said.

Stadd talked about a wide variety of items from Freedom to

Manage to One NASA to the strategic plan. While many people at NASA hear of these things on a regular basis, to the contractor community, these were new topics. Stadd stressed repeatedly how important the strategic plan was, not just to civil servants, but to contractors.

## Isakowitz

Steve Isakowitz took the audience down a different path. As the Deputy Chief Financial Officer, he gave his take on NASA from his experience in the contractor community. "We would often look at NASA as a loose confederation of centers, buildings, and programs. In fact, we devised our strategic planning, our marketing efforts, around the fact that there were many different agencies clustered together under one label called NASA." He talked about how important One NASA is to breaking down those barriers. He also stressed that while the Agency has made great strides, there is still a long way to go.

"We need to modernize where we are, bring the Agency together," he said. "Most importantly, I think from your [the contractor] perspective, you should be able to see One NASA seamless in terms of focusing on our vision and mission efforts."

Isakowitz also spoke of difficulties in creating an integrated financial management system and the good it will do in the long run. He spoke of direct versus indirect cost and how helpful it will be to truly track them with full cost accounting and how that will be useful to contractors.



# at Open Forum

He spoke about the various aspects of the President's Management Agenda and responded to a question about capital facilities and the shutting down of facilities. He said that it's important to right-size facilities (not necessarily centers), but not to be short-sighted. If a facility isn't being used now, he said, but will be used again down the road, it doesn't make sense to close it. On the other hand, he said that NASA tends to go the other way, holding on to facilities until something will come along to fill it. He said in the future, a program will need to use a facility or one of two things will happen. It will be shut down or it will go into the G&A of the center.

## Stephens

After that very frank discussion, Bob Stephens talked about ethics and conduct. He focused on post-employment counseling and how to make a smooth transition for NASA civil servants going to work for contractors. The main tool is an opinion letter stating what the former employee may or may not do. In the spirit of One NASA the General Counsel's office is working on centralized opinions systems to be more consistent across the board, so that a company gets the same responses from NASA in similar situations.

## Luedtke

After Bob Stephens, the last scheduled speaker, Tom Luedtke, the Assistant Administrator for Procurement took the stage. He spent time explaining the difference between Competitive

Sourcing, A-76, and the FAIR Act and how they all worked together. Luedtke said the Agency is taking a "renewed look at what we can do to inject the benefits of competition in that (external) world, not just in the work that is currently performed in house, but also that which is performed by our outside



partners, some of which is routinely competed and some of which had not been."

Luedtke talked about various initiatives going on, such as award term, and one they are looking into to stop contractors from bidding so low they can't make a reasonable profit on the contract. That has an impact on how they perform work for NASA. Luedtke said, the Agency wants to make sure there is a sufficient amount of incentive to provide to contractors to support NASA.

## Q&A

After the speakers a number of questions were asked, most focused on Competitive Sourcing and initiatives. One specific one was if Competitive Sourcing

would be a problem on the shuttle when so many contractors were already involved. Luedtke answered that in the short term OMB had waived the need to competitively source efforts associated with the shuttle program. He said that five to 10 years down the road, that might change. One contractor asked if NASA really uses the Award Term Contracting initiative, which rewards contractors with additional periods of performance. Luedtke said, NASA is using it. He said it will never fit all contracts and used the example of contracts with fixed end periods of three, four or five years. Those could not have additional periods added on, so award term would never be applied to them.

Another contractor asked about being required to give NASA more information early in the solicitation process. Was it going to be burdensome? Luedtke said no. He said it would actually benefit contractors because the RFPs, and so the contractors' proposals, would be more on target. He admitted that sometimes NASA has requested things like, "we want to go to Mars, give us a proposal." But that isn't what NASA is trying to do. He stressed that sometimes there is a disconnect between the amount of money NASA has for a program and the money a proposal would require. Neither side realizes how different their dollars are until they are into the process. Luedtke said they are hoping to get information out earlier, so proposals can be more on target.

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# Procurement's Loss is Center's Gain

*The following is an excerpt from a KSC press release*

NASA officials recently named James E. (Jim) Hattaway Jr. as the new associate director of Kennedy Space Center (KSC). "I have always been proud to be a part of NASA and the KSC team. Being selected for this position is truly an honor. I am excited about this opportunity..." said Hattaway.

Hattaway will provide executive oversight of institutional operations at KSC. This will include integrating and deciding cross-organizational institutional issues in matters related to financial management, work force planning, infrastructure management and information technology. In addition, Hattaway will provide

oversight for NASA Exchange operations, and he will serve as KSC's point of contact for agency initiatives such as implementation of the President's Management Agenda, Freedom to Manage, Competitive Sourcing and the NASA Shared Services Center. "I am proud to share the leadership of KSC with a man of Jim's caliber," said incoming KSC Director James Kennedy. "He has tremendous relevant experience in managing the institution of KSC after being here for 27 years. He also shares the core values of NASA that will enable us to return to flight safely, continue to explore the universe with our

exciting ELV missions, and complete the assembly of the International Space Station. Jim is a truly respected and trusted member of the KSC community and will add significantly as associate center director." Since joining NASA, Hattaway has held numerous managerial positions serving as chief, Purchasing Services Section; chief, Construction and Ground Support Equipment Section; chief, Operations Contracts Office; and deputy director, Procurement Office. In 1995, he was appointed to his most recent position of director of the Procurement Office.

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## Open Forum

*(continued from page 17)*

After the question and answer period, Courtney Stadd took the stage again. He thanked Luedtke and his staff for arranging and hosting the Contractor Open Forum. Then he said, "I've worked with Tom very closely for two and a half years. I've worked with a number of procurement folks in my odysseys in government. Tom is quite frankly the best that I've ever worked with."

This Contractor Open Forum was more ambitious than many in

the past. Like the others, it was very successful. Eighty-one people from 58 companies took the time to attend, some came from inside the building, others came from as far away as Colorado. Ninety percent of the attendees who filled out the questionnaire rated it as a 7 or higher, with 10 being the best. Over a third identified themselves as a small business or an SDB. All

said coming to the forum was beneficial.

While another forum of this scope is not currently in the works, Luedtke plans to hold more of them at the centers throughout the year. They are normally held, when possible, at the time of the procurement survey. Tentative forums for the rest of FY 04 include ones at Langley in January, one at Johnson in April, and one at Glenn in August.

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## Procurement Countdown

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