

Procurement Countdown

Summer 2000, No. 119

Procurement 2000 Conference—Highlights

By Donna Blanding Settles, Langley Research Center, Attendee, Procurement 2000 Conference

Shortly after the Procurement 2000 Conference, the editor of the *Procurement Countdown* asked if anyone wanted to write an article about the conference. I decided to take a go at it. Below are brief descriptions of some of the speakers and topics at the conference. [Ed. note: articles about some of these speakers are included in this issue of the *Procurement Countdown*. Where there are separate articles, page numbers are listed.]

The first speaker, after Associate Administrator for Procurement Tom Luedtke kicked off the conference, was **Frederick Gregory** (see page 4). Gregory is the Associate Administrator for the Office of Safety and Mission Assurance at HQ and former astronaut. He gave an excellent speech on risk management. He spoke about continued risk management and how to incorporate it into procurements early on. He also talked about the technical side's need to look

carefully into risk management. It was a fascinating discussion about a hot topic at NASA.

Deborah O'Neill, Director of the Federal Acquisition Institute and former procurement analyst at HQ, spoke about some very interesting upcoming streamlined methods for training. She said more training is to be offered on-line at work, to take away extended times out of the office. For an employee taking an on-line course the



current proposed process for test taking is: a test code will be assigned and supervisor will log-on with an employee to verify the employee is taking the test.

US Congressman **Kevin Brady**, Eighth District of Texas, opened the second day of the conference (see page 8). He wanted to give NASA insight on how we are viewed on the hill right now. We have lost some

“cool points” because of two things. First is the Mars’ failures, which were really contract management issues. He said that something as simple as a metrics conversion error is/was preventable. The other is the cost of the International Space Station. Despite these comments, most of his speech, and his take on NASA, was positive. He strongly supports NASA and its concept of “Faster, Better, Cheaper;” however, he thinks we should change it and practice: “Do What’s Important, Do It Right – Faster, Better, and Cheaper.”

Michael Mann, NASA Director of Integrated Financial Management Program, spoke about IFMP. Basically he stated the contractor has been given a stop-work order. The human resources and finance portions of IFMP work fine; it’s the section called Others, which includes procurement, that they could not marry into the system. So it looks like IFMP is going to be delayed. They are looking at agencies, like NAVAIR, that

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Highlights...

This issue features many articles from the Procurement 2000 Conference:

Fred Gregory on page 4. The IG on page 5. Dee Lee on page 7. Congressman Kevin Brady on page 8. Pete DeMayo, formerly of Lockheed Martin, on page 9. Mal Peterson,

NASA Comptroller, on page 9. Dan Tam on page 14. Dr. Jeffrey Rosendhal, Office of Space Science, on page 14.

Non-Conference Articles include:

A school visit to talk about procurement on page 2.

A new PO and a new Deputy PO on page 2.

The Front Line Forum on page 4.

A landfill gas contract on page 6.

Jim Hattaway, KSC’s Procurement Officer, is profiled on page 10.

Doris & Simone's Big Adventure

By Simone Rollings, Goddard Space Flight Center

On Friday, June 2, Doris Wood and I participated in Perrywood Elementary's Career Day, located in Bowie, MD. It was extremely enjoyable to give three presentations to 4th and 5th graders about our role as contract specialists at NASA's Goddard Space Flight Center.

The each presentation began with an introduction of NASA, progressed into an interactive discussion on the responsibilities of a contract specialist and concluded with a "Conducting Market Research" skit performed by 5 student volunteers. Overall, Doris and

I were received well by the students. The students gave us their undivided attention and asked great questions. Some of



the questions were, "What do you like most about being a

contract specialist?" "How much does a contract specialist make?" "Have you ever seen a space shuttle launch?" and the most difficult question, "Have you ever seen any UFOs?" Did we recruit any future contract specialists? One never knows. Perhaps in a job interview twelve years from now, when asked, "Why are you applying for the contract specialist position?" the candidate will begin his or her response with "When I was in the 4th grade..."

New Procurement Officer Comes to NMO

Carl Weber, formerly of the Johnson Space Center, has joined the Headquarters ranks as the new Procurement Officer at the NASA Management Office at JPL. Carl is replacing Rita Svarcas who left the NMO to go to school. After discussions with the Office of Space Science, the Office of Procurement took this position (and only this position) on board as a Code H slot located at JPL. Carl was chosen to fill this position after a competition and interviews were held. The NMO Procurement Officer position is a rotational assignment, and in roughly 3-5 years Carl will come back to DC and work in Code H.

Stennis Gets a New Deputy

Nick Etheridge is the new Deputy Procurement Officer at the Stennis Space Center. Nick has 25 years of federal acquisition experience and was most recently the Chief, Acquisition Services Division at the US Army Engineering and Support Center, Huntsville, Alabama. Contracts under his direction include construction, A&E, information technology, professional studies, ordnance removal, environmental, medical, and energy program support on a worldwide basis. In addition, he has R&D experience with large rocket motor fuel programs for the Space and Strategic Defense Command. He is a member of the Army Acquisition Corps, past recipient of the Superior Civilian Service Medal and Defense Acquisition Awards for Innovation in the areas of Energy Savings Performance Contracting and Medical Acquisition. Nick holds a Bachelors in Economics and a Masters in Management from the University of South Alabama. He has a professional designation in Contract Management from NCMA/Air Force Institute of Technology. Welcome Nick!



People on the Move

GRC: Paivi Tripp, the Deputy Procurement Officer, passed the Certified Professional Contracts Manager (CPCM) examination in April at the NCMA World Congress. Paivi is a member of the North East Ohio Chapter of the National Contracts Management Association. Congratulations Paivi!

Robin Strohacker received NASA's Exceptional Service Medal on July 10, 2000. This award recognizes her accomplishments in developing, training, and maintaining Center ISO/BMS procedures, and for her diligence and thoroughness in researching and implementing procurement policy within the Agency.

Karen Edwards, leader of the Simplified Acquisition Strategy and Analysis team, was recognized with the 2000 Distinguished Federal Service Recognition Award "Wings of Excellence" presented by the Cleveland Federal Executive Board. The award was for her outstanding leadership and exceptional commitment to team and customers. Because of her efforts, her group has been most effective in achieving its goal of helping customers by demystifying and improving the purchasing process at GRC.

GRC honored its own during the Small Disadvantaged Business Forum, April 26th. Ronald Sepesi was selected as the Glenn Procurement Support Person of the

Year for his supervisory leadership and support of new, innovative contracting initiatives providing contracting opportunities to small and small disadvantaged businesses. Carl L. Silski was selected as the Glenn Small Business Support Person of the Year for his demonstrated diligence in implementing and making the Center's small business program more visible to the Center's internal and external customer case resulting in continual accomplishments in exceeding the GRC socioeconomic goals.

Congratulations to Irene Larko on her promotion. The bad news is she is leaving the GRC Procurement Office to accept the promotion in the Computer Services Division. This promotion will provide Irene the opportunity to work in a field she has been most excited about – We wish her the best.

GSFC: Ron Brade was one of nine selected from a group of 65 candidates for this year's Project Management Development Emprise Program (PMDE). PMDE is a developmental program established by Center management for the purpose of providing to selected technical and professional administrative employees the work experiences, training, guidance, and direction necessary for them to assume key management positions at GSFC. Since the inception of the program in 1990, 49 individuals have been accepted into the program. Way to go, Ron!

Doris Wood of the POES Procurement Office received a "Certificate of Appreciation" award on May 15, 2000, by Ball Aerospace Technologies Corporation, Civil Space Systems at their quarterly status meeting in Boulder, CO. Mr. Jerry Chodil, Vice President of the Civil Space Systems, presented Ms. Wood with the award for her talents, work, and dedication – they were key to definitizing outstanding change proposals.

The following Goddard personnel received awards from their peers for outstanding procurement professionalism: Mary McKaig, Tiffany Thornton, Russel Lynn Rogers, Maria McNamee, Glenn Emig, Wilma Mooney, and Nancy Lockard. Goddard holds peer awards every year, and more nominations were submitted in this year than in any previous year. The common themes of the nominations included team spirit, willingness to go above and beyond the call of duty, superior professionalism, and dedication to producing quality work. Congratulations awardees!

Congratulations to Barbara Hammond, of the GSFC Space Science Directorate Procurement Office, for successfully passing her Certified Associate Contract Manager (CACM) exam when it was given at Goddard in May. Barbara is a member (and webmaster) of the Free State Chapter of NCMA. She came to Goddard just over a year ago from the Headquarters Office of the Bureau of Alcohol, Tobacco

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.

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Making NASA Safe

By Jim Dolvin, Contract Management Division

Frederick D. Gregory, Associate Administrator, Office of Safety and Mission Assurance, was the first guest speaker of the Procurement 2000 Conference. He addressed the conference on a topic which didn't surprise anyone – safety.

Gregory's talk focused on the importance of safety in NASA activities and on the importance of effective procurement in promoting and assuring good safety practices. He said that NASA must continue to pioneer and innovate, but not at the expense of safety, which must remain one of our core values. We should look for ways to do things faster and more efficiently, but never take shortcuts at the expense of safety.

The procurement function, said Gregory, plays an important role in safety assurance because of its ability to ensure that requirements documents,



solicitations, and contracts include appropriate safety elements. According to Gregory, the procurement organization has the important responsi-

bility to include safety clauses and safety and health plans in contracts, without which contractors cannot be held accountable for safety problems.

Risk factors, he said, affect the entire procurement process, and the new Risk-Based Acquisition Management initiative is an important step forward in highlighting the importance of risk management in procurement and project management.

He said that NASA intends to become the nation's leader in safety, that the NASA culture must include twenty-four hour awareness of safety, and that our contractors must be held to the same high safety standards as NASA itself.

Front Line Forum

By Rex Elliott, Goddard Space Flight Center

I'm the NASA representative on a group called the Front Line Forum. It has 30 or so working level procurement people from various agencies who discuss a variety of procurement issues every two months. The group is headed by Dee Lee, formerly the Administrator of the Office of Federal Procurement Policy (OFPP), and Stan Soloway, the Under Secretary of Defense for Acquisition Reform. Here is a brief summary of our May 1, 2000 meeting. A more detailed discussion of this meeting is

available in the June newsletter file at: <http://www.freestate.org/page6.htm#newsletters>.

A-76 Competitions

A-76 is the OMB Management Circular, which establishes the ground rules for conducting competitions between government and private industry and also between government agencies. These rules are necessary to ensure that the competitions are fair, often because the government does not keep accurate data for in-house workforces. Federal data is often associated with the budgeted

cost of an activity, which is usually not the same as the actual cost of performing an activity. DoD has been having quite a few problems conducting fair A-76 competitions.

The General Accounting Office has given several rulings against the DoD commands and in favor of offerors. The government gets into problems when people who would lose their jobs if the effort were contracted out do the evaluation of proposals. However, the government is

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The IG at the Procurement 2000 Conference

By Jack Horvath, Contract Management Division

The NASA Inspector General, Roberta Gross, kept the interest of the audience at the Procurement conference. She spoke about issues that impact the procurement organization while explaining what the IG's office is all about. She emphasized the following in her talk:

Procurement is on the "front line" for discovering and identifying fraud, waste, and abuse.

She provided papers on fraud indicators (Procurement Red Flags & Fraud Schemes), and indicated that procurement personnel should keep these in mind, and be aware of these indicators when doing NASA procurements.

The government has to have "integrity." Fortunately, 99 percent of government does have integrity, so the IGs focus on the remaining 1 percent when doing their work.

The IG is independently appointed by the President – independence is important because it allows the IG and her staff the freedom to do their work without interference and control by the Agency management.

The IG staff is organized to be flexible. They are able to move around as needed in order to match movement within the Agency.

The IG office is considered a "profit center" because it returns to NASA significant amounts of money, more than the IG budget of \$20 million.

The IG recently created an Information Technology investigative group (computer

crimes, etc.) in order to keep up with hackers and others who would do IT crimes.

The IG looks at "high risk" within the Agency differently than the GAO as regards contract management. NASA procurement is at the forefront of developing procurement initiatives, being innovative (use of EC), etc.; therefore, this all creates risk of some kind.



Outsourcing also creates risk! In the use of outsourcing you have to consider who holds the information for NASA. You need to think through what NASA is doing! Do the contracts have the right clauses to prevent risk in these areas?

A question was asked of Gross regarding why there wasn't any feedback during audits? Gross indicated that the IG may not have found anything, and that if they did provide some early input, management may say that the IG is "all wet." (Although, she said, that hardly happens). So until the draft report comes out, the IG doesn't discuss or provide feedback.

Gross mentioned that the procurement function doesn't get the promotions as other offices do, and that presents a high risk, because procurement can't retain experienced people.

All in all, it was a very interesting session. Gross made the procurement community

more aware of her office's efforts and gave a very different view of procurement and how it relates to the Agency.

People on the Move

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& Firearms. Great job, Barbara!

Leif Grotos left NASA to work for AMS in Fairfax, Virginia. (See the article, page 17.)

Linda Werneth and Sandra Harrel came from outside procurement to work for the Headquarters Procurement Office at GSFC. Welcome!

KSC: New employees! For the second year in a row we have the pleasure of introducing a group of new KSC Procurement Office employees to all of you. They are: Jamie Carter (NASA Intern), Operations Support; Phil Coffin, Engineering Support; Penelope Ebright, Mission Support; Becky Fasulo, Procurement Office (acquired to help with extra administrative responsibilities as a result of the reorganization); Sherry Gasaway, Operations Support; Kristen Hawley (Summer Aide), Engineering Support; Kenyatta Hughes (Project Discover), Operations Support; Learnette Matus, Engineering Support; Steven Paglialonga (Co-op), Mission Support; Thomas "Chris" Pino, Acquisition Management; Gabriel Romero (NASA Intern), Engineering Support; Judy Ross, Mission Support; Jalane Shelton, Mission Support; John Soliman

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Gas, At Last!

By Gary Cox, Goddard Space Flight Center

After two years of coordination and plain hard work, GSFC recently awarded an Indefinite Quantity Utility Contract for Landfill Gas to Toro Energy, Inc. of Dallas, Texas.

This acquisition entails purchasing landfill gas (methane) from a local landfill and using it to fuel the facility's boilers, in place of more conventional fuels such as natural gas and fuel oil. Incidental to the project are connection facilities such as equipment at the landfill to process the landfill gas; 5 miles of pipeline from the landfill to the boilers; and modifications to the boilers so they can burn landfill gas, natural gas, and/or fuel oil. The Center's responsibility, in turn, is to buy minimum quantities of gas at fixed prices for a ten-year period.

Benefits

The Landfill Gas Project has several significant benefits and impacts on the Agency's mission:

Pollution prevention: Greenhouse gases produced at NASA and the landfill will be greatly reduced. This project will prevent pollution equivalent to planting 68,000 acres of trees or removing 100,000 cars from Maryland roads.

Savings: Based on GSFC's historical natural gas use and current gas costs, which have risen lately in conjunction with oil prices, savings will be greater than \$300,000 annually. Further savings will be realized in future years as the program is expanded to include alternate fuel for vehicles. Also, because GSFC has locked into these lower gas

rates for the next ten years, it can reduce the Center overhead and so become even more competitive in the science arena.

Compliance with Executive Order: As a federal agency, NASA must comply with Presidential Executive Orders written to reduce the dependence on foreign oil, improve air quality, and help minimize net production of greenhouse gases.



Executive Order 13123, Greening the Government Through Efficient Energy Management, Section 204, mandates each agency to expand the use of renewable energy within its facilities by implementing renewable energy projects. Also, Executive Order 13134, Developing and Promoting Biobased Products and Bioenergy, section 2d, directs the United States to take full advantage of potential economic and environmental benefits of bioenergy. Specific emphasis was placed on reducing greenhouse gas emissions.

Goddard Is First

NASA's Goddard Space Flight Center will be the first federal facility to use landfill gas as an energy source. NASA's landfill gas project will fire boilers with landfill gas versus natural gas and fuel oil. Currently, the landfill captures the

landfill gas and burns it off into the atmosphere without making any effective use of the gas. The landfill had to do this because it did not have a user for the gas that is naturally and continually produced by decomposing trash in the landfill.

From an acquisition perspective, there was much creativity involved in bringing this project to fruition. Because of budget constraints, the Center was unable to pay any up-front costs associated with running a pipeline five miles from the landfill to the Center and modifying boilers to burn the landfill gas. Through brainstorming among the Acquisition Team (representatives from procurement, facilities, and legal), it was decided to amortize the connection charges through the purchase of gas. However, for this to be viable, it required a long-term contractual relationship that would allow the contractor to recoup the construction costs (\$2.5 million), while ensuring GSFC paid a reasonable price for the gas. The acquisition team members decided that since this qualified as a utility contract, per Federal Acquisition Regulations, they could justify using a ten-year term. However, since the General Services Administration is the only agency authorized to procure utilities on behalf of the Executive Branch agencies for ten years, they solicited and

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An Old Friend in a New Place

By Anne Guenther, Analysis Division

Deidre A. (Dee) Lee, former NASA Associate Administrator for Procurement and then Administrator of the Office of Federal Procurement Policy, was the luncheon speaker on the first day of the conference. She praised NASA as a leader in federal procurement because the Agency moved out on initiatives like MidRange, workforce issues like our Contracting Intern Program and rotational assignments, Part 15 “Best Value” and realistic competitive range determinations, PBC, CCI, and electronic commerce well in advance of other federal agencies.

Dee Lee reminded procurement personnel that the career field will change significantly over the next five years. If we aren’t familiar with FASA, the FAIR Act, GPRA, etc., we aren’t going to be prepared for those changes. We need to focus on good procurement planning and on performance. Regardless of what the contract says, we need to deliver the product. We need to shift our focus from contract details to delivering the mission. Managing our contracts translates into “business management” – managing our relationships with our customers and with our contractors.

Dee went on to talk about the role of OFPP. She described how she had tried to change its measure of success from what was accomplished to what was changed or improved. She cites among

OFPP’s accomplishments:

- ~ establishment of the Procurement Executives Council (PEC), which is on a par with the CIO and CFO Councils and which has gotten Agencywide recognition of our improved procurement career field;

- ~ a soon-to-be published FAC that is simple to read and understand;

- ~ formation of high-performing working groups such as a Department of Labor working group that is addressing Service Contract Act issues like availability of wage rates, and an SBA working group that brings OSDBU’s and the PEC together regularly to address 25 small business issues;

- ~ reciprocity in training between DoD and civilian agencies; and

- ~ resolution of payment and prompt payment issues.

In the future, she sees OFPP focusing on a new mission in which it will play a more proactive role and be more of a team member and a business broker. Leadership and human capital concerns will become more critical as new hires, who have mobility under FERS, bring different expectations to the workplace. Issues like how we recruit and retain new people and how we can motivate our existing workforce, how we develop good leadership to inspire our people are becoming critical. We need to manage electronic commerce and make it and its information work for us – not vice versa.

Dee also shared some of her concerns with us. First, she

believes that we have missed the boat on current and past performance. We’ve focused too much on developing systems for collecting the data, and not enough on its objective – improved performance resulting from on-going communication about current performance. She is also concerned that contract specialists are afraid to use contract vehicles that aren’t issued by their procurement offices. A recent OFPP survey of federal agencies identified the existence of more than 700 CCI contracts that people don’t know are out there and that federal agencies can never order from to the contracts’ maximum limits.

Dee Lee closed with her vision for the procurement workforce: that, in five years, we will be focused on delivering the mission and on our contributions as business people.

A Congressman's View of NASA

By William Childs, Procurement Operations Division

Rep. Kevin Brady, R-Texas, opened the second day of the Procurement 2000 Conference. He quoted an editorial about rapid changes, advances in science, and increased stress. Then he surprised the audience by telling them the quote came from an 1832 issue of *Atlantic Monthly*; things haven't changed!

The congressman noted that the US is a leader in 23 major technologies. He said that we must maintain our lead by reaching out to students; the space program is a real grabber. Mr. Brady's goal is to remove NASA from the GAO high-risk list. The areas he specifically addressed were:

Contract management – NASA is viewed as having made real progress.

IFM System – concept viewed as very important; the delay will make things hard on NASA on the Hill.

Brady said that procurement jobs are the starting point for our success in space, since about 90 percent of NASA's funds are expended through contracting. According to him, knowing the numbers is a key to gaining/maintaining credibility. Supporters need to be able to show we're getting the best bang for the buck. The racer who goes all-out all the time, ignoring warning flags and tire wear, rarely wins the race. He stressed that Congress will fund and accept risk, but not preventable errors. Money follow ideas and performance, not the other way around. Doing what's right builds stronger credibility.

Then, the congressman took questions from the audience:

Q: Regarding the presidential primaries, the candidates don't seem to have mentioned NASA – are we not on their radar map?

A: Candidates don't have different opinions about NASA, and won't spend time on issues that don't differentiate them from each other. When Con-



gress is forced to prioritize, research (including space) moves close to the top of the list.

Q: The pendulum on contracting-out seems to change direction every 8 or 9 years; any comment?

A: Although there is a certain tendency to politicize it, there is a growing recognition that contracting out should only be done when it makes sense.

Q: Regarding credibility – are we viewed as having problems in estimating, or in being less than candid?

A: Problems are in estimating, although mistakes in performance also hurt credibility. Somewhat ironic for a congressman to talk about credibility.

Q: Regarding aeronautics – NASA helps industry remain competitive in the world market. Does Congress support this?

A: Congressional support for this is very high.

Q: Will you comment on the increase in contracting-out laws?

A: Congress is trying to plug the holes in the bucket before trying to pour more water into it; i.e., we want to get more funding to the intended recipient through better management instead of by adding more money.

Q: Will NASA ever get a separate appropriation as a single agency?

A: No.

People on the Move

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(Project Discover), Engineering Support; Kathy Spainhower, Acquisition Management; Larry Third, Mission Support; and John Vondenhuevel, Operations Support. Along with our gains, we suffered some losses. Two of our employees, Tom Tokmenko and Dorothy Davis, recently left for other directorates at KSC as a result of the recent reorganization.

View from the Other Side: Peter DeMayo Former VP, Contract Policy, Lockheed Martin Corp.

By Kimberly Dalgleish, Glenn Research Center on detail to the Analysis Division

Speakers from all over came to participate in the Procurement 2000 Conference. One of the benefits was getting the viewpoint of people who do not work for NASA. That was the case when Peter DeMayo, former Vice President, Contract Policy, at Lockheed Martin addressed the group. According to DeMayo, the aerospace industry is facing many challenges. While the 1980s represented expansion for firms like Martin Marietta, consolidations and shrinking defense spending characterized the 1990s. Other forces continue to pressure the industry with some analysts

questioning its long-term viability.

DeMayo stressed several forces that are particularly challenging and create a tough market for aerospace. The industry's market valuation is comparatively low and has lost investors to the technology stocks. Aerospace is also competing for new talent, many of whom are attracted to the high salaries and lucrative stock options offered by the "dot-coms." Increased corporate investment for government programs reduces cash flow, negatively effects financial indicators, and elevates caution

among Wall Street analysts. Finally, DeMayo stated that increased global pressures are leading US firms to form partnerships abroad to compete overseas.

On a positive note, DeMayo offered encouraging words on NASA's procurement initiatives. PBC and Award Term Contracting are viewed positively for their commercial practices and fostering long-term business relationships. Electronic commerce is especially critical for conducting future business. He invited NASA to partner with industry, which would be a willing audience in this crucial change in its business practices.

Mal Peterson Talks Dollars and Sense

By Dean Patterson, Goddard Space Flight Center

Malcolm Peterson, the NASA Comptroller, was a featured speaker at the Procurement 2000 Conference, on Wednesday, March 28. He spoke to a largely procurement community on the GPR & the NASA Budget.

Peterson began his address by pointing out the similar goals of the resource and procurement communities - facilitate the work of the Agency, ensure on-time delivery within budget and within the intended scope. His graph presentation pointed out the difficulties the Agency has faced with a declining budget over the last several years, a budget that has not even kept pace with inflation. However,

for the uninitiated he reminded the audience of senior and junior personnel that NASA is not an entitlement organization, but one whose budget is derived from



discretionary spending. He showed that NASA has managed its budget by developing savings in a reduction of the flight-rate and by circumspect allocation and reallocation as necessary. He further educated the audience on appropriations integrity, by identifying the three areas of

mission support, science and technology, and human space-flight. He stated that there is often a gray area when it comes to defining what is programmatic and institutional.

He sympathizes with the procurement community in desiring funding stability, but quickly pointed out that budget stability is predicated on the environmental instability of the Congress as they add or subtract monies to the NASA budget. He also addressed the difficulties in the "timing" of obligations for NRAs and the defending of carry-over from one year to the next. This in turn lead to a brief reference concerning costing

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A CLOSER LOOK:

KSC's Procurement Officer: Jim Hattaway

By Dan Lewis, Kennedy Space Center

If you've ever wondered how someone becomes a Procurement Officer, the answer is quite simple: hard work. That's certainly the case for the John F. Kennedy Space Center Director of Procurement James E. Hattaway, Jr. A native of South Carolina, Jim received his formal education, after military service, from the University of Tampa (BBA) and the Florida Institute of Technology (Master's degree in Acquisition Management).

Prior to joining NASA at Kennedy Space Center in 1977, his civil service career included an assignment with the US Air Force as a negotiator at Warner Robins AFB. At KSC, before becoming Procurement Officer in 1995, he held several supervisory positions, including that of Deputy Director of the Procurement Office. The NASA Exceptional Service Medal and NASA Outstanding Leadership Medal are among the numerous honors Jim has received during his government service.

Shuttle Service

Jim began his career with NASA the same year the first shuttle orbiter, Enterprise, was carried into flight by a Boeing 747 and released for free flight. His duties through 1980 involved negotiating fixed-price and cost-reimbursement contracts in support of the Shuttle and Earth Resources programs. Contracts were sometimes imprecise in their definition requiring much interpretation and flexibility in implementation.

About a year before Columbia (STS-1) set off on its maiden voyage in 1981, Jim started his

management career with the supervision of eighteen professional and three clerical personnel in the Purchasing Services Section. Small purchases and GSA schedule buys were mixed with negotiated and formally advertised procurements that accounted for approximately 20,000 actions per fiscal year. Items purchased ranged from standard office supplies to special test equipment. During this assignment, he also served as Contracting Officer for eight contractor personnel who performed various contract administration functions for his section.

The next phase of Jim's career required considerable involvement in a series of Source Evaluation Boards (SEBs) and panels that acquired Ground Support Equipment (GSE) for both KSC and Vandenberg AFB. During the prolonged illness of the chief, Jim also served as acting chief for that section.

Approximately a half year before Senator Jake Garn flew as a congressional observer on the orbiter Discovery (STS 51D) in April 1985, Jim was back in full-time supervision with the responsibility for managing the award of GSE, construction and Architect-Engineer services at the Center. Methods included sealed bidding, two-step sealed bidding, and competitive and non-competitive negotiations. Formal SEB procedures were employed when necessary and administration was retained within the office on all but the construction contracts. In addition to the normal planning

and processing activities associated with acquisitions, assistance was routinely provided to the technical community to help resolve complex issues.

Subsequent assignments, including that of an office chief with three subordinate branches, helped prepare Jim for his current job as the eighth Director of KSC's Procurement Office. Jim Rice, one of KSC's prior Directors of Procurement, gave what may be the best procurement advice Jim ever received. He said that NASA functions as a team and those in procurement should use the regulations to help the technical community accomplish its mission instead of showing them why the regulations say they can't.

Working with People

One of his biggest challenges and most important duties is assisting in the career development of people coming through the ranks, sharing experiences, providing opportunities and training to keep the Procurement Office, Center, and Agency in good shape. He considers preparation of the workforce so important that you've done your job effectively if the transition to new management is transparent when you leave.

Jim believes that one of the office's finest accomplishments is maintaining the viability of the Central Industry Assistance Office (CIAO), which counsels businesses of all sizes to help them understand how to do business with

Gas at last

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NASA and its team-member contractors. The CIAO staff's efforts to match potential suppliers with requirements personnel, both NASA and contractor, remain a very beneficial public service as surveys attest. From telephone and joint counseling to major exhibitions like the annual Business Opportunities EXPO which is hosted by this Center and specifically the CIAO, Jim believes this effort has proven its worth to those who have utilized it in both the public and private sectors.

Outside the Office

It may sound like all business, but it's not. On the way, Jim found time to teach graduate school at Florida Institute of Technology where he was voted among the top 20 percent of all graduate school instructors. In his home town, he and two other Procurement Office employees coached a senior girl's little league fast-pitch softball team to the Indian River City League Championship. He enjoyed that so much, that he served as league Vice President for two years.

So what makes a good Procurement Officer? Hard work, getting the staff the training and guidance they need, and knowing how to have fun. Jim Hattaway does all that.

received Delegation of Procurement Authority from GSA prior to releasing a solicitation. Just when they were ready to award the contract, Goddard's Chief Counsel determined the construction costs constituted a termination liability, even though they were being amortized through the purchase of gas. This was a show-stopper because termination liability must be fully funded to comply with the Anti-Deficiency Act, and the Center's budget could not support this.

Give It Up

When this issue came up, the acquisition team was told to forget the project because of the termination liability issue. However, through a lot of research and networking with counsel from various agencies, GSFC counsel concluded the procurement could proceed because it is a utility contract and not subject to pre-funding termination liability. Through persistence and creative thinking, the acquisition team members were able to go from not having a project at all to meeting all project goals – and with “no money down.”

The acquisition practice was changed through solving the problems encountered as an acquisition team. Normally, the acquisition team has an initial meeting to establish understandings, and then all of the members go their separate ways until the procurement is done. In this instance, the acquisition team tackled many difficult problems collectively and opened a lot of people's eyes as to the impor-

tance of working the acquisition as a team throughout the process. The Acquisition Team worked together the entire time to resolve complex issues, especially termination liability. The Acquisition Team was Rex Elliot and Donna Broderick, procurement; Barry Green, facilities management; and Dorothy Kerr, counsel.

When termination liability became an issue, Barry consulted with Headquarters personnel to see if they had encountered the problem elsewhere. Barry was able to track down a legal opinion from the Department of Energy discussing termination liability in utilities contracts. Because this requirement was not exactly the same as DOE's,

Donna Broderick researched some of the references and put together a briefing for Dorothy Kerr to develop a legal position for NASA. Dorothy networked with Headquarters legal personnel, as well as counsel from GSA, DOE, and EPA to help her put together an opinion. Through this period, Barry and Donna were negotiating the contract terms with the contractor. Through their collective efforts, Barry, Donna, and Dorothy were able to satisfy all of the issues and finalize this unique procurement. It demonstrates that even though federal procurement can be very challenging, if you have conviction in what you're doing, you can usually find a way to meet the customer's requirements.



Angel A. Castillo: Broad Experience in a Little Office

By Suzan P. Moody, NASA Management Office

Where does a Contracting Officer get experience managing an FFRDC contract at NASA? Why in the NASA Management Office (NMO) at the Jet Propulsion Laboratory (JPL), of course. It is, after all, NASA's only Federally Funded Research and Development Center. The primary acquisition function of the NMO is to award and manage the prime contract with Caltech for the operation of JPL. That's where Angel Castillo, a Contracting Officer at the NASA Management Office got his experience contracting for an FFRDC. Angel served as a contract specialist in the NMO starting in 1991 and earned his Contracting Officer warrant in 1998. He has a broad range of acquisition experience including FFRDC management, Small Business Innovation Research Program (SBIR) awards, Task Order contracting, international contracting, and Cooperative Agreements/Grants & Inter-agency Purchase Orders.

Angel started with the negotiation, award, and administration of SBIR Phase I (30-50 awards annually) and Phase II contracts (10-15 awards annually). He was the primary point of contact until closeout of the 1994 awards. Angel moved on to the administration of Reimbursable Task Order agreements. An estimated \$100 million of Reimbursable Task Orders with federal, state, and local governments, commercial companies, universities, and foreign organizations are placed on the NASA/Caltech prime contract annually.

Angel is also responsible for the award and administration of several Interagency Acquisitions, a Cooperative Agreement for the Keck Interferometer in Hawaii, and a research grant with the University of Washington in support of the Stardust mission. Angel is most enthusiastic about his current assignment involving the implementation of NASA's International Agreement with the government of Australia for the operation of the Tracking Station at the Canberra Deep Space Communication Complex. This project is particularly interesting because of the challenges in structuring and negotiating an international contractual arrangement. Angel will be spending a majority of his time in discussions/negotiations with Australian Government Representatives and expects to award the new contract in October.

Angel has been the recipient of numerous professional honors including an Exceptional Performance Award and an Outstanding Performance Award. His future career plans include a possible rotational assignment with industry and/or another NASA Center.

On a personal note, Angel is a native of California and was raised in the San Gabriel Valley.

He began his career with NASA through a student Cooperative Learning assignment at his alma mater - California State Polytechnic University in Pomona, CA. Angel graduated with a degree in Finance in 1991 and was attracted to full-time

employment at NASA because of its great history, international recognition, and opportunities for broad professional experiences. He recently bought a new home and is still struggling with general contractors and landscaping. According to Angel, "Home projects never end." Angel's outside interests include basketball (mostly half court because Angel feels he is out-of-shape and usually plays only during his Wallops "vacations") and golf (he says he averages 5 under par - par according to Angel is 100).

Get Involved!

Do you have an interesting procurement-related story you'd like to share? Do you know personnel information that would go well in **People on the Move**? Have you wanted to try your hand at writing, but never had the opportunity? Now you can. If you are interested in writing an article for the *Procurement Countdown*, contact your Center Point of Contact. They are:

ARC: Carolyn LaFollette
DFRC: Brian Bowman
GRC: Virginia Bittinger
GSFC: Kellie Murray
HQ: Luly Carson
JSC: Connie Poole
KSC: Dan Lewis
LaRC: Tom Weih
MSFC: Jerry Williams
NMO: Carl Weber
SSC: Ann Sharpe

WHAT'S IT ALL ABOUT:

The POES/GOES Procurement Office

By Kellie Murray and Doris Wood, Goddard Space Flight Center

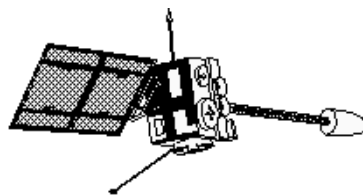
When you watch the news, waiting for the weather forecast, does it ever make you think of NASA? It should. The Geostationary Operational Environmental Satellites (GOES) and the Polar Operational Environmental Satellites (POES) are the primary source of weather data. The weather reports on television are data products derived from POES/GOES data. The POES/GOES Procurement Office buys the weather satellites that the National Weather Service uses for weather forecasting. The office consists of John Baniszewski, the Procurement Manager; Sandra Marshall; Glenn Stewart; Doris Wood; Clelia Walker; and Christopher Whyte.

There are currently four operational weather satellites in orbit, another one in orbit as a spare, and nine satellites on the ground in various stages of completion. Virtually all of the POES/GOES contracts are for highly-complex, very expensive spaceflight hardware, with delivery schedules extending as much as a decade into the future. Fortunately, the office has a combination of seasoned veterans with extensive experience and knowledge in complex contracting, as well as new employees with lots of ability and eagerness to learn.

As a group, they are a close-knit community. Each procurement representative has separate contracts and technical representatives. But like good neighbors, the office staff

communicate and share experiences often. The office is fully integrated into the technical projects - whenever the two program managers have issues, they are not bashful about walking a few doors down to the procurement office and asking for help.

The POES/GOES projects are reimbursable. That is, no NASA money is spent. The National Oceanic and Atmospheric Administration (NOAA) foots the bill and is a direct



customer. All of the funding comes from NOAA. It is never known what the real launch dates will be. Launches are only performed to replace an ailing operational satellite. So it is virtually impossible to predict more than a year in advance when a launch will be necessary. Therefore, the contracts are constantly updated to meet the changing delivery needs of the customers at the National Weather Service.

One neat thing about the group member's work is viewing the results of their labor on a regular basis. Almost every night the 11:00 p.m. news shows the "satellite picture" during the weather forecast. The pictures are from one of the satellites we procured.

This group has the right combination of experience and fresh blood. The group members are service oriented and have established close working relationships with project personnel. Among the many attributes of the group, the members have in-depth knowledge that comes from years of experience, and a strong analytical ability that is crucial to administer the contracts. The workload involves constant sole-source negotiation of change orders, claims, and overruns.

The complexity of the program demands that the contract specialists develop a thorough knowledge of the history of the contracts, some of which have hundreds of modifications. When someone leaves, it takes months for a replacement to develop real mastery of the contracts, no matter how fast a learner that person is. The office is one-deep in all of the contracts. It is difficult to cover all the required tasks if someone leaves to go on a long training class. While the office strives to maintain a very high level of service, it could be improved even more if there were a practical way to fill in for each other.

After more than twenty years of continuous operations, one of the two satellite programs, POES, will largely go away. This is expected to happen in two-to-three years. This change will happen when the polar satellites are consolidated into

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Commercialization and the Conference

By Patrick Flynn, Contract Management Division

Echoing a point made earlier in the day at the Procurement 2000 Conference by Peter DeMayo, the Administrator's Assistant for Commercialization, Daniel C. Tam, began his presentation by describing a precipitous decline in US aerospace market capitalization. Tam compared this trend to historical precedents including appliances manufacturing and steel production. He cited it as one of three reasons for NASA's increased emphasis on the fullest commercial use of space. (The other two reasons are a decline in NASA's budget and the aerospace industry's inability to attract the brightest

talent in the technology labor market.)

Defining commercialization as transference of ownership and



control of assets from the public to the private sector and use of those assets by non-governmental as well as government organizations, Tam sees it as the means for turning around the

decline of American leadership in space. Commercialization will free up human resources to focus on technology development and space exploration.

Tam outlined several commercialization projects on the ground and aboard the International Space Station that are under consideration as public-private partnerships whose business plans employ innovative approaches including barter and co-investment. Procurement plays a role in the new business model, according to Tam, aiding in adapting to new conditions determined by market forces.

Reaching Out from the Office of Space Science

By Kimberly Dagleish, Glenn Research Center, on detail to the Analysis Division

The luncheon speaker on the final day of the conference gave attendees a very different perspective. Dr. Jeffrey Rosendhal, Assistant Associate Administrator for Education and Outreach in the Office of Space Science gave an impressive presentation. He said the overall mission of the Office of Space Science is to seek answers to age-old questions. How did the universe begin and evolve, how did we get here, and are we alone?

He spoke about research in astrophysics and how it centers around the Big Bang theory which suggests the universe was formed about 12 billion years ago. While theorists are relatively certain on that point the

question of how structure formed from chaos is yet to be completely answered. There are many gaps in our knowledge, and immense opportunities for discovery that may completely revolutionize our current thinking.

Rosendhal continued that other studies in astrophysics are focused closer to home. Exploration of Mars, Jupiter, and its moon Europa are important as we examine the geology of these bodies seeking trace elemental seeds of life with the goal of learning if the pathway to life on other planets is the same as that on Earth. Further, he told the audience, our nearest star has a

big impact on life on Earth and continued study is needed to better understand its processes and predict its behavior.

After an interesting talk about the cosmos, Rosendhal brought the subject back to one we knew about. He asked how procurement fits in the cosmos? Then, he answered that the space science budget is over \$2 billion a year. Rosendhal calls procurement "the glue that makes it happen" by issuing awards to organizations in every state. Dr. Rosendhal challenged us to think about our processes and improve interactions with universities and others.

Highlights of the Procurement 2000 Conference

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have successful systems in place. Side note: it was mentioned at the conference that an interim solution would be to select a document generation system to be used NASA-wide. Currently, Glenn, Marshall, and Goddard have DGS systems, and Langley is evaluating Goddard's autoclass program.

Other speakers included: Roberta Gross the NASA Inspector General (see page 5); Deidre (Dee) Lee former NASA AA for Procurement, who was at the time of the conference the Administrator of OFPP, and is now at DoD replacing Eleanor Spector (see page 7); Peter DeMayo a recently retired Vice President

at Lockheed Martin Corp. (see page 9); Mal Peterson, NASA Comptroller (see page 9); and Dr. Jeffrey Rosendhal, Assistant Associate Administrator For Education and Outreach in the Office of Space Science (see page 14).



A number of workshops were held during the conference. They included Innovation – Programs & Processes; Emerging Practices in Source Selection; Simplified Acquisition and Other Agreements; PBC; Award

Term Contracting; and Closeout. I attended two workshops. They were Emerging Practices and Award Term Contracting. I thought they were excellent.

After dinner the first day, Tom Luedtke talked about the state of procurement at NASA and presented the Procurement Awards. The second evening a number of sessions were held including groups about pricing, policy, MidRange, and simplified acquisitions.

Overall, the conference was great. It gave different views of NASA and procurement from many different speakers. It was very informative. I hope we have other conferences like this in the future.

Peterson

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metrics at the NASA research centers and the accounting re-allocations that take place at the end of the fiscal year.

Peterson spoke briefly in reference to PBC. He cautioned against FFP contracts for R&D, and spoke of "Team NASA," that is the blurring of lines between contractor and civil servants. He also pointed out the frustration with PBC when the technical community cannot readily identify clear metrics and wants to use LOE when they don't know what they really want.

Peterson challenged the procurement audience to help the finance community by ensuring the appropriate work breakdown structure is present to track the proper appropriations. He further challenged the audience to be "responsible." That is to bring forward issues that may be "stupid." While he admitted that this action is itself risky and potentially embarrassing, it is not as embarrassing as a mission failure or having to spend more dollars to ensure mission success.

POES/GOES

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the tri-agency National Polar-orbiting Operational Environmental Satellite System Program. The total workload in the office will drop by approximately 50 percent. The GOES program, however, will continue for the foreseeable future.

Each year, this group completes several procurement actions that are complex, unprecedented, and of major program impact. Each is unique and involves creative problem-solving or innovative group members think this office is a great place to work because everyone helps each other. According to group members, John Baniszewski, the group manager, is a great leader and a very patient trainer with his fellow team mates. They take pride in drafting well-written prenegotiation memorandums and negotiating difficult issues. All of the people in the POES/GOES office are glad to be part of this group.



Frontline

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sometimes in a quandary since the incumbent civil servant workforce is sometimes the only organization with knowledge of what the government's requirements really are.

Logic Driven Contract Drafting Systems

A follow-up to a previous discussion concerned the "culture" which logic driven contract drafting systems create. In a logic driven system, the computer asks you several questions, and then, based on your answers, automatically selects which clauses to include. In contrast, a menu-driven system is where the drafter of the contract selects which clauses to include. The logic driven system potentially allows greater consistency of content, but puts the burden of proof on the contract drafter to make changes.

This system works fine with simpler acquisitions, but with major systems, you have to go through clause by clause, and this is tedious. In addition, in logic driven systems, drafters don't always know why certain clauses are included. However, you should never say, "the machine gave me this clause – I don't know why."

Acquisition Workforce Issues

In 1989 the federal workforce had 2.3 million federal employees, but 10 years later had only 1.9 million. DoD, OPM, and OFPP noted that we are faced with additional potentially massive losses of the federal workforce in the next five years. The average age of the federal

worker is now 46, the highest it's been in recent memory. Approximately half of the acquisition workforce will be eligible to retire by 2005. The federal government's pay scales can be very competitive at entry levels, but not at journeyman levels or at senior management levels.



The biggest problem for many federal managers is how to hold onto their journeymen. For some areas (e.g. information technology), there's no way the federal government can offer competitive salaries – the gap is too great. We may have to forget about hiring certain skills and instead focus on contracting for them. All of the uniformed services are having significant recruitment and retention problems.

DoD may hire as many as 75,000 acquisition personnel in the next five years. However, DoD is very concerned that it hire the right people to fill these jobs. It does not want to breed more old boy networks. Instead, there's a growing awareness developing of the real skills necessary for acquisition personnel. A recent OPM study of SES personnel identified 27 competencies and traits that are now

sought in SES candidates. Now, there's an effort underway to adapt these same competencies and traits for lower graded people. This is an opportunity to impact cultural change.

Commercial Item Acquisition Guidebook

An advance working copy of a commercial item acquisition guidebook was distributed to members of the Front Line Forum. DoD is working with the FAR council that is tasked to revise Part 12 to incorporate those changes directly into the guidebook. The final version of the guidebook is not expected to exceed twenty pages, not including the appendix sections, because it will be geared toward all acquisition personnel – not just 1102s.

The revisions to FAR 12 are expected to allow new contract types such as fixed price incentive fee, fixed price award fee, and time and materials. Revisions will also include clarification as to what are "commercial services" and what is considered to be "catalog pricing." FAR 12 will also be revised to require at least a 10-day proposal preparation period – starting with the publication of the solicitation. This is a direct result of small business reactions to some extremely short proposal preparation periods practiced by some agencies. When an agency allows very few days for offerors to prepare a

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Frontline

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proposal (e.g. 2-3 days), this invites criticism that the agency is doing preferred sourcing.

Federal Procurement Data System

Federal Procurement Data System (FPDS) - OFPP and the FPDS staff are looking at the current FPDS to determine how the systems can be redesigned or adapted to function as a business management system. The study includes feeder systems, the

type of data collected, and ways the data can be used to manage the work as opposed to functioning strictly as a reporting tool.



Currently the data only goes up – it’s not intended for an organization to use that information for its own purposes. The bottom line: FPDS input data may eventually go directly from the Contracting Officer/specialist’s desktop to GSA’s data warehouse without being

scrubbed through bureau and agency feeder systems. OFPP hopes to reduce or eliminate the cost of all the feeder systems and to standardize the edit process. This should result in more accurate information that is readily available within the required timeframes.

I hope you found this information useful. I find the meetings very valuable and am glad I can play a part in these forums.

Good Bye To Leif Grotos

By Kellie Murray, Goddard Space Flight Center

As you may have heard, Leif Grotos left NASA in early May to work for private industry – AMS in Northern Virginia. Because he has worked at Headquarters, Johnson, and Goddard in his 11 years at NASA, Leif is a friend to many procurement people across the NASA

centers. He has a way of touching people’s lives with his unique sense of humor. He has an incredible ability to make people laugh - although it’s hard not to laugh with someone who cracks himself up. Leif always gave me something to smile about, especially when he performed his little dance –

Leif’s version of the “cha cha cha.” When you see him next, you will have to ask for a demonstration. My working life is not nearly as exhilarating without Leif’s fun and excitement. AMS has surely acquired an asset to their organization. I wish him well with his new job.

Procurement Countdown

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