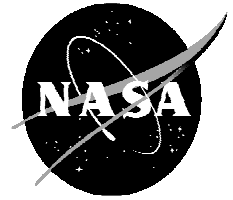


NATIONAL AERONAUTICS AND SPACE ADMINISTRATION



Procurement Management Survey Report

JOHNSON SPACE CENTER

February 2 – 13, 2009

OFFICE OF PROCUREMENT

HEADQUARTERS

WASHINGTON, D.C.

PREFACE

The NASA Headquarters Office of Procurement conducted the procurement management survey at the Johnson Space Center (Johnson) under the authority of NASA Procedures and Guidelines 1000.3, The NASA Organization. The survey was conducted from February 2 – 13, 2009. The report contains the survey strengths, weaknesses, and considerations.

An exit briefing was held on February 13, 2008 to discuss the survey findings.

This report serves as a basis, in part, for fulfilling internal control requirements in accordance with the Federal Manager's Financial Integrity Act of 1982 (P.L. 97-255).

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Analysis Division

CONTENTS

SECTION I OVERVIEW

1. Survey Team Membership
2. Survey Support

SECTION II ORGANIZATION - MANAGEMENT

1. Organizational Structure and Staffing
2. Procurement Staff Interviews
3. Technical Customer Interviews
4. Legal Office Interviews
5. Procurement Career Development and Training
6. Contracting Officer's Technical Representative (COTR) Training and Delegations
7. Internal Policies and Procedures
8. Self-Assessment Process
9. Metrics Review and Documentation

SECTION III PRE – AWARD PROCESSES AND DOCUMENTATION

1. Master Buy Plan Actions
2. Acquisition Planning
3. Deviations and Waivers
4. Noncompetitive Justifications
5. Source Selection Process
6. Pre and Post Negotiation Documentation
7. Technical Evaluations
8. Homeland Security Policy Directive (HSPD) – 12 Compliance
9. Government Furnished Property
10. Contractor Safety Requirements

SECTION IV POST – AWARD PROCESSES AND DOCUMENTATION

1. Evaluation of Contractor Performance
2. Award /Incentive Fee Contract Evaluation
3. Contract Closeout Process and Unliquidated Obligations
4. Undefined Contract Actions
5. Competition under Multiple Award Task and Delivery Order Contracts
6. Exercise of Options
7. Subcontract Consent
8. Interagency Agreements

SECTION V PRICING/FINANCIAL/AUDITS

1. Financial Management Reporting
2. DCAA/OIG Audit Follow-Up
3. Cost/Price Analysis
4. Structured Fee Approach (NF 634) Determinations

SECTION VI OTHER ISSUES

1. Simplified/Commercial Acquisitions
2. Purchase Card Program
3. Construction and Architect and Engineer (A&E) Services Contracts
4. Environmental Issues
5. Small Business Innovative Research (SBIR) Awards
6. Space Shuttle Procurement Office Review
7. Space Station Procurement Office Review

ATTACHMENT I SMALL BUSINESS PROGRAMS

Overview

Metrics

Program Management

In-Reach and Outreach

Summary

Section I

OVERVIEW

The Johnson Office of Procurement (Johnson Procurement) is providing meaningful support to their technical and program customers.

The procurement management survey consists of two primary components: 1) interviews with technical, procurement, and legal office personnel regarding the effectiveness of the procurement organization, and 2) compliance reviews that consist of a review of contracting actions focused on compliance with procurement statutes, regulations, and procedures. The primary emphasis of the compliance portion of the survey is on systemic procurement processes rather than individual file anomalies. Current procurement innovations, both Agency-wide and Center specific, are also reviewed. A concurrent review of the Small Business Programs was conducted by representatives from the Headquarters Office of Small Business Programs (Small Business). A copy of the results of that review and Small Business recommendations are attached to this report.

The results of both the interviews and compliance reviews are compiled into narrative summaries with strengths, weaknesses, and areas of consideration identified as appropriate. Strengths are generally defined as best practices utilized in support of the procurement system. Weaknesses are defined as problems, typically systemic, that require corrective actions. Considerations are defined as issues that: 1) if not corrected could turn into a problem or problems that are not necessarily systemic but shall be corrected, or 2) would result in better business practices if corrected.

The team sought to identify Johnson processes or initiatives that may be beneficial to other Centers and conversely sought to identify suggested approaches utilized by other Centers that may be beneficial to Johnson in an effort to promote the exchange of successful lessons learned and innovative procurement methodologies between Centers.

The exit conference at the conclusion of the survey typically consists of a direct exchange of observations and ideas between the participants. Center ownership of the resolution of any identified weaknesses or considerations is emphasized through the survey follow-up process. This process focuses on actions or initiatives undertaken by the Center to address survey findings. The Johnson Procurement Director will brief the Assistant Administrator (AA) for Procurement and the survey manager on Center achievements in these areas at an appropriate interval, typically six months after the report is issued. Additionally, the Johnson Procurement Director shall provide to the AA for Procurement in writing a summary of the actions taken to resolve all weaknesses and considerations in this report. Updates on progress made to address survey findings are also included in the Procurement Officer's annual "One on One" discussions with the AA for Procurement and the Center Self Assessments.

1. Survey Team Membership:

Below is a list of team members and the areas they reviewed:

Yolande Harden, HQ, Survey Manager: Interviews (procurement, technical and legal); Organizational Structure and Staffing; Source Selection Process

Randy Belew, GSFC: Construction and Architect & Engineering Services contract review

Chivonne Everette, DFRC: Metrics Review and Documentation; Government Furnished Property; Technical Evaluations; Cost/Price Analysis; Financial Management Reporting

Justin Pane, ARC: Career Development and Training; Internal Policies and Procedures; Evaluation of Contractor Performance; Environmental Issues

Cheryl Robertson, HQ: Master Buy Plan Actions; Contract Closeout Process; Simplified/Commercial Acquisitions; Space Shuttle Procurement Office Review

Ann Sharpe, HQ: COTR Training and Delegations; Self Assessment Process; Exercise of Options; Purchase Card Program; Award/Incentive Fee Contracts

Mary Stevens, HQ: Contractor Safety Requirements; Undefined Contract Actions; DCAA Audit Follow-Up; Space Station Procurement Office Review; Award/Incentive Fee Contracts

Robin Strohacker, GRC: Noncompetitive Justifications; Pre and Post Negotiation Documentation; Competition under Multiple Award and IDIQ Contracts; Structured Fee Approach Determinations; Subcontract Consent

Cheryll Williams, NMO: Deviations and Waivers; Acquisition Planning; HSPD-12 Compliance; Interagency Agreements; Small Business Innovative Research (SBIR) awards

Small Business Representatives

Eleanor Chiogioji and **Richard Mann**, OSBP: Small Business Programs

2. Survey Support:

The survey could not have been accomplished successfully without the support of the following individuals:

Roberta Beckman	Johnson Point of Contact
Claire Cox	Johnson Administrative Support

SECTION II

ORGANIZATION - MANAGEMENT

1. Organizational Structure and Staffing

Johnson Procurement is divided into the Office of Procurement and six functional offices. Senior procurement managers including the Director, Deputy Director, and Associate Director reside within the Office of Procurement. The Labor Relations Officer also resides within this office. The functional offices include: Procurement Policy and Systems Office (Policy Office), Space Station Procurement Office, Projects Procurement Office which includes the White Sands Test Facility procurement contingent, Institutional Procurement Office, Exploration Systems Procurement Office, and Space Shuttle Procurement Office. The Small Business Office with three small business specialists and a Small Business Administration representative is part of the Policy Office and also reports directly to the Johnson Procurement Director.

The Projects and Institutional Procurement Office personnel are temporarily located off-site. A new building is currently under construction on-site which will house the personnel from these offices. Personnel in the off-site location were displaced for several weeks in the aftermath of Hurricane Ike (Sept. 2008). They were able to continue operations in another temporary located on-site until all necessary repairs were made to the building.

Johnson Procurement supported 16 major competitive source evaluation board (SEB) activities during 2008. The total estimated value of these actions was \$6.3B. There were 12 on-going SEBs during the previous survey. The organization continues to support center-wide initiatives with participation on various cross functional teams. New initiatives to improve the management, efficiency and effectiveness of Johnson Procurement include the establishment of the: 1) NF 1680 Evaluation Team, 2) Organizational Conflict of Interest Team, and 3) Performance Evaluation Board Clearance Process Improvement Team. The eGreenbook-NG produced by Johnson Procurement is now available for use by all NASA procurement organizations.

Current organizational challenges include maintaining the health of the procurement workforce by preparing for losses due to attrition and retirement, continuing personnel development, and managing multiple space flight programs at various stages of the life cycle. Workforce challenges include managing large skills gaps for mid-level contract specialists. There is some concern that some of the strong young people are promoted too quickly because of the need to fill the contracting officer slots. The management team works together to discuss promotion concerns and ensure that solid, mature individuals are promoted. There are not as many employees eligible for retirement as in the past. Many with eligibility are opting to remain longer. Traditionally the organization does not have a lot of competition with other federal agencies and does not lose many people to contractors.

The organization currently has 137 full time permanent employees including clerical and administrative personnel. There are also four term employees, eight cooperative education students, two Presidential Management Interns, and eight participants in the Federal Career Intern Program including one NASA Contracting Intern Program participant. Johnson Procurement utilizes several support contract and Defense Contract Management Agency (DCMA) personnel to supplement the civil servant workforce. DCMA

personnel typically function in journeyman contract specialist roles while support contractors generally assist with simplified acquisitions and routine contract administration responsibilities.

The Johnson Procurement Director recently conducted a re-organization in response to feedback from program and technical offices and to fill vacant positions triggered by promotions to the team lead and contracting officer levels. The Johnson Procurement philosophy regarding organizational changes is that it offers individuals background in many areas to develop a broader pool of experience.

2. Procurement Staff Interviews

Interviews were conducted with several members of the Johnson Procurement workforce to gain greater insight into the effectiveness of the procurement organization. Interviews were conducted with a wide range of individuals varying from the most junior levels to senior personnel with more than 30 years procurement experience. The discussions focused on the following areas; status of the organization, morale, workload, communication, technical/legal relationships, training opportunities and individual development, management feedback, support and accessibility, and Contract Management Module implementation.

Status of the Organization

Mixed reaction was received regarding the status of the organization. Opinions ranged from “fabulous” to “people are upset with the recent re-organization”. Generally, the opinion is that the organization is doing well. Most individuals interviewed did not have a ‘sense’ for activities outside their immediate office. Some felt that re-organizations are positive while others perceived them as disruptive. There was some concern expressed by people serving on Source Evaluation Boards (SEBs) that the advice provided by the Policy Office and legal advisors is not always consistent which makes things confusing for board members.

Morale

The level of morale varied depending on the organization. Perceptions varied based on age or length of time within Johnson Procurement. Some younger people have the perception that some of the older (closer to retirement) people are not sharing workload responsibilities. Some individuals with lengthy tenures in the organization have the perception that the younger/newer people receive more opportunities for advancement, challenging workload assignments and ability to attend training conferences. Both sides of the spectrum are somewhat disillusioned based on their perceptions. There is also a perception within the pricing office that the growth potential is limited.

Workload

The consensus across all individuals interviewed is that while the workload is extremely heavy and challenging; it is manageable. The most frequently raised concern is that workload is not always equitably distributed within the offices.

Communication

Information appears to flow well both within the individual offices and across organizations. The White Sands personnel felt included in the communications loop for the Projects Procurement Office.

Technical/Legal Relationships

The relationship between Johnson Procurement personnel and the technical and legal organizations is strong. Procurement personnel are regularly included in discussions and meetings held by the technical organizations, particularly on the major programs. There is less interaction on the smaller dollar actions.

Support from the legal office is good. Several individuals noted that the relationship between procurement and legal is more formal than in the past. Some reasons suggested for the changes include: a high volume workload, new attorneys in the office, and the heavy focus on support for SEB and protest activity. A few comments were received from individuals serving on SEBs that the guidance/advice provided to team members regarding processes was not always consistent.

Training opportunities/individual development

Training opportunities are available and widely supported by management. People are aware and taking advantage of the required contracting courses, internal workshops, teams and training sponsored by Johnson Procurement, center and agency training as well as academic degree programs. A few people indicated that they did not apply for external training opportunities because they did not think that funds were available to participate. The use of Individual Development Plans varies across offices. Most people indicated that they were used to some extent.

Management feedback, support and accessibility

Managers and team leads provide good informal feedback in most offices. Some individuals expressed a desire to receive more constructive feedback to allow them to focus on weaknesses and areas needing improvement. Managers and team leads are perceived as extremely accessible and promote the work/life balances.

Contract Management Module (CMM) Implementation

Johnson Procurement personnel are utilizing CMM more than in the past. However, it does not appear that the workforce or managers have fully 'embraced' the system. Many people, particularly in the program offices, do not use the system as frequently as those who work on smaller dollar procurements. Very few people are creating solicitations in the system. People are still creating contract modifications outside the system and attaching them afterwards. The major complaints received include: 1) the length of time required to perform routine tasks; 2) the inability to create concurrent modifications in the system; 3) unprofessional contract format; and 4) frequent system shut downs. Super users and the help desk are beneficial. Most individuals who use the system have noticed improvement over the last few years.

CONSIDERATION:

Johnson Procurement shall ensure that its workforce fully utilizes CMM.

3. Technical Customer Interviews

Representatives from a variety of technical organizations were interviewed regarding the effectiveness of Johnson Procurement and their level of satisfaction. The vast majority of Contracting Officer's Technical Representatives (COTRs) interviewed had more than 20 years NASA experience.

Most COTRs interviewed indicated that the working relationship with procurement is good. Johnson Procurement personnel are included in regular meetings to discuss issues related to the larger contracts. One COTR indicated that recent experiences were a "nightmare", the process takes too long and the people making the purchases are inexperienced. Most of this individual's requirements are less than \$50K.

The lengthy procurement process was a recurring theme with most COTRs. Some stated that they utilize the support contractor to acquire items that are needed quickly. Generally, the quality of work and

effectiveness of procurement personnel is perceived as high. Procurement personnel are for the most part accessible and helpful to the technical community. One COTR with recent SEB experience noted that the legal reviews were very time consuming. Other common concerns raised include: 1) high contracting officer turnover, 2) the need to train non-COTR technical personnel involved in activities with contractors (i.e., technical monitors), 3) the need for more targeted training/guidance (i.e., how to write a Statement of Work, technical evaluations, etc.), and 4) the need for experienced contracting officers.

All COTRs met the current training requirements and had active delegations on contracts. Many recently completed an on-line version of the training. They agreed that the on-line training covered the major areas, however, one person stated that there was no way to save and retrieve the information for future reference.

Some COTRs felt that the procurement process is always changing, particularly on SEBs. One suggestion was that procurement shall operate with a project management mindset, defining the processes in advance.

CONSIDERATION:

Johnson Procurement shall provide more advance guidance on the procurement process, roles, and responsibilities and timelines to the technical community to facilitate better understanding. Further, Johnson Procurement shall ensure that support contractors are not used as buyers to acquire supplies or services that are not included in the scope of the contract. Refer to the NASA Procurement Tenet regarding "Turn the contract upside down".

4. Legal Office Interviews

Two attorneys within the Johnson Office of the Chief Counsel were interviewed regarding the effectiveness of Johnson Procurement and their level of satisfaction. Both attorneys were relatively new to Johnson, they came to the center within the last year. One attorney had several years experience at other NASA centers while the other joined NASA from the Department of Defense.

Generally, the relationship with Johnson Procurement, the effectiveness of the organization, and the quality of work was described as very good. The organization was commended for its pro-active efforts, including legal counsel in the decision making processes and working to resolve problems. The attorneys did recommend additional mentoring for younger procurement personnel. They noted that training targeted at identifying roles and responsibilities on SEBs was critical to ensure consistency.

The appropriate dollar thresholds for legal review are in place at the center. However, one comment was that a uniform level of review shall be imposed on an agency-wide basis.

5. Procurement Career Development and Training

The Policy Office manages career development and training for the procurement personnel at Johnson. The training coordinator maintains the official training files as well as a database of 1102 employees that includes: education levels, contracting (CON) courses, Federal Acquisition Certification in Contracting (FAC-C) levels, warrant levels, and continuous learning points (CLPs). A random review of selected individual training files revealed that files are well organized and current. The database is available on an internal

shared drive and is password protected. Only approved personnel or management may access this information. The database is thorough and provides current and relevant procurement training information.

The training coordinator provides a variety of information to personnel during regularly scheduled Procurement Forums. This information includes but is not limited to: 1) reminders of the 80 hour requirement for continuous education training every two years; and 2) overviews of the courses offered on SATERN, onsite, locally, or by NCMA. Additionally, the training coordinator counsels personnel on individual FAC-C status and how to reach certification goals. The Johnson Procurement website includes a Procurement Training tab. It is a centralized location for procurement training and professional certification information. There is no consistent method for tracking and managing CLPs. Genuine accountability is missing from this CLP requirement. Currently, the individual employee is responsible for tracking CLPs earned outside SATERN and providing CON certification information to the training coordinator. The training coordinator is working to move towards a paperless system and ISO compliance, including entering local Johnson forum attendance and training into SATERN.

The training coordinator estimates that ninety-five percent of Johnson Procurement personnel have a current Individual Development Plan (IDP). These plans are discussed and updated with their management on a semi-annual basis. The IDPs, however, are not included as part of the training records. Johnson offers a formal center-wide mentoring program that is available on a voluntary basis. This program gives all employees an opportunity for career coaching and guidance (protégé), to demonstrate and improve leadership skills (mentor), and provides them with an understanding of other career fields and lessons learned. Training in the area of personnel skills and situational leadership were not specifically addressed in the Johnson procurement training program.

STRENGTH:

Johnson Procurement is commended for the presence of well organized training files and the thoroughness and currency of the secure database. The strong emphasis placed on the utilization of IDPs by the procurement workforce is also commended.

CONSIDERATIONS:

Johnson Procurement shall continue to utilize SATERN as the central repository for training, CLP, certification, and IDPs to the maximum extent practicable.

Headquarters:

The Headquarters Office of Procurement shall provide clear guidelines and tools via SATERN to ensure accountability and accuracy to support FAC-C requirements.

6. Contracting Officer's Technical Representative (COTR) Training and Delegations

Training

The NASA COTR training requirements within the NASA FAR Supplement (NFS) 1842.270 were updated effective January 1, 2009 for consistency with the Office of Federal Procurement Policy (OFPP) letter dated November 26, 2007. This includes implementation of the Federal Acquisition Certification for Contracting Officer Technical Representatives (FAC-COTR) program. The NFS requires all COTRs and alternate

COTRs to complete 40 hours of approved basic COTR training and 40 additional hours of approved continuing education every two years after completion of the basic training.

The Policy Office maintains a list of 'Active COTRs' at Johnson. This list only includes individuals who meet the updated mandatory training requirements and are FAC-COTR certified. The Johnson Procurement Director elected not to issue any waivers/deferments to the training requirements prior to issuing certifications. The individuals listed on Johnson 'Active COTR' list are the only individuals eligible to perform COTR functions at the Center.

Delegations

NFS 1842.270 authorizes the appointment of a qualified Government employee to act as the representative for the Contracting Officer in managing the technical aspects of a particular contract. The NASA Form (NF) 1634, "Contracting Officer Technical Representative (COTR) Delegation", is used to appoint COTRs. Only FAC-COTR certified individuals, or those provided an interim deferment by the Center's Procurement Officer, are qualified to perform as COTRs.

All files reviewed that required COTR participation included a properly executed and signed NF 1634. Some files also include a copy of the COTR's training certificate.

The Policy Office also maintains a separate list off 'Inactive COTRs'. The Active and Inactive COTR lists are posted on the Johnson Procurement internal website and are easily available to the contracting officers for review. Copies of the COTR and alternate COTR delegation letters are incorporated within CMM and included in the contract files.

STRENGTH:

Johnson Procurement is commended for the significant improvement of the COTR Training and Delegation processes, for pro-actively implementing the new FAC-COTR requirements in a timely manner, and for maintaining an accurate, comprehensive and detailed database that records the FAC-COTR training, end date of each certification, contracts associated with each COTR and Alternate COTR, and list of inactive COTRs.

7. Internal Policies and Procedures

The Policy Office is responsible for disseminating and summarizing policies and regulations, providing education and training for personnel, ensuring compliance, and conducting internal reviews within Johnson Procurement. The Policy Office consists of three teams, the Policy and Analysis Team, the Data Systems Team, and the Pricing Team. The Policy and Analysis Team is responsible for internal policies and procedures as well as the structure and placement of information on the Johnson Procurement internal and external websites. The Data Systems Team is responsible for data collection, FDPS-NG entry and maintenance, and statistics reporting. The Pricing Team focuses on cost and price analysis and supporting the Center's ongoing source evaluation boards.

Johnson Procurement internal policies and procedures formally include "JSC Procurement Instructions" (JPI) and "JSC Procurement Advisory Notes" (PANs) and informally the "What's New in Procurement" link placed on the Johnson Procurement website. The "What's New" webpage replaced the "JSC Procurement Information Circulars" since most were obsolete or duplicated information provided in the NASA

Headquarters Procurement Information Circulars and Procurement Notices. The Policy and Analysis Team interprets this essential information and posts the notices and other important links at least once a month, as necessary. Regular updates to the instructions and the webpage allows more effective and efficient dissemination of procurement information.

The Policy Office presents the “Policy Bite” regularly at the monthly Procurement Forums. “Policy Bites” are five to ten minute presentations by Policy Office representatives to discuss particular policy areas. Copies of the presentations are posted on the Johnson Procurement website. The updated webpage provides a powerful one-stop shop for procurement personnel of all levels and customers to find policy and procedures. The Procurement webpage is well organized and boasts a search box powered by Google, for detailed inquiries. The Topical Procurement Index provides a starting place for policy navigation through different topics. A Procurement Notebook link provides a wide variety of “How To” checklists, especially helpful for new hires and COTRs. The Johnson eGreenbook-NG is a clause matrix resource and CMM cross checking tool for solicitations and contracts. The ‘Experts’ (in Procurement) link provides contact information for procurement advisors in all areas of specialization. The ‘Coordination and Approval Matrix’ (CAM) provides detailed guidance for the review and approval levels for the various contract actions. The ‘SEB/SEC’ tab provides links to the NASA Source Selection Guide and some templates; however, some links in this section did not work. The ‘External Customers’ tab provides guides, templates, regulation and policy to assist COTRs, Purchase Card coordinators, NSSC, Finance Management, and others involved in the procurement process.

The ‘Organization Master List’ tab on website contains links to the Johnson ISO processes that include quality records, system documents and procedures. Final versions of the documents are present. The previous survey noted that the ISO documents contained “track changes” annotations.

STRENGTH:

Johnson Procurement is commended for the continued utilization and maintenance of the Greenbook as a tool to ensure appropriate application of clauses in solicitations and contracts. *The eGreenbook-NG is recognized as an agency best practice. (Best Practice)*

CONSIDERATIONS:

Johnson Procurement shall post a summary Procurement Action Lead Time chart to the Procurement website for external customer reference and planning purposes.

The “What’s New” link shall be moved to the top of the Procurement website homepage, a more prominent location for easy identification and access.

Headquarters:

The Headquarters Office of Procurement shall expand the eGreenbook-NG tool for agency-wide utilization as part of the CMM application for cross-reference and review.

8. Self-Assessment Process

Self assessments are conducted to address weaknesses identified through the Procurement Management Survey process and to provide management insight into procurement risks for selected topics. The Policy

Office currently performs self assessments on a semi-annual basis. These assessments were conducted on a quarterly basis through fiscal year 2006. However, a decrease in personnel within the Policy Office resulted in the decision to reduce the number of assessments to meet the semi-annual requirement stipulated in the NASA Self-Assessment Guide. Six-assessments were conducted and reports submitted to the Headquarters Office of Procurement since the completion of the last survey.

Topics reviewed in the self assessments included those areas identified as weaknesses during the 2006 survey. Johnson Procurement focused on the implementation of corrective actions to remedy these weaknesses. Additionally, the Policy Office selects contracts from a list of all active awards, uses a random selection of topics, and reviews 25% to 30% of the open actions. This process exceeds NASA Self Assessment process requirements. The Johnson self assessment process includes a review of files from the procurement office at the White Sands Test Facility. The most recent assessment included a review of all White Sands actions.

Assessment reviews are performed by Policy Office personnel as well as contract specialists from the various procurement offices. The self assessment reviews provide good training opportunities for procurement personnel. The Policy Office discusses any findings with the Procurement Director and other management in Johnson Procurement. The results are also shared with all procurement personnel during the monthly Procurement Forums. The semi-annual self-assessment reports contain a summary of the findings and recommendations and a comparison of the current self-assessment to the previous self-assessment and the most recent Headquarters' survey. Recurring issues are identified and corrective actions monitored for effectiveness.

The Policy Office shares both positive findings (as good examples) and findings where improvement is needed with procurement personnel. All resultant self-assessment findings are forwarded to procurement personnel via email and also posted on the Johnson Procurement website under the "Procurement Tools" tab.

STRENGTH:

Johnson Procurement is commended for the extensive scope of its self-assessments and for completing them in a timely manner.

CONSIDERATION:

Johnson Procurement shall concentrate on better implementation and follow through on actions to correct weaknesses identified in the Procurement Management Surveys. Survey findings, particularly repeat findings shall be addressed sufficiently to correct the weaknesses.

9. Metrics Review and Documentation

Johnson Procurement monitors eight types of metrics to ensure continuous improvement and functionality within the organization. Four of the metrics (Average Award Fee Score, Timeliness of Awards Fee Payments, Status of Collective Bargaining Agreements and Open Office of IG recommendations) are updated on a monthly basis and posted to the 'Metrics webpage' on the Johnson Procurement website. These metrics are used to ensure effective performance and provide senior Center management visibility on procurement efforts.

The other type of metrics data tracked includes: Customer Satisfaction, Socio-economic Contracting, Source Evaluation Board (SEB) schedules, and Undefined Contract Actions (UCAs). The Customer Satisfaction metrics are reported semi-annually during the Quality System Management Review. Socio-economic contracting metrics are updated weekly and reported monthly. Total obligations on individual contracts and small business utilization are included in the reports. SEB Schedule metrics are monitored monthly to track current and planned milestones of SEB activities. UCA metrics are reported monthly to Headquarters to monitor Center effectiveness in managing the definitization of open UCAs.

All metrics are summarized and documented using red, yellow, and green 'Stop Light Charts' to reflect performance in these areas. All Johnson Procurement metrics maintained a "Green" rating during the past 18 months.

STRENGTH:

Johnson Procurement is commended for an excellent job in collecting metrics on procurement processes that provide useful information to management at the Center and Headquarters level. **(REPEAT FINDING)**

SECTION III

PRE-AWARD PROCESSES AND DOCUMENTATION

1. Master Buy Plan Actions

The Master Buy Plan (MBP) requirements are stated in NFS 1807.71. Headquarters Office of Procurement senior management uses this information to identify acquisitions greater than \$50M and/or other sensitive acquisitions that might require additional monitoring or attention for Headquarters level reviews. Johnson planned acquisitions in the MBP Database were reviewed.

The Headquarters Office of Procurement provides an annual MBP report to the Office of the Administrator. All actions submitted by the centers are included in this report. Center reports are due each year by July 15th, and the Johnson submissions since the last survey were timely. MBP data is also included in the monthly Baseline Performance Review (BPR) reports. All centers are advised to utilize more diligence regarding the quality, level of detail, accuracy, completeness, and consistency of data entered into the MBP database and the BPR Acquisition Spreadsheet as a result of the expanded focus from NASA senior management. The Johnson MBP submissions contain acceptable quality and sufficient detail. Changes to acquisition details (e.g., change in Contracting Officer, status schedule, etc.) are entered into the MBP system in a timely manner.

A number of Johnson Procurement actions in the MBP database were selected for a Headquarters Procurement Strategy Meeting or for additional oversight and approval at the Headquarters level. One MBP level acquisition was not included in the most recent fiscal year plan, however, an amendment was issued prior to the contract award date. The amendment was issued in sufficient time to allow relevant Headquarters personnel to determine whether Headquarters review and approval of the various phases of the acquisition process was necessary.

2. Acquisition Planning

Acquisition Planning is an integral part of planning programs and projects. The primary emphasis of this review was to determine if the awards were made in compliance with current procurement regulations and policies. Generally, the procurement files selected for review contained the appropriate level of information, were well documented, and followed the appropriate procedures. The same findings were noted on both larger procurements utilizing SEB or Source Evaluation Committee procedures and smaller dollar valued procurements.

Most files reviewed utilized the NF 1098, "Checklist for Contract Award File Content", which helped to ensure that all required documentation was both included in the award file and filed in the appropriate location. Files utilizing simplified acquisition procedures contained a different file checklist.

The file reviews indicate that the overall source selection processes are effective and result in timely awards of procurements of all sizes. The sole source documentation was generally thorough and followed the required FAR format for non-competitive actions. Evaluation documentation was comprehensive. The

supporting documentation for large competitive acquisitions indicates that policies and procedures are basically followed. Source selection statements, which considered the findings of the board, were thorough, well documented, and provided clear rationale for the basis of selection.

No systemic problems were revealed during the review of the acquisition planning documentation, regardless of acquisition type or level of complexity. Procurement personnel and management are, in general, familiar with the policies and procedures governing acquisition planning. Several non-systemic instances of missing documentation were noted in some files. Many files lacked sufficient market research documentation.

CONSIDERATION:

Johnson Procurement shall establish methods to ensure that market research is conducted on all applicable procurements and documented in the contract files.

3. Deviations and Waivers

Deviation and waiver requests were reviewed for compliance with the FAR and NFS requirements. The requests were compliant with applicable procurement regulations and were appropriately documented. The requests required very little clarification from the Headquarters Office of Procurement.

The NFS 1832.702-70 (c) (2) (f), requires the Procurement Officer to maintain a record of all approvals during the fiscal year. The approvals are maintained in the individual contract files, however, there is no central file for all approved deviation and waiver requests.

CONSIDERATION:

Johnson Procurement shall establish and maintain a central file of all approved deviations and waivers.

4. Non-competitive Justifications

Contract files, General Services Administration (GSA) delivery order files, and new work modification files were reviewed for applicable compliance with FAR and NFS requirements and Headquarters and Johnson Procurement policies and procedures. All but one of the non-competitive justifications reviewed complied with the requirements of the above documents. The single instance of noncompliance involved a non-competitive justification prepared for a follow-on requirement that did not: 1) provide an estimate of the cost to the Government for duplicated effort, 2) mention a synopsis or synopsis results, and 3) appropriately address the actions the Agency would take to remove barriers to subsequent acquisitions.

This review also included a comparison of the justification approval dates to the posting and response due dates of the synopses issued pursuant to FAR 5.2. Most of the non-competitive justifications were approved after the synopses response times elapsed and any expressions of interest were resolved and included in the file documentation. A few justifications were approved before the synopses were issued. Based on the flexibility allowed by FAR 6.303-2(a)(6), the actions included a statement that a synopsis "will be" publicized as required by FAR 5.2. The synopses for these actions were subsequently posted and no expressions of interest were received before the synopses response times elapsed.

The previous survey identified a weakness in this area. Johnson Procurement demonstrated significant improvement in its compliance with all applicable requirements.

STRENGTH:

Johnson Procurement is commended for its success in improving the quality of its non-competitive justifications since the last survey.

5. Source Selection Process

A review of the Johnson source selection process was conducted to identify: 1) steps taken to incorporate lessons learned from protests; 2) oversight, review processes, plans, checklists and/or job aids utilized to support contracting officers with cost realism and to ensure compliance with solicitation requirements such as cost accounting standards, conflict of interest, past performance, etc.; 3) methods utilized to incorporate findings from DCAA and technical analyses into discussions with offerors; 4) processes used to ensure that meaningful discussions are conducted with offerors; and 5) measures taken to ensure that the technical and cost analyses and subsequent discussions are well documented. Discussions were held with senior members of the Policy Office.

Lessons Learned

The Johnson Procurement Director conducts 'kick off' meetings with every major SEB prior to the commencement of SEB activities. The purpose of this meeting is to introduce the SEB members to the key procurement personnel involved in document and process reviews, define the roles and responsibilities, and emphasize the importance of the work conducted by the SEB. The Procurement Director also conducts a meeting at the conclusion of the SEB activities with the SEB chairperson and the Policy Office management to discuss lessons learned, areas for improvement, and general feedback on the SEB process. The Policy Office maintains a spreadsheet with SEB feedback and lessons learned to share with future SEB members.

Several changes to the SEB process were implemented as a result of lessons learned from protests. Physical security in the SEB area was tightened, a 'buddy' system requiring two people present when facsimiles are transmitted was instituted. 'Verbatim' transcription (court reporters are used to document the proceedings) was implemented during oral discussions for all Master Buy level SEBs and other source evaluation activities deemed important. Procedures for reviewing cost accounting information were strengthened, standardized requests for cost data are utilized, and non-disclosure statements are utilized to mitigate conflict of interest issues.

Several initiatives were also implemented as a result of lessons learned from experiences with prior SEB activities. Johnson Procurement established a team to provide guidance to small businesses in an open forum that documents common proposal mistakes/errors. This team was developed to facilitate the receipt of better proposals from the small business community. A safety and health break out session is held during the pre-proposal conference to ensure that the contractor community understands the requirements for safety and health plans in proposals.

Oversight, Review Processes, Checklists, Job Aids

Johnson Procurement utilizes a structured solicitation approach to ensure consistency in proposals received from all offerors. Overhead templates are provided to ensure that proposal cost data is provided in the same

format. These templates/formats are utilized on solicitations both at the Master Buy Level and below. The agency-wide SEB Guide is used on a consistent basis.

A full-time SEB manager resides within the Policy Office. The SEB manager assigns an analyst to provide policy and source evaluation support for each source evaluation board/committee convened. All SEB members receive general source selection process training prior to the receipt of proposals. Former SEB chairpersons are often involved in the training to share lessons learned. The SEB analyst provides “just in time” training on specific components of the process. There are about twelve modules offered that focus on discrete parts of the source selection process such as, developing findings, oral discussions, debriefings, etc. These in-house briefings can be quickly modified or tailored to address current issues or concerns. The role of the SEB Manager and SEB analysts is to provide consistency across boards at the center. They also provide on-going consultation and advice, utilize a standard review matrix (“Document Readiness Review/Senior Advisory Review”) and the eGreenbook to ensure consistency in the development of solicitations and contract documents. A handbook with lessons learned is maintained in the Policy Office and is available to SEB members.

Integration of DCAA and Technical Analysis Findings into Discussions

DCAA audit information is utilized to assist in the competitive range determination. Questions and concerns raised in the audits are submitted to the offerors and written responses are received prior to discussions with any offerors in the competitive range. Weaknesses are shared with offerors in the competitive range prior to discussions. Resource weaknesses identified in the technical evaluation result in probable cost adjustments to the proposals and are reflected in the cost analysis. Weaknesses identified that have an impact on resources are annotated with the letter “R” in the reports. A full discussion of probable cost adjustments and the cost analysis is presented to the Source Selection Authority by the cost/price analyst.

Ensuring Meaningful Discussions

The Procurement Review Team (PRT) which consists of the SEB Manager, legal counsel, and other senior policy and pricing representatives reviews all findings to verify that the findings are traceable to the solicitation requirements and evaluation criteria. The PRT conducts reviews and provides advice throughout the various phases of the source selection process.

Documentation of Technical Evaluation, Cost Analysis and Discussions with Offerors

All findings are documented in the briefing to the Source Selection Authority. The final source evaluation report includes the SEB findings, results of discussions, resolution of weaknesses, resolution of DCAA findings and other pertinent factors. The pricing portion of the final report includes a detailed description of the results of the cost analysis.

STRENGTH:

Johnson Procurement is commended for its strong commitment to oversight and review of the source selection process. *The designation of an SEB manager and analysts to provide guidance and advice to SEB teams and the pro-active use of lessons learned from previous SEB activities is an example to share with all Centers. (Best Practice)*

6. Pre- and Post Negotiation Documentation

Pre-Negotiation Position Memoranda (PPM)

Contract and modification files were reviewed for compliance with FAR 15.406-1, NFS 1815.406-170, PIC 02-21 "Documentation and Negotiation Requirements Relative to Audits Performed by the DCAA", and PIC 06-10 "Content of the PPM and Price Negotiation Memoranda (PNM)". Most of the PPMs reviewed fully conformed to the requirements of the above documents. Frequent use of the PPM template in the Virtual Procurement Office (VPO) was very evident. One document reviewed did not include a parallel tabulation of the contractor's proposal and the Government's negotiation objective.

Nearly all of the PPMs reviewed contained two Government positions: 1) objective (or "target") and 2) maximum. PIC 00-04, "Government Negotiation Objective" emphasizes that a single Government position shall be the norm. The PIC recommends the development of a detailed explanation of the basis for each position when there is a need to specify more than one Government position. Slightly more than half of the PPMs reviewed met this requirement. The remainder of the documents reviewed adequately supported the Government objective position, but not the Government maximum position. The maximum usually paralleled the offerors' proposals without supporting rationale.

When the proposals included a Small Business Subcontracting Plan, the PPM included a section on "Subcontracting Plan/Goals". This section described the review, revisions to, and ultimate approval of the offeror's Small Business Subcontracting Plan. A thorough description and review of the information was present in the files reviewed. The Johnson Work Instruction JPI 00-32 requires the inclusion of some additional information/statements and stipulates that this topic is discussed in the PNM rather than the PPM.

Some of the PPMs were not fully compliant with the requirements of the Johnson Procurement Coordination and Approval Matrix. The required Technical Office coordination was missing from the non-compliant files.

Price Negotiation Memoranda (PNMs)

Contract and modification files were reviewed for compliance with FAR 15.406-3, NFS 1815.406-3, PIC 02-21, and PIC 06-10. The vast majority of the PNMs reviewed fully complied with the requirements of the above documents. Frequent use of the PNM template in the VPO was very evident. One document reviewed contained a statement that the NF 634, "Determination for the Structured Profit or Fee Objective" in the file supported the negotiated fee, but the NF 634 was completed incorrectly and contained a decidedly different fee amount than was negotiated.

Three "stand alone" PNMs were included in review. The pre-negotiation section in all of the documents contained two Government positions (objective and maximum). The Government objective and maximum positions were identical in each of the three files. The price negotiation sections in two of the three documents contained very thorough description of the negotiations and subsequent agreement. The third file contained a confusing description of the negotiation.

STRENGTH:

Johnson Procurement is commended for its use of the PPM and PNM templates to ensure that all applicable FAR, NFS, and PIC requirements are adequately addressed.

Johnson Procurement is commended for addressing “Subcontracting Plan/Goals” in its negotiation documentation. *The inclusion of a discussion of Subcontracting Plans/Goals in the negotiation documentation is identified as an agency best practice. (Best Practice)*

CONSIDERATIONS:

Johnson Procurement shall ensure that contract specialists and contracting officers comply with the requirements of PIC 00-04 and provide a detailed explanation for more than one Government position in the PPM including a discussion on the basis for each amount and the reasonableness of multiple positions.

Johnson Procurement shall ensure that “Subcontracting Plan/Goals” are addressed in the PNM as required by Johnson Work Instruction JPI 00-32.

Johnson Procurement shall ensure the Technical Office concurrence is obtained on PPMs as required by the Johnson Procurement Coordination and Approval Matrix.

7. Technical Evaluations

Technical evaluations were reviewed to determine if the appropriate level of assessment was used to ensure compliance with FAR and NFS 15.404. The review included technical evaluations for contracts and contract changes. All but one file contained well-written technical rationale that sufficiently addressed all cost elements proposed.

Johnson Procurement was commended during the previous survey for the continuous improvements made in the quality of technical evaluations and the level of communication between procurement personnel and the technical community. Contracting officers continue to obtain additional information when necessary to support the development of the Government position.

Most of the technical evaluations reviewed were well organized and structured in accordance with scope requirements. The technical write-ups contained detailed analyses, addressed cost trends, and risk against all elements proposed to develop the best Government position.

STRENGTH:

Johnson Procurement is commended for its on-going efforts to improve the quality of technical evaluations. Johnson Procurement has strong and stable working relationships with the technical community. **(REPEAT FINDING)**

8. Homeland Security Policy Directive (HSPD)-12 Compliance

Contracts were reviewed for compliance with PIC 06-01 “Personal Identity Verification of Contractors,” dated January 18, 2006. The PIC requires the inclusion of FAR clause 52.204-9, Personal Identity Verification (PIV) of contractor personnel and PIV card issuance procedures in solicitations and contracts, which require contractors to have physical access to a federally controlled facility or access to a federal information system. All of the files reviewed contained FAR clause 52.204-9 and contained the PIV card issuance instructions in the contract file.

The Policy Office provided guidance to the procurement personnel to ensure compliance with the HSPD-12 requirements. Contract clauses were modified in a timely manner

STRENGTH:

Johnson procurement is commended for the proactive efforts of the Policy Office in providing guidance to the procurement, technical, and contractor communities to comply with HSPD-12 requirements.

9. Government Furnished Property

Contract files were reviewed for compliance with procedures for providing Government Furnished Property (GFP) and/or Installation-Accountable Government Property to contractors. The review focused specifically on the Supply and Equipment Management Office (SEMO) review, the use of appropriate property clauses, accurate property reporting in FPDS-NG, NF1018 “NASA Property in the Custody of Contractors” reporting, and any applicable execution of Determination and Findings (D&F) statements.

The documented rationale for providing the use of Government facilities required by FAR 45.301-1(a)(4) and 1845.302-1(a)(iv) has improved since the last survey. Each contract file reviewed contained a formal or informal D&F statement with the appropriate coordination/approval signatures. The D&F statements sufficiently explained the need for contractor utilization of Government furnished facilities.

All files reviewed contained a SEMO review which ensured that the appropriate FAR and NFS clauses were incorporated into the contracts. All but one file was properly marked for GFP usage in FPDS-NG. Contract specialists work with the NASA property administrators to ensure that NF 1018 Reports are completed timely and accurately.

STRENGTH:

Johnson Procurement is commended for the exceptional strides made in including the necessary rationale and documentation in the contract when government property is provided under contracts.

10. Contractor Safety Requirements

Contracts were reviewed to verify compliance with NFS requirements related to safety and health and other safety related policies and procedures. Specifically, contracts were reviewed for inclusion of the NFS Clause 1852.223-70, “Safety and Health”, NFS Clause 1852.223-72, “Safety and Health – Short Form,” and NFS Clause 1852.223-73, “Major Breach of Safety and Security”. Files were also reviewed to verify Safety and Mission Assurance (S&MA) office review of contract requirements, submission, review and approval of Safety and Health plans, and the proper evaluation of safety and health in the source selection process.

The appropriate clauses and the Safety and Health plan were included in most of the contracts as required. These contracts also included evidence that the S&MA office was involved in reviewing the contract requirements and Safety and Health plans. One contract reviewed contained a Data Requirements Document for the submission of safety and health metrics instead of the required NFS Clause 1852.223-72. The Major Breach of Safety and Security clause was included in all applicable files as required. Additionally, Safety and Health Plans were included in the evaluation process and the S&MA organization participated in requirement reviews and approvals on the competitive actions reviewed.

Award fee contracts were reviewed to determine how safety and health is addressed in the performance evaluation process. All contracts reviewed included safety and health as a performance evaluation factor addressed during each award fee period. A sample review of specific award fee period documentation revealed that safety and health was considered and documented in the evaluation process.

Finally, it is noteworthy to mention that Johnson Procurement emphasizes good safety and health practices. Johnson hosted its annual center-wide Safety Day during the survey. Johnson Procurement actively participated in the activities and hosted office workshops that addressed relevant safety and health topics and encouraged attendance at the Center safety events.

STRENGTH:

Johnson Procurement is commended for management's attention to safety and health issues including close involvement with the Safety and Mission Assurance office in procurement and contract management activities. **(REPEAT FINDING)**

SECTION IV

POST-AWARD PROCESSES AND DOCUMENTATION

1. Evaluation of Contractor Performance

The FAR 42.15 and NFS 1842.1502 require interim evaluations of performance on applicable contracts within 60 days of the anniversary of the award of contracts with a period of performance exceeding one year and a final evaluation summarizing all performance. Evaluations are performed through completion of NASA Form 1680, "Evaluation of Performance." PIC 01-12, "Contractor Performance Information and Past Performance Data Base" requires that the information on the NF 1680 is entered into NASA's Past Performance Database (PPDB) in addition to including the NF 1680 in the contract file. The PPDB information is transferred to the federal Past Performance Information Retrieval System (PPIRS). All federal agencies utilize information in PPIRS when making best value award decisions.

A random selection of contract files of different contract types and values were examined to determine compliance with the above requirements. Most of the NF 1680s reviewed included good quality narrative support and detail; however, some reports were found with no evaluator comments or only numerical ratings. Most reports did not document the discussion of evaluation with the contractor (date and participants) as required by NFS 1842.1503. The NF 1680s found in the contract files were signed and dated by the contracting officer and entered into the PPDB.

A PPDB delinquency report of Johnson Procurement evaluations past due in the last twelve months was reviewed. Eighty-five records were found in the report, a small number of these records were drafted but not signed/finalized by a contracting officer. The delinquent records ranged from nine months to less than one week past due. The vast majority of these records were greater than sixty days past due. Over half of these delinquencies were for delivery/task orders. The basic contract records were entered into the PPDB appropriately and timely.

STRENGTH:

Johnson Procurement is commended for the high quality narratives in the NF 1680, with the level of detail proportionate with contract value.

CONSIDERATION:

Johnson Procurement shall focus on finalizing NF 1680s, uploading them into the PPDB in a timely manner and place priority in finalizing outstanding evaluations found in the PPDB delinquency report. The contract files shall be annotated to explain delays (i.e., COTR non-responsiveness). Contracting officers shall document the discussion of evaluation with the contractor including the date and name of participants on the NF 1680.

2. Award/Incentive Fee Contract Evaluation

Contract files were reviewed for compliance with FAR 16.4 and NFS 1816.405-2 regarding Cost Plus Award Fee (CPAF) contracts. NFS 1816.405 was revised, effective June 29, 2007, to require documented cost/benefit analysis to support the use of an award fee contract, to re-emphasize the importance of tying award fee criteria to desired outcomes and limit the number of criteria.

The files reviewed included comprehensive award fee plans that addressed technical, cost, schedule, and appropriate risk management considerations. All of the reviewed award fee evaluations followed the corresponding award fee plans, were comprehensive, and provided appropriate analysis of the evaluation for each award fee period. Some of the files contained letters identifying areas of emphasis that were provided to the contractors prior to the start of the evaluation periods. All plans provided for a mid-point assessment (or more often if deemed necessary) of the contractors' performance to maintain effective communication on contract performance issues.

Files included required documented cost/benefit analysis that supported use of award fee, as well as written approval for use of an award fee incentive. The approval included a discussion of other contract types considered and the reason an award fee incentive was selected as the appropriate choice. All files reviewed except one were approved prior to recent NFS revision requiring written approval from the Johnson Procurement Director for use of award fee incentive. The other file contained a memorandum from the contracting officer stating that the contract type was determined and approved at the Procurement Strategy Meeting (PSM). There was no written approval from the Johnson Procurement Director for contract type, even though it is specifically required in NFS 1816.405-270(a). The previous survey report also noted the lack of written approval from the Johnson Procurement Director in this area.

Johnson Procurement continues to maintain an award fee tracking system. A review of the tracking system database for all award fee contracts with evaluation periods ending in FY 2009 revealed six of twelve (50 percent) incidences where the contractor was notified of their rating within the required 45 calendar days. Award fee payments were made within the required 60 days, with an average time of 57 calendar days in less than half of the records reviewed. A significant number of individual contractor notifications and payments were not made in a timely manner.

CONSIDERATIONS:

Johnson Procurement shall ensure that Fee Determination Official decisions are issued no later than 45 calendar days from the end of the award fee period and that award fee payments are received by the contractor within the required 60 calendar days from the end of the award fee period.

Johnson Procurement shall ensure that contract files contain the documentation and appropriately signed by the Johnson Procurement Director as required by NFS 1816.405-270(a).

3. Contract Closeout Process and Unliquidated Obligations

The review of closed contracts and unliquidated obligations (ULOs) focused on compliance with FAR 4.804 and NFS 1804.804-5, the number of open actions, timeliness of closeout, use of quick closeout procedures, and ULO tracking monitoring.

Information in the Enhanced Procurement Data Warehouse reflects that Johnson Procurement has 1,220 contracts for which the period of performance has ended and are ready for closeout action. The Agency closeout contractor, Legacy, provides support to Johnson Procurement and is responsible for preparing all closeout documentation for the contracting officer's review and approval. Legacy does not provide this support for purchase orders, interagency agreements, and task/delivery orders. Johnson Procurement monitors actions outside of the Legacy responsibilities. Johnson Procurement personnel complete the Johnson Form 1488, "Contracting Officer Certification and Transmittal Sheet" to transfer files to the closeout team. This form includes all elements required for a physically complete determination. 198 of the 1,220 contracts ready for closeout were transferred to Legacy for processing.

Legacy maintains a database that tracks transferred contract status, reason for delays in closeout processing (as necessary), unliquidated obligation balances, and the number of contracts administratively closed each month. None of the files reviewed were closed within FAR provided timelines. Delays were often reported for consecutive months with no change in status.

A review was conducted of administratively closed contract files, contracts currently in closeout with Legacy, and contracts with expired periods of performance not transferred to Legacy. Administratively closed files were well documented and complied with all requirements in the FAR and NFS. One file currently in closeout did not contain the required NF1612 "Contract Closeout Checklist" and two files contained incomplete and/or unsigned NF 1611s "Contract Completion Statements". These were isolated instances since the majority of the NF 1611s and NF 1612s were present in the files and completed appropriately.

One file reviewed revealed that timely action was taken to modify the contract value to incorporate additional costs incurred during the final stages of contract performance based on the final DCAA audit recommendations. The contracting officer's determination explaining the rationale for the additional costs was very thorough and the file included documentation requesting additional funds through the Funds Management Division (FMD). The Johnson FMD developed a unique checklist for the funds request process that identifies each step in the process, the tasks performed at each step, and the responsible office/individual. This checklist ensures that there is no ambiguity in the funds request process. Previously, packages were returned from Headquarters for corrections and/or additional information. Utilization of the checklist ensures that packages are approved at Headquarters on first submission.

Most closed files reviewed were cost reimbursement contracts and included the final DCAA audit. Each audit included the final indirect cost rate determination required by FAR 42.705-2 and all closed files included the appropriate release forms required to be completed by the contractor.

The files for contracts with expired periods of performance not transferred to Legacy contained no evidence of on-going efforts to prepare for transfer to Legacy. One file contained a Post-it note with a request for clearance in February 2008, no further action was present. Quick Closeout Procedures were used on 17 of the 198 files transferred to Legacy in accordance with FAR 42.708 and NFS 1842.708. All requirements for the quick closeout actions reviewed were met.

The Johnson Procurement Director receives a monthly report of all contracts with expired periods of performance, however, the report does not include ULO amounts. The only on-going tracking of ULOs is performed by Legacy for the contracts transferred to closeout.

CONSIDERATIONS:

Johnson Procurement shall place more emphasis on completing contracts and transferring those contracts to the closeout contractor for processing.

Johnson Procurement shall carefully review monthly reports submitted by Legacy and attempt to resolve delays that continue for two or more consecutive months.

WEAKNESSES:

Johnson Procurement shall ensure that expired contracts are physically completed and transferred to the closeout contractor for administrative closeout in accordance with FAR 4.804-1.

Johnson Procurement shall ensure that unliquidated obligations are monitored on both active contracts and contracts with expired periods of performance.

4. Undefined Contract Actions

The Johnson Procurement Undefined Contract Action (UCA) Report addresses all open UCAs and consistently provides detailed information on the status and plan for definitization of each action. The UCA Report contained twelve open actions at the time of the survey. The report included new three actions and three that were definitized during the current reporting period. The current UCA Report reflects two actions over 180 days old and an additional action over 350 days old. The delinquencies in all cases are the result of changed requirements levied after the issuance of the original UCA. Historically, Johnson Procurement restarted the time clock when a revision to a UCA was issued. Discussions with procurement personnel indicated that this practice is no longer utilized.

Several UCA files were reviewed for compliance with NFS requirements. The file review focused on age, dollar value, justification and file documentation. All of the files reviewed contained the proper justification and file documentation. Johnson Procurement often has the largest number of open UCA's however the documentation justifies the urgency of the actions. None of the actions were the result of poor planning or late requirements. An in-depth review of the most delinquent action (over 350 days) revealed that three major requirement changes were made subsequent to the issuance of the original UCA. Further, the procurement and technical organizations are placing the proper focus and emphasis on definitizing the actions.

STRENGTH:

Johnson Procurement is commended for its prudent analysis and sound file documentation prior to the issuance of UCAs.

5. Competition under Multiple Award Task and Delivery Order Contracts

Multiple award Indefinite Delivery Indefinite Quantity (IDIQ) contracts in the areas of Architect and Engineer services and construction were reviewed for compliance with FAR 16.505 and NFS 1816.505. This review is documented in Section VI "Construction and A&E Services Contracts".

One non-construction or A&E services multiple award IDIQ for Crew Robotics and Vehicle Equipment (CRAVE) was reviewed for compliance with the applicable FAR and NFS requirements. CRAVE consists of four contracts, all of which identify minimums and maximums and properly include the following clauses: FAR 52.216-18, "Ordering", FAR 52.216-19, "Order Limitations", FAR 52.216-22, "Indefinite Quantity" and a "Substantially as Stated" version of NFS 1852.216-80, "Task Ordering Procedure". The CRAVE project maintains an internal website that is accessible to procurement, technical and CRAVE contractors. The website includes information regarding advance notice of planned CRAVE requirements, draft requirements documents for questions and comments, disposition of questions and comments, formal requests for task plans, and technical library materials referenced in the requirements documents. The website ensures that all four contractors have access to the same information, are provided a fair opportunity to submit task plans, and are considered for the various CRAVE delivery orders. Evaluation personnel utilize a checklist that addresses not only technical and cost analysis issues, but other potential areas (i.e., Small Business Subcontracting Plan) to ensure sufficient evaluation of the proposed task plans. The unsuccessful contractors are notified and offered debriefings after every evaluation and selection. Over 40 delivery orders were placed under the CRAVE contracts to date and all four contractors received more than a nominal share of the awards.

The delivery orders reviewed consisted of orders placed under each of the four contracts and ranged in value from \$190K to \$2.2M. All orders were placed in accordance with the aforementioned FAR and NFS clauses and complied with the concurrence and approval requirements of the Johnson Procurement Coordination and Approval Matrix. The only issue of note was that the orders were not numbered in the manner required by NFS 1804.7103.

Several single award IDIQ contract files were reviewed for compliance with FAR 16.505 and NFS 1816.505. Most of the contract awards were based on non-competitive justifications that cited only one responsible source for the particular requirement. One file reviewed was awarded under the 8(a) Program and another included a determination for a competitive requirement based on an approved exception to Section 843 of the 2008 National Defense Authorization Act. All of the contracts reviewed appropriately identified minimums and maximums and properly included FAR clauses 52.216-18, 52.216-19, and 52.216-22. Further, all of the contracts contained NFS 1852.216-80 (either exactly as written or an equivalent version).

The individual delivery orders awarded under these contracts all met the concurrence and approval requirements of the Johnson Procurement Coordination and Approval Matrix. Nearly all of the orders were issued in accordance with the FAR clauses specified above. One file reviewed contained an order that was placed two days prior to the commencement of the ordering period specified in the contract. Another order was placed in excess of the maximum individual order limit, however, the contractor still elected to perform the work. Some isolated discrepancies were noted that involved the ordering procedures and order content requirements specified in the contract. Examples of the discrepancies included failure to reference the basic contract number on the order, no request for task plan in the order file, no contractor acknowledgement of order receipt, and orders not numbered in accordance with NFS 1804.7103.

A few contracts contained the Johnson Procurement Clause 52.216-95, "Method of Placing Delivery Orders" and NFS Clause 1852.216-80. The center unique clause duplicated the requirements of the NFS clause, added an unnecessary order requirement, and conflicted with the order numbering scheme in NFS 1804.7301. The Policy Office indicated that the center unique clause was cancelled in either late 2007 or early 2008 and is no longer used on delivery order contracts.

A few delivery orders placed under the Solutions for Enterprise-Wide Procurements (SEWP) contracts were also reviewed. The SEWP vendors within the particular categories were provided fair opportunity to compete. The supporting file documents, as well as the orders themselves, were adequate and complete. The single noncompetitive action reviewed contained justification for exception to fair opportunity, and, as above, the order was adequate and complete.

STRENGTH:

Johnson Procurement is commended for the development and maintenance of the CRAVE website, which serves as an effective means to provide the eligible contractors with a fair opportunity to compete for orders. *The utilization of the CRAVE website is identified as an agency best practice. (Best Practice)*

CONSIDERATIONS:

Johnson Procurement shall ensure that the Ordering, Order Limitations, and Task Ordering Procedures clauses are utilized when placing orders under IDIQ contracts.

Johnson Procurement shall ensure that the cancelled center unique clause 52.216-95 is removed from existing contracts with a period of performance beyond six months. The change could be included in the next modification issued under the contract. Removal of this clause will eliminate unnecessary order content requirements and avoid confusion in the numbering of orders.

6. Exercise of Options

Contract files containing option provisions were reviewed for compliance with the following: 1) synopsis in accordance with FAR Part 5, 2) the presence of an executed option exercise determination, 3) timely notification of intent to exercise an option to the contractor, and 4) modification or other written document citing the option clause as the authority. The option files were generally complete and contained the required documentation.

The option exercise determinations were very thorough, included all required information, and contained quality market research documentation in accordance with FAR 17.207, "Exercise of Options", and NFS 1817.207, "Exercise of Options". Two of the files reviewed did not include reference to the options in the synopsis as required under FAR Part 5.

CONSIDERATION:

Johnson Procurement shall ensure that information regarding options is included in the synopsis in accordance with FAR 17.207(c)(4) and FAR Part 5.

7. Subcontract Consent

Several files with consent to subcontract actions were reviewed for compliance with FAR 44, NFS 1844, FAR 52.244-2, and Part 44 of Johnson Work Instruction JPI 00-32. Most contractor notices and requests for subcontract consent were submitted in accordance with the requirements of FAR 52.244-2(e)(1). Some contractors supplied more supporting data than others, but the minimum requirements were met in all cases. Two requests were submitted several days after the award of the subcontracts.

The contract specialist reviews of supporting documentation did not fully address the considerations specified in FAR 44.202-2. The files contained only an abbreviated review with the results inserted into a "Considerations" checklist from Part 44 of JPI 00-32. The checklist contains some important elements to address, but it does not include all of the considerations required by the FAR. The files were for proposed sole source, cost reimbursement or time and materials type subcontracts. One file reviewed contained both a completed checklist and a detailed memorandum that addressed all of the considerations specified in FAR 44.202-2. The checklist used in this file review was a previous version (circa 2000) of the JPI 00-32 that addressed all the FAR considerations. The contracting officer's consent to subcontract was issued in full compliance with FAR 44.203 and FAR 52.244-2(f) in all files reviewed.

CONSIDERATIONS:

Johnson Procurement shall review Part 44 of JPI 00-32 and make revisions as necessary to ensure that the guidance, matrix, and "Considerations" checklist reflect the current requirements of FAR 44.2 and NFS 1844.2.

Johnson Procurement shall ensure that increased attention is focused on the FAR 44.203(b)(5) requirements when granting consent for future subcontracts particularly since the majority of subcontracts are cost-reimbursement, time & materials, and/or labor hour requirements.

WEAKNESS:

Johnson Procurement shall ensure that complete reviews are conducted of contractors' supporting data for subcontract consent in accordance with the considerations specified in FAR 44.202-2 **(REPEAT FINDING)** *(Note: Subcontract Consent was not reviewed during the 2006 survey, the weakness was noted during the 2004 survey)*

8. Interagency Agreements

Interagency agreement files were reviewed for compliance with FAR 17.5 "Interagency Acquisitions under the Economy Act", NFS 1817.70 "Acquisitions with Military Departments", and NFS 1817.72 "Interagency Transactions".

All files contained the required Determinations and Findings. Most of the agreements cited the Space Act as the authority for award, however, some incorrectly cited the Economy Act instead of the Space Act. Several inconsistencies were noted in the interagency agreement files. Many files reviewed did not include the required final payment provisions or provisions addressing the resolution of disagreements between parties. Several files cited the incorrect authority for the award of interagency agreements. Many of the inconsistencies noted in this review were also noted in the previous survey.

WEAKNESS:

Johnson Procurement shall ensure compliance with the FAR and NFS requirements for interagency transactions regarding information included in the Determination and Findings and ensure that review and concurrence is conducted in accordance with Johnson Procurement policy. **(REPEAT FINDING)**

SECTION V

PRICING/FINANCIAL/AUDITS

1. Financial Management Reporting

All contract files reviewed met the contract type and dollar thresholds for financial management reporting requirements. All of the contracts included NFS Clause 1852.242-73 "NASA Financial Management Reporting". The financial management reports are submitted by the contractors in the proper format/content and in a timely manner. The appropriate Data Requirements Description (DRD) documents providing adequate instructions for all levels of financial management reporting were included in the contracts reviewed.

Contractor financial management reports are monitored by the contract specialists and contracting officers on a regular basis to ensure accurate and timely reporting of cost data in accordance with NFS 1842.7201 requirements. Adverse trends and discrepancies discovered in the financial management reports through discussions with financial and program/project team members are addressed and documented in the contract files.

All files reviewed provided some level documented review. Documentation ranged from the incorporation of the NF 533 "Financial Management Report" checklist, to the presence of the contracting officer's initials on the NF533 report, to presence of a detailed narrative supporting a variance analysis between planned and actual expenditures. Additional documentation provided by the financial management office and/or project management team that addressed the NF533 review or any potential adverse trends and discrepancies was also included in many files. The contract files contained documentation of any Government and contractor resolution of variances as appropriate.

STRENGTH:

Johnson Procurement is commended for the thorough and timely analysis of contractor financial management reports and the pro-active efforts to resolve variances and potential cost reporting issues.

(REPEAT FINDING)

CONSIDERATION:

Johnson Procurement shall promote the utilization of the NF 533 analysis file guide provided on the Johnson Procurement website to ensure consistency across the procurement organization and compliance with NFS 1842.7201.

2. DCAA/OIG Audit Follow-Up

NASA Procurement Information Circular (PIC) 00-06 provides guidance on contract administration and audit services provided by the Defense Contract Management Agency (DCMA) and the Defense Contract Audit

Agency (DCAA). PIC 00-06 addresses the tracking and resolution of reportable audit reports which include estimating system surveys, accounting and internal control reviews, defective pricing reviews and cost accounting standard matters. OMB Circular A-50 requires resolution of all reportable audits within six months of receipt [see also OMB Circular A-133 and NASA FAR Supplement 1842.73]. Johnson Procurement had seven open reportable audits varying in age from three to eight months at the time of the survey. Four of the audits were over age, one recently reached the six month mark and two are within the six month window. All open reportable audits address FY 2006 incurred costs or FY 2006 final indirect rates. Resolution of these audits is dependent on negotiation a final settlement by DCAA and the contractor. One file included an annotation that DCAA is currently in the process of negotiating final rates for FY 2001 indicating a backlog in DCAA timelines for settlement.

A review was conducted of the tracking, resolution and closure process used by Johnson Procurement for audit recommendations. A representative from the Policy Office oversees DCMA and DCAA audit activity affecting Johnson Procurement. The NASA-wide Corrective Action Tracking System (CATS) is used to report and track reportable audits. The CATS system was also reviewed. Each DCAA audit is entered into the system with a target resolution and target disposition date. Generally, the system is updated with status updates on a quarterly basis. More frequent updates may occur depending on progress or the tracking of specific audit milestones.

The Center GAO/OIG Audit Liaison was traditionally located in the Policy Office. Recent organizational changes moved this function from Johnson Procurement to the Center Director's Office. The function was moved to the Center Director's Office since the content of most of the GAO and OIG audits is broader than procurement. GAO or OIG audit activity was not reviewed since Johnson Procurement no longer has responsibility for this function.

3. Cost/Price Analysis

Several contracts were reviewed for documentation of cost/price analysis ranging in dollar value from \$300K to \$225M. Documents were reviewed to ensure compliance in the preparation of cost/price analyses with the FAR Part 15 and NFS 15.4. Johnson Procurement continues to maintain the ability to adequately perform cost/price analysis.

A review of the cost/price analyses revealed that sufficient documentation and rationale to support positions in the Government's objective was not present in many files. The rationale was based solely on the Government estimate, technical evaluation, and/or DCAA report in most files reviewed.

A few files contained strong justification to support positions in the Government's objective. All proposed elements were analyzed and compared using market research, technical evaluations, historical data, similar work task, and DCAA recommendations (where applicable) in these files. For example, when DCAA/DCMA noted significant issues, additional market research was conducted to establish a premise to ensure value and cost realism and/or reasonableness.

Cost or pricing data was submitted when required, and appropriately executed Certificates of Current Cost and Pricing Data were provided where applicable in all files reviewed.

STRENGTH:

Johnson Procurement is commended for the continued improvement in utilizing resources provided by DCAA, Administrative Contracting Officers, and Contract Administration Offices to assist with conducting cost/price analysis.

CONSIDERATION:

Johnson Procurement shall ensure that the cost/price analysis contains sufficient detail to allow full understanding of the rationale for the Government's position by third party reviewers. **(REPEAT FINDING*)**
*(*Note: This was a finding from the 2004 survey.)*

WEAKNESS:

Johnson Procurement shall ensure that more independent analytical thinking is applied and back up documentation for the rationale is present when establishing a Government objective for the Pre-Negotiation Position Memoranda. **(REPEAT FINDING*)** *(*Note: This was a finding from the 2004 survey.)*

4. Structured Fee Approach (NF 634) Determinations

Contract files and contract modification files were reviewed for compliance with NFS 1815.404-4 and 1815.404-470. Half of the files reviewed contained completed NF 634 "Structured Approach to Profit/Fee Objective" that met all requirements of NFS 1815.404-471 and PIC 99-17 "How to Fill Out NF 634" and fully supported the PPM profit or fee objectives.

Some files did not contain a NF 634. Two files contained other documentation that supported the Government's profit/fee positions. There was no explanation in these files for not using the standard NF 634. Other files reviewed contained NF 634s but lacked adequate justification for the assignment of other than the normal values to the performance and contract type risk factors.

WEAKNESS:

Johnson Procurement shall ensure consistent utilization of the NF 634 to determine profit/fee objectives in accordance with NFS 1815.404-4 and 1815.404-470. Further, the NF 634s shall include adequate justification for the assignment of other than the normal values to the performance and contract type risk factors.

SECTION VI

OTHER ISSUES

1. Simplified/Commercial Acquisitions

Numerous simplified acquisition and commercial competed and noncompetitive files were reviewed for compliance with the FAR and NFS requirements. The files contained a file content checklist tailored to the dollar value of the acquisition. Overall, the simplified acquisition and commercial files were well organized and tabbed for ease of locating documentation.

The noncompetitive files reviewed included appropriate justifications and a checklist to identify the basis for a determination of price reasonableness. The checklist includes approximately ten methods for determining price reasonableness. Some of the methods included: 1) determination based on GSA contract pricing, 2) value analysis and 3) contracting officer's personal knowledge of the item purchased. Some files that indicated use of value analysis or contracting officer's personal knowledge only contained the checklist with no additional detail or supporting documentation. Overall, some improvement is noted in the areas of documenting noncompetitive justification and price reasonableness determination since the last survey.

FAR Part 5.301 requires contracting officers to synopsise awards exceeding \$25,000 unless certain conditions apply. The files reviewed that required a pre-award synopsis contained the necessary documentation.

CONSIDERATION:

Johnson Procurement shall ensure that sufficient rationale is included in the Determination of Cost Reasonableness memorandum to support the basis for determination.

2. Purchase Card Program

The Johnson Procurement purchase card program was reviewed for adequacy of internal controls, training, number of card holders, SAP bankcard module automated system, monthly reconciliation, delegations, violations, and limits (individual/ monthly) placed on individual card holders. Purchases made at the micro-purchase and simplified acquisition levels were reviewed.

There are currently a total of 221 purchase card holders at Johnson. This reflects a decrease of 32 or 12.65% since the previous survey. There are currently 121 approving officials. An approving official is assigned to each purchase card holder. The approving official is also the card holder's immediate or higher-level supervisor as required by policy. The Johnson Procurement Director designates the approving officials.

The current Center Purchase Card Program Coordinator (CAPC) has held this position for the last four years. This continuity provides Johnson Procurement with invaluable corporate knowledge and consistency

with the purchase card program processes. The primary CAPC and the Alternate CAPC are both knowledgeable of the monitoring and administration responsibilities of the purchase card program.

All card holders and approving officials completed the required training prior to making purchases or approving any transactions. Training for new card holders and approving officials is instructor led, and includes handouts of all current, pertinent guidance and regulations. All card holders and approving officials are required to take annual refresher training. The CAPC closely monitors and tracks existing training records and requirements.

There are a limited number of individuals authorized to place individual card purchases above the micro-purchase threshold. All of these individuals are warranted contracting officers. One person within the Johnson Human Resources office has a limited contracting officer's warrant and has the authority to make purchases above the micro-purchase threshold. This individual completed the required simplified acquisition training and primarily makes training related purchases. The activity is monitored closely by the CAPC. It is noted that the number of training related purchases at the Center decreased significantly since the NASA Shared Services Center assumed responsibility for training purchases.

The CAPC is familiar with the PIC 07-10 "Purchase Card Account Management" guidance regarding suspected fraudulent and restricted purchases. Johnson Procurement maintains an internal list of controlled purchases on Center purchase card website. The CAPC performs regular random overviews to identify inappropriate purchase card activities. A minimum of four random desk audits are conducted each month. Purchase card activities are monitored in the SAP automated system and bank statements are reviewed on a weekly basis. Purchase cards are deactivated for any unauthorized purchases made in excess of the micro-purchase level of \$3,000. The cards remain deactivated until the card holder corrects the action. The CAPC continuously reviews inactive accounts. Cards with extended periods of inactivity are either suspended or closed completely.

There was only one reported instance of misuse of the purchase card. A card holder's supervisor, functioning as the Approving Official, rejected the purchase of a book that was not approved for purchase. The card holder was reprimanded and required to personally pay for the book.

Purchase cards assigned to individuals on detail assignments to other organizations for an extended period of time are closely monitored. The CAPC coordinates with the card holder's supervisor to cancel the card. A new card may be issued upon the individual's return from the detailed location.

The CAPC maintains an excellent web site for the purchase card program. It provides general as well as center-specific guidance and contains updated training material and information as it relates to the program. All current purchase card policies, procedures, and records regarding the purchase card program were extremely well managed and documented.

STRENGTH:

Johnson Procurement is commended for the continued excellent effort associated with the purchase card program. The CAPC does an excellent job with program oversight, training, and monitoring. Johnson Procurement is commended for its on-going maintenance of an excellent website that contains extensive information regarding the purchase card program. **(REPEAT FINDING)**

3. Construction and Architect and Engineer (A&E) Services Contracts

Construction

Contract files reviewed included construction efforts under IDIQ contracts and single discrete construction projects. Awards were made as a result of negotiated procurements. Files reviewed were well documented, contained the appropriate construction clauses, and complied with bonding requirements. Payment requests contained the required certifications and support documentation; payroll reviews were evident. All files reviewed contained detailed government estimates, technical evaluations, and price negotiation memoranda.

The contract specialists ensured that the Safety and Mission Assurance Office reviewed all construction project packages during the acquisition phase and recommended the relevant FAR and NFS safety and health clauses for inclusion in the solicitations and contracts. The contracting officers forwarded all contractor submitted safety and health plans to the Safety and Mission Assurance Office for review and coordinated all required changes with the contractor. Notices to proceed were not provided to the contractor until the safety and health plans were approved. However, as noted in the previous survey, the approved plans were not formally incorporated into the contract in accordance with NFS Clause 1852.223-73 "Safety and Health Plan".

Contract modifications were mostly well documented and included the adequate justification for change, including rationale for increased price and extending contract performance. The files for two particular contracts, NNJ07JB57C and NNJ08JE57C were outstanding. Although both are moderately sized construction projects, the placement and contract administration files reflected pride and excellence.

Two areas of concern were identified during the file review. The problems were single instances and not systemic but are noted in this report to avoid future occurrences. The first incident involved a competed task order under a multiple award construction contract. The contractor's proposal expressed concerns regarding certain terms and conditions contained in the solicitation. Neither the technical evaluation nor the source selection statement addressed the contractor's concerns prior to award of the task order. A modification was executed after issuance of the task order to address the concerns and resulted in an increase to the value of the contract. The changes and resulting increase may have impacted the results of the initial competition if the concerns were addressed prior to award.

The second area of concern involved one contract that did not include documentation supporting the liquidated damages rate. Further, the pre-award documentation did not contain an assessment of the potential impact of including the liquidated damages clause in the contract. Liquidated damages are currently being assessed against the contractor. Liquidated damages clauses and appropriate documentation and input from the technical office were included in all other files reviewed.

CONSIDERATIONS:

Johnson Procurement shall provide copies of the file documents from NNJ07JB57C and NNJ08JE57C to the Headquarters Office of Procurement for posting on the Procurement Library and Knowledge Management Portal. *Posting on these sites will make the information available as training tools for other construction contracts across the agency. (Best Practice)*

Johnson Procurement shall ensure that pre-award issues are addressed and clearly documented in the negotiation summaries and source selection statements.

Johnson Procurement shall ensure that the potential impact of liquidated damages on pricing, competition, and contract administration is addressed in accordance with FAR 11.501. Considerations shall be documented in the pre-award section of the contract file in either the acquisition plan or in a memorandum reviewing the technical organization's recommended liquidated damages rate.

WEAKNESS:

Johnson Procurement shall ensure that safety and health plans are formally incorporated into the contracts by modification upon approval in accordance with NFS 1852.223-73(d). **(REPEAT FINDING)**

Architect- Engineer Services Contracts

Contracts and supporting file documentation were reviewed to determine whether applicable regulations and good business practices were followed in the award and administration of Architect and Engineer (A&E) services contracts. Services were acquired using FAR 36.6 "A&E Selection Procedures". An A&E Selection Board was established to receive and evaluate data from firms requesting consideration for award of multiple award-IDIQ A&E services contracts. Board membership consisted of professional engineers and procurement officials. The actions of the board, (including the ranking of offerors, evaluations, and discussion recommendations) were well documented and all files contained written selection reports. Seven contracts were awarded under the multiple award-IDIQ A&E services solicitation. Task orders are competed among all seven contractors.

All of the contracts reviewed contained the appropriate FAR Part 36 clauses. Contracts also included the required NFS clauses and the required file documentation including the VETS-100 compliance documentation. The task order files were organized consistently. This consistency addresses a concern raised in the previous survey report. All task orders contained statements of work and government estimates that included a total construction estimate which is necessary to ensure that the design fee limit of 6% (as required by the Brooks Act) is not exceeded. Documentation for all task orders reviewed explicitly addressed the 6% design fee limitation.

Safety plans were reviewed by the Safety and Mission Assurance Office and were included as attachments to each of the A&E contracts. A Job Hazard Analysis was prepared and included in the statement of work for each task order reviewed.

Selection statements for competed task orders did not always provide adequate rationale for the ranking of the seven A&E contractors on the source list for the multiple award IDIQ contract reviewed. The SF 330 "Architect-Engineer Qualifications" for the two top rated firms included information supporting the distinction between the two, however, this information was not discussed in either the selection statement or the technical evaluation. Further, the level of detail provided in each statement was contingent upon the amount of information provided in the technical evaluation.

All task order files reviewed contained a single combined "Pre-Negotiation Position Memorandum/Price Negotiation Memorandum" instead of separate documents and typically did not adequately explain the

rationale for the Government's ranking of offerors and selection for award. Several contract modifications to add work to the contracts were issued with a price increase, but no description of the work added.

One file reviewed contained a task order modification that revised the design requirements. The price increase resulting from the request for equitable adjustment was allocated to "Site Investigation" rather than the more appropriate "Design Services" area. It appears that the misallocation was made because the initial Government estimate mistakenly used "Total Budget Cost" instead of "Construction Cost". The mistake caused the "Design Services" cost to exceed the 6% design fee limitation established by the Brooks Act. The allocation made in the task order modification adjusted the design services fee to conform more closely to the 6% limitation. The combined Pre-Negotiation/Price Negotiation Memorandum for the modification did not discuss the rationale for the allocation to the "Site Investigation" area or the attempt to correct the "Total Budget Cost" mistake in the initial government estimate. The task order file did contain backup documentation in the form of email correspondence that provided a history of the issue. The issue and resulting actions shall have been addressed in the Pre-Negotiation/Price Negotiation Memorandum.

The negotiation documentation reviewed for task order modifications included summaries of the history of the multiple award-IDIQ A&E services contract. However, frequently the documentation did not include a thorough description of the work performed under the modifications. Some of the task order modifications involved substantial revisions to the statement of work or other substantive issues that were not addressed in the documentation.

STRENGTH:

Johnson Procurement is commended for providing thorough government estimates and proposal pricing format for task orders. The A&E Pricing Form clearly identifies the separate areas of costs and allows easy analysis of design services costs versus construction costs. The format helps to ensure compliance to the 6% limitation imposed by FAR 15.404-4(c)(4)(i)(B).

CONSIDERATION:

Johnson Procurement shall ensure that the selection statements provide adequate rationale which supports the selection of the successful A&E services contractors for task order awards under multiple award contracts.

WEAKNESS:

Johnson Procurement shall ensure that negotiation documentation for task order modifications thoroughly describes the substantive technical revisions, issues, and pricing considerations.

4. Environmental Issues

Contract files were reviewed for compliance with FAR Part 23, NPR 8530.1A "Affirmative Procurement Program and Plan for Environmentally Preferable Products" and PIC 01-27 "Applicability of Affirmative Procurement", including the incorporation of the required environmental clauses and forms. All of the support services, construction, and A&E services contracts reviewed were well documented and contained the appropriate FAR Part 23 clauses for the work required.

The support services contracts reviewed contained FAR 52.113-10 "Waste Reduction Program" provision and included 52.223-4 "Recovered Material Certification" and 52.223-9 "Estimate of Percentage of Recovered Material Content for EPA-Designated Products" as required. The construction and A&E services contracts reviewed included the appropriate clauses and demonstrated compliance with an understanding of Affirmative Procurement and environmental awareness. The Environmental Office manager verified that waivers were signed when an EPA listed Comprehensive Procurement Guideline (CPG) item acquisition did not contain the specified amount of recycled/recovered material. However, none of the files reviewed contained NF 1707 "Special Approvals and Affirmations of Requisitions" or similar purchase requisition supplement as required.

The Environmental Office worked with NASA Headquarters Office of Procurement to implement standard Data Requirements Description (DRD) templates that support the new legislation and Executive Orders influencing FAR and NFS environmental clauses. These DRDs are beneficial to Johnson Procurement and the agency. However, the Environmental Office requests additional support from NASA Headquarters to continue to further define, interpret, augment, and improve accountability measures to support environmental legislation and clauses. The Environmental Office manager recommends that procurement personnel, COTRs, contractors, and purchase card holders all attend a training session on Environmental Issues and Affirmative Procurement. A training session is currently scheduled by the Johnson Policy Office during an upcoming Procurement Forum.

The Policy Office manages and administers the widely used eGreenbook-NG available on the Johnson Procurement internal website. The eGreenbook-NG includes the appropriate environmental clause listings with related prescriptions.

STRENGTH:

Johnson Procurement is commended for its broad compliance with FAR Part 23 clauses. File documentation demonstrates thorough knowledge and understanding of the applicable requirements by the procurement workforce.

CONSIDERATIONS:

Johnson Procurement shall verify that the NF 1707 "Special Approvals and Affirmations of Requisitions" or an approved supplement accompanies the purchase requisition to document any environmental requirements.

The Johnson Policy Office shall add an Affirmative Procurement/Environmental Issues section with a link to the Environmental Office webpage which includes information regarding relevant points of contact, applicable training, and forms to the internal procurement website.

Johnson Procurement shall amend the Purchase Card webpage to include an Affirmative Procurement/Environmental Issues section with a link to the Environmental Office webpage which includes information regarding relevant points of contact, applicable training, and forms since these procurements are frequently EPA related.

5. Small Business Innovative Research (SBIR) Awards

Both Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) contracts were reviewed for compliance with FAR 52.227-20, NFS 1819.73, and the NASA SBIR/STTR Handbook. Overall, Johnson Procurement SBIR/STTR awards were well documented and managed.

All SBIR/STTR contracts were awarded utilizing the SBIR/STTR Electronic Handbook, met the SBIR/STTR eligibility criteria, and complied with the SBIR/STTR program requirements and limitations: award value, contract length, and subcontracting opportunities. All SBIR/STTR awards included the FAR Clause 52.227-20, "Rights in Data - SBIR Program." The files contained evidence of entry into FPDS-NG. Most files contained copies of the appropriate Representations and Certifications, Excluded Parties verification, and confirmation of the contractor's (current year) Veteran Employment reporting (VETS-100).

The negotiation memorandum for each contract file was reviewed to ensure that the appropriate level of cost or pricing information was used to determine price reasonableness and cost realism. Most files did not contain any additional rationale or cost analysis regarding the acceptance of cost items such as high dollar material costs, travel, and/or other miscellaneous support. A copy of the NF 634 "Structured Approach to Profit/Fee Objective" was maintained in each file. All SBIR/STTR files reviewed contained technical evaluations, which in some instances were not adequately detailed.

Recommendations were made on the last two surveys that the contracting officer work closely with the technical evaluator to conduct a more in-depth analysis of travel, material costs, and other direct costs. The SBIR/STTR files contained little to no evidence that the contracting officer is making a price reasonableness determination in accordance with the requirements of NFS 1815.404-4.

WEAKNESS:

Johnson Procurement shall emphasize the importance of performing a thorough analysis of the proposed costs in conjunction with the technical evaluator. **(REPEAT FINDING)**

7. Space Shuttle Program Contract Review

Space Program Operations Contract (SPOC)

Contract Overview

The period of performance for the Space Flight Operations Contract (SFOC) ended since the last survey and SPOC was awarded in October 2006. SPOC includes five, one-year options that extend the period of performance through 2015 if all options are exercised.

SPOC is a noncompetitive contract awarded to United Space Alliance (USA), also the prime contractor under SFOC. SPOC is cost-plus award fee contract with a small indefinite delivery indefinite quantity (IDIQ) segment. Section J-28.7 of the IDIQ statement of work states that the IDIQ mechanism enables the expeditious implementation of work within the broad, general scope of the contract, for which specific scope has not previously been authorized, for a limited period of time. The fee structure in the contract includes an award fee, a performance fee and an end of program fee. The performance fee rewards the contractor for meeting the requirements of each mission, as well as safe completion of each flight. The maximum available

performance fee for each flight is \$7,000,000. The end of program fee motivates the contractor to maintain the appropriate level of skills and resources to safely complete the program objectives. It also provides the Fee Determining Official with flexibility to look back and assess program health and success at the end of the contract. USA has earned the majority of the available award fee based on performance thus far under SPOC.

The Space Shuttle Procurement Office utilizes the Space Program Integrated Contract Environment (SPICE) for contract management capabilities. SPICE is an internet-based database application that provides contract management capabilities including conformed contracts, modification logs, electronic copies of modification documents, and reports.

STRENGTH:

Johnson Procurement is commended for its continued use of the SPICE database that provides a valuable tool for contract management and administration. This is a tremendous benefit considering contract complexity, the number of modifications issued (over 200 since contract award), and the large number of procurement personnel supporting SPOC administration.

Contract Management

A number of modifications including change orders, funding actions, and an IDIQ order and definitization were reviewed. Similar to processes under SFOC, SPOC utilizes the Activity Based Costing (ABC) methodology and Change Partnering Agreements (CPAs) to incorporate changes to the contract. The ABC process utilizes joint government/contractor teams (technical, resources, and procurement personnel) to develop program requirements and establish relevant ground rules and assumptions related to those requirements. The teams are empowered and responsible for determining the resources necessary to accomplish the requirement. The CPA is the final product of the ABC process and serves as the basis for incorporating changes to the contract.

One file reviewed with a requirement originating at Kennedy Space Center included a Pre-Change Partnering Agreement checklist. The checklist served as a one-look document that contains important considerations to address when contemplating changes to the contract. Considerations include areas such as the scope determination, justification(s) for the requirement, statement of work impacts, funding requirements by fiscal year (and if funds are available), and schedule. The checklist is signed by both NASA and USA and approval provides authority to begin the CPA process. Several modifications for the definitization of SPOC contract changes were reviewed in order to determine if the appropriate policies and procedures are followed. Each file contained the appropriate data package, CPA, and other file items required based on the type of action. Overall, files were very well organized and contained the appropriate levels of review and approvals. One instance of an action not forwarded to the legal office for review as required by Johnson internal policy was found. The justification for not obtaining legal review stated that the individual changes were each less than the required legal review threshold. However, the total amount of all actions on the modification did meet the legal review threshold. Approval of Pre-Negotiation Position Memoranda (PPMs) under SPOC is delegated to the contracting officer for all actions involving the Change Process Improvement Team (ABC and CPA). Others require approval of the PPM by the Space Shuttle Procurement Office Manager or Johnson Procurement Director in accordance with internal policies.

Many files reviewed reflected a lack of detailed discussion in both PPMs and Price Negotiation Memoranda (PNMs). Discussions with the Deputy Manager of the Space Shuttle Procurement Office revealed that the

program received approval from the Headquarters Office of Procurement under the SFOC contract to utilize a streamlined PPM and PNM for the CPA process, since the majority of the information normally captured in these documents is included in the CPA. Each document reviewed utilized a template to ensure that all required areas were addressed and generally directed the reader to the CPA for additional detail.

CONSIDERATION:

The Johnson Space Shuttle Procurement Office shall utilize the Pre-Change Partnering Agreement checklist for all potential change orders to promote the thoughtful consideration of key factors like scope, schedule, and funding prior to initiating the ABC/CPA process.

Non-SPOC and Administrative Contracts

The Space Shuttle Procurement Office currently has four non-SPOC contracts. Actions from each contract were reviewed to determine if the appropriate policies and procedures are followed and contained the appropriate file items required based on the type of action. Each file reviewed was very well organized. The appropriate levels of review and approvals obtained were present in the files.

Additional Space Shuttle Program Areas

COTR Delegations and Technical Direction

The COTR is authorized to appoint multiple Technical Management Representatives (TMRs) to monitor specific work areas due to the size, complexity, and multiple locations of work performance of the SPOC contract. Johnson Procurement maintains a list of trained and certified COTRs and TMRs on the internal website.

Subcontracting Plan Updates

All files included a memo regarding the Small Business Subcontracting Plan which stated that a supplemental agreement would be issued after updates are received from the contractor and reviewed by both the small business specialist and the contracting officer when required. Modifications were issued when changes to the contract value and/or subcontracting goals in the plan occur.

Closeout of Shuttle Contracts

A decision was not made regarding the extension of the Shuttle Program beyond the planned retirement date in 2010 at the time of the survey. A lengthy and complex closeout process is anticipated due to the significant amount of property involved. The Space Shuttle Program Office is proactively planning for the closeout of contracts and has initiated discussions with the key stakeholders in the closeout process.

8. Space Station Program Contract Review

The Space Station Procurement Office is divided into two teams. One team is responsible for the prime contract while the other is responsible for the non-prime contracts. The prime contract team consists of a team lead, two contracting officers, four contract specialists, a DCMA contract specialist and a procurement clerk. The non-prime contract team consists of a team lead, six contracting officers, four contract specialists, and one intern. The office is led by a procurement manager and a deputy.

Prime Contract Review

Contract Modifications

Change Orders

Several Unfinalized Contract Action (UCA) files were reviewed during this survey. All UCA files were well maintained and contained the appropriate documentation including the Change Directive signed by the Space Station Program Control Board, the authority to proceed by the Head of the Contracting Activity (HCA), and memos to the file with the proper documentation. All modifications included the required "not to exceed" (NTE) language.

The past survey noted that HCA approval was not received for two to three months after the issuance of many Change Directives although the initial rationale utilized was urgency. All but one UCA reviewed was issued within a week or two of the directive. The one UCA that was issued almost a month later contained adequate file documentation with rationale for the delay. HCA approvals are now issued via email within days of the directive and followed up with formal signatures. Johnson Procurement also streamlined the review process. These actions have resulted in timely issuance of UCAs.

STRENGTH:

The Space Station Procurement Office is commended for implementing procedures that streamlined the issuance of UCAs resulting in a significant reduction in the approval timeline.

Definitization Modifications

Modification files that incorporated definitization of open change orders with the prime contractor were reviewed for completeness with particular attention focused on Pre-negotiation Position Memorandum (PPM) and the Price Negotiation Memorandum (PNM) documentation. Johnson Procurement utilizes the PPM and PNM templates that are located in the Virtual Procurement Office. These templates are consistent with the requirements found in the FAR and NASA FAR Supplement. Some files referenced documents that were not present under the appropriate file tabs (i.e., Tab 65 – Technical Evaluation and Tab 72 – Cost Analysis). All definitization files reviewed contained a properly executed Certificate of Current Cost or Pricing Data.

PPMs reviewed varied in format. Some were documented as memoranda while others were documented in power point slides. Both formats addressed the required elements with varying levels of detail. All PPM's contained documented objective and maximum positions. All PNMs reviewed were in memorandum format. The negotiated settlements were within the range of the objective and maximum positions in all files reviewed. However, all settlements reflected the bottom line and did not contain any detail describing the manner in which the settlement was reached. The files documented offers and counteroffers in very broad and general terms stating that reductions to rates and hours were made by the government and in some cases accepted by the contractor, but there was no granularity to calculate the basis of the actual settlement once reached.

The modifications for all of the UCA files reviewed contained NTEs. However, there was no PPM or PNM discussion of how the objective and maximum positions related to the NTE. One UCA reviewed authorized a limited portion of the Change Directive with an associated NTE, while the negotiated settlement addressed the entire Change Directive. As a result, the settlement amount was well over the NTE and the documentation contained no discussion describing the settlement amount for the work authorized in the UCA

related to the NTE. It was impossible to discern whether the negotiated settlement adhered to the NTE. Another file reviewed contained a negotiated settlement that was greater than the NTE. The file documentation did not clearly explain whether the UCA was limited to urgent work, nor did it address the relationship between the NTE and the settlement. While it is appropriate to limit UCA work to the effort that is urgent, documentation shall address how the negotiated settlement relates to the NTE.

CONSIDERATION:

The Space Station Procurement Office shall ensure that contract files are annotated to reflect the location of file documentation stored separately. This will eliminate the appearance that certain documents do not exist. **(REPEAT FINDING)**

WEAKNESSES:

The Space Station Procurement Office shall ensure that PNMs fully document the basis for the negotiated settlement.

The Space Station Procurement Office shall ensure that PPMs address how the objective and maximum positions relate to the NTE and that PNMs address how the negotiated settlement relates to the NTE on all UCA definitization modifications.

Award Fee Files

The prime contract award fee plan indicates that the contractor is evaluated on 'on-ground' performance and 'on-orbit' performance separately. The 'on-ground' performance is evaluated on a six-month basis by a Performance Evaluation Board (PEB) with a Fee Determination Official making the final decision. The 'on-orbit' performance is evaluated by a 'super' board that operates separately from the PEB with a Performance Incentive Determination Official making the final determination. The 'super' board is designed to make an independent assessment of the contractor's on-orbit performance. 'On-orbit' performance evaluations are milestone based. Traditionally, 'on-orbit' performance evaluations were performed annually; however, as a result of the flight schedule slips, they are now milestone based. The contract contains one remaining 'on-orbit' evaluation which is scheduled to occur nine months after the next flight.

The two most recent 'on-ground' award fee files were reviewed. All files were well documented. Area of emphasis letters provided prior to the beginning of the award fee period, mid-term evaluations, and contractor corrective action plans for cited weaknesses were all present in the files. Instances of late contractor notification and payment were noted during the review. This issue is addressed in more detail in Section IV "Award/Incentive Fee Evaluation" of this report.

The most recent 'on-orbit' award fee file was also reviewed. The contract does not contain a separate fee pool for the payment of 'on-orbit' award fee. An 'on-orbit' award fee score of less than 100 results in a reduction to the contractor's earned award fee. The contractor earned a score of 100 percent on the file reviewed; therefore, there was no reduction to the earned award fee.

Financial Management Reports

The prime contract financial management reports (NF 533s) are maintained in the Space Station Procurement Office and are analyzed each month. An early warning review process was established to ensure that a proactive monthly review of the NF 533 is conducted. A documented variance analysis is

contained in the file for each month reviewed. The Team Lead attends the monthly Cost, Schedule, Technical Program Review. Space Station Office financial personnel are responsible for performing an analysis of the NF 533 data to support each six-month 'on-ground' award fee evaluation period.

Past Performance Documentation

Contractor past performance data is maintained in the Johnson Procurement files. The entries include adjectival ratings and an overall summary of the contractor's performance in the areas of quality, timeliness, price/cost and other. The documentation also addresses any discussions with the contractor. The timeliness of the Past Performance Database entries is discussed in Section IV "Evaluation of Contractor Performance" of this report.

Non-Prime Contract Review

General

The review focused on activity on contracts conducted since the last procurement survey. Generally, the files were consistently formatted, thoroughly documented, and well organized.

Financial Management Reports

The non-prime financial management report (NF 533) files were reviewed. The following weakness in this area was noted during the previous survey:

"The ISS Procurement Office shall ensure that contract specialists are fully trained and familiar with the appropriate method of conducting analysis and review of financial management reports. Further, contracting officers shall verify that the analysis is conducted and files are maintained properly."

The NF 533s for all contracts reviewed were properly filed and contained evidence that an analysis was performed each month. Two of the contracts contained a signed variance analysis while another contract included a specialized checklist and signed analysis. Two of the contracts reviewed included specialized guidance on the proper procedure for analyzing the NF 533s. Significant improvement is reflected in this area since the last survey.

Contract Modifications

Several administrative modifications including incremental funding modifications, award fee payment modifications, and clause changes were reviewed. Discussions with the contracting officers revealed that Change Orders are not generally issued under the contracts reviewed. Modification files were complete and the level of documentation was commensurate with the modification type and complexity. All files reviewed included the FPDS-NG input sheet as well as a distribution checklist for each modification. The executed modification was not included in the back-up file for some of the more detailed modifications requiring a separate file for backup documentation. Copies of the executed modifications were retrieved from the central modification file and provided for review.

CONSIDERATION:

The Space Station Procurement Office shall include copies of executed contract modifications in the corresponding back up files for traceability.

Voucher Files

The voucher files reviewed contained a voucher log and well maintained current cost and fee voucher files. There was no evidence of late or untimely payment for any of the vouchers reviewed. Some files contained evidence of voucher analysis and follow-up with the NASA Shared Services Center (NSSC). One file contained documentation that a provisional award fee voucher exceeded the 80% threshold for provisional fee, and the voucher was rejected. Another file included documented correspondence between the contracting officer and the NSSC regarding the timely payment of a voucher.

Award Fee Files

A sample of five of the most recent award fee files was reviewed. All files were well organized and documented. Area of Emphasis letters provided prior to the beginning of the award fee period, mid-term evaluations, and contractor corrective action plans for cited weaknesses were all present in the files. A representative from the resources office is responsible for award fee scheduling and ensuring that timelines are met. Some award fee payments were made within the timeline established in NASA Award Fee Contracting Guide and, in some cases, payment was made well before the end of the timeline. One instance of late notification and payment was also noted. Timeliness of award fee notification and payment is addressed in more detail in Section IV "Award/Incentive Fee Evaluation" of this report.

ATTACHMENT I

SMALL BUSINESS PROGRAMS

JOHNSON SPACE CENTER SMALL BUSINESS PROGRAM

OVERVIEW

1. Scope of Review

Johnson Space Center (JSC) is the lead center for the International Space Station, space shuttle activities, and a major element of NASA's Constellation Program including the design and development of Orion, the next crew exploration vehicle. These initiatives rely on the knowledge, expertise, and vision of the Center's personnel as well as the expertise of industry – both large and small businesses, the latter serving as prime contractor and subcontractor. Over the three years – FY 2006, FY 2007, and FY 2008 – of this reporting period, JSC has consistently increased its inclusion of small businesses in all aspects of its outsourcing. The Center's small business specialists (SBS) and its prime contractor community are committed to providing small businesses the maximum practicable opportunity to compete for and participate in the Agency's business initiatives. This section of the Procurement Management Survey Report discusses key elements of JSC's Small Business Program and the factors associated with its assigned socioeconomic goals.

2. Organizational Structure and Staffing

NASA's Small Business Program is an integral part of its business activities. At JSC, operation of the program resides in the Industry Assistance Office (IAO), which is located outside the Center's main gate in order to facilitate visitor access. The IAO is organizationally a part of the Procurement Policy and Systems Office, one of six divisions of the Office of Procurement. The Center's three small business specialists, one of whom also serves as the small business technical advisor (SBTA), report to the Manager of the Procurement Policy and Systems Office, who is their supervisor of record. However, access to the supervisor is routed through the Team Lead of the office's Data Systems Team, which suggests that issues to be discussed must first be vetted through a non-supervisory intermediary. This rather convoluted reporting structure reflects a "chain of command" based on the individuals' Civil Service grades.

The Office of Procurement's organization chart also shows that the small business specialists are "dotted lined" to the Director of Procurement's office, indicating that they have reporting access to the Procurement front office if accompanied by the Manager of the Procurement Policy and Systems Office. While the working relationship between the Procurement front office and the SBS was characterized as very good, the reporting order described above begs the requirement in NASA FAR Supplement 1819.201(e)(1), which directs that "whether full-time or part-time, [the] assigned individual, when performing the duties of a small business specialist, shall report directly to the Procurement Officer."

CONSIDERATION

JSC Procurement might consider assigning its SBS a Civil Service grade that would eliminate extraneous levels in its organizational reporting structure, thereby putting itself in compliance with NASA FAR Supplement 1819.201(e)(1).

3. Small Business Specialist(s) Responsibilities

At JSC, the three small business specialists work out of the IAO and are responsible for the day-to-day operation of the Small Business Program. They share and coordinate the office's workload, which includes reviewing purchase requirements for placement into the small business program, participating in acquisition planning, assisting in Uniform Methodology (NPD 5000.2A) procedures to determine small business goals on full-and-open procurements, evaluating subcontracting plans and performance, overseeing Center goal achievements, resolving compliance issues, providing counseling and outreach, and enhancing the program to make it more responsive to constituent needs. A very specific description of the SBS' duties, based on the responsibilities outlined in NASA FAR Supplement 1819.201, is detailed in the IAO's work instruction, "Small Business Specialist Duties." Examples of the SBS' activities are also described in sections below.

The small business specialists are assisted in the IAO by a contractor employee, who serves as administrative support staff. All personnel in the IAO are required to commit 100% of their time to the Agency's small business programs and initiatives.

METRICS

1. Center Prime Contractor Small Business Goals and Actuals

Prime Metrics	Actuals	Actuals	as of 12/01/08
Total Dollars	\$ 491,071,251	\$ 494,441,841	\$ 596,044,867
Small Business %	5.16%	6.09%	6.66%
Goal	5.00%	5.50%	5.10%
Dollars	\$ 216,943,572.00	\$ 227,621,425	\$ 285,661,636
SDB %	2.88%	3.47%	3.37%
Goal	0.08%	0.86%	1.40%
Dollars	\$ 121,262,023	\$ 129,722,949	\$ 144,457,646
8(a) %	1.17%	1.00%	0.88%
Goal	0.80%	0.80%	N/A
Dollars	\$ 49,269,563	\$ 37,326,797	\$ 37,748,267
HUBZone %	0.33%	0.15%	0.22%
Goal	0.01%	0.06%	0.10%
Dollars	\$ 13,851,915	\$ 5,765,911	\$ 9,473,648
WOSB %	1.11%	1.29%	1.70%
Goal	0.60%	0.80%	0.90%
Dollars	\$ 46,569,757	\$ 48,097,952	\$ 73,715,650
SDVOSB %	1.11%	1.23%	1.05%
Goal	0.50%	0.95%	0.70%
Dollars	\$ 43,174,421	\$ 45,906,807	\$ 44,988,020

Table 1: JSC SB Prime Contractor Data

As can be seen in the table above, JSC exceeded its small business prime contractor goals in all socioeconomic categories for FY 2006, FY 2007, and FY 2008. Note, however, the substitution of “N/A” (Not Applicable) in place of a goal for 8(a) small businesses in the FY 2008 column. Since the Small Business Administration (SBA) considers the 8(a) Program to be a developmental program for qualified small disadvantaged businesses (SDB), federal agencies are no longer required to provide separate metrics for 8(a) companies. The inclusion of FY 2008 metrics for 8(a) companies is provided here to show that despite the absence of a goal, JSC’s dollar awards to 8(a) companies exceed the amount awarded in the previous year.

JSC reports no bundling of contracts in FY 2006, FY 2007, and FY 2008. Rather, in early FY 2006 the Center de-consolidated its large Center Operations Support Services (COSS) contract, which resulted in one requirement's being competed full-and-open, one as an 8(a) set-aside, and three as small business set-asides.

STRENGTH

JSC is to be commended for its consistent record in meeting or surpassing its socioeconomic goals for the three years in this reporting period.

2. Individual Subcontracting Report (ISR)

Johnson Space Center			
FY2006 - FY2008	Number of ISRs meeting Negotiated Goals		
	FY2006	FY2007	FY2008
Number of ISRs Accepted/Submitted	62/66	60/63	64/76
Small Business	46/62	45/60	45/64
SB Calculated Percentage*	74%	75%	70%
SDB	40/60	48/60	39/64
SDB Calculated Percentage*	66%	80%	61%
HUBZone	10/21	25/50	38/64
HUBZone Calculated Percentage*	48%	50%	59%
WOSB	20/29	48/56	48/64
WOSB Calculated Percentage*	68%	85%	75%
VOSB	10/21	34/50	42/64
VOSB Calculated Percentage*	48%	68%	66%

*** The percentages reference the number of goals met, divided by the number of ISRs accepted that have goals in the respective category.**

Table 2: JSC SB Subcontracting Data, Based on Individual Subcontracting Reports (ISR)

Subcontracting goals are required for procurements exceeding \$550K in value and for construction procurements exceeding \$1M in value. As pointed out above, the IAO actively participates in the Center's acquisition planning activities, which include assisting in the determination of subcontracting goals for small businesses (SB), small disadvantaged businesses (SDB), HUBZone businesses, woman-owned small

businesses (WOSB), veteran-owned small businesses (VOSB), and service-disabled/veteran-owned small businesses (SDVOSB). Goals for HBCU and other minority institutions are also recommended but not tracked in this report.

The achievement of small business subcontracting goals is tracked through the Individual Subcontracting Report submitted by the prime contractor every six months throughout the life of a contract. The table above shows that JSC's prime contractors have not all succeeded in meeting the subcontracting goals in their respective contracts, i.e., in each of the fiscal years the number of primes that met the small business subcontracting goals required in their contracts fall short of the number of contracts that require those goals. In FY 2006, 16 contractors did not meet their SB subcontracting goals; in FY 2007, that number fell to 15; and in FY 2008, 19 contractors failed to meet their goals. The data for the individual categories of small business indicate the specifics of the shortfall--e.g., of the 64 contracts that required subcontracting goals in FY 2008, all 64 stipulated SDB goals, but only 39 contractors met those goals. Contractors have occasionally reported awarding subcontract dollars to categories of small business for which there are no goals, but the ISR excludes such data.

In general, subcontracting goals are cumulative throughout the contract's entire period of performance, and contractors are expected to have met those goals by contract's end. Hence, a contractor's failing to meet its subcontracting goals in any one fiscal year, as is shown in the ISR table above, does not necessarily indicate poor performance on the contract or inadequate progress toward meeting those goals. Such factors as type of contract, changes in contract funding, or size status of the small business subcontractor may affect the contractor's annual achievement of its subcontracting goals. While the contracting officer is responsible for every aspect of contract compliance, the ISR data for the three years in this reporting period suggest that closer monitoring of prime contractors' implementation of their proposed subcontracting plans may be in order.

CONSIDERATION

The contracting officer responsible for monitoring a contract in which the prime contractor is failing to meet its small business subcontracting goals might consider documenting the contract file with the following: (1) the reason(s) the goals have not been met, and (2) the contractor's proposed plan for achieving the goals throughout the remainder of the contract.

3. Small Business Set-Asides

Johnson Space Center			
Small Business Set-Asides			
	FY2006	FY2007	FY2008
Competitive Small Business Set-Asides Awarded (excluding SBIR and STTR)	21 awards	37 awards	57 awards
Non-competitive Small Business Set-Asides Awarded	none	none	none
SBIRs Awarded	42 awards	44 awards	48 awards
STTRs Awarded	3 awards	3 awards	7 awards
Total Value of Small Business Set-Asides	\$16,840,176.51	\$28,405,337.17	\$144,550,530.65

Table 3: JSC SB Set-aside Contracts

Small business set-asides are used when there are two or more small businesses that can perform the work required in a contract. Over the three years of this reporting period, JSC awarded 115 competitive small business set-aside contracts, 134 SBIR contracts, and 13 STTR contracts. As shown in the table above, the number of awards made has increased each year. The IAO explains that sole source awards to small businesses are included in the set-aside metrics because JSC has a blanket set-aside policy for everything under \$100K. Hence, although the Center does not code sole-source awards to small businesses as set-asides, the "0's" that appear in the relevant FPDS-NG fields indicate that those awards are to be considered set-asides. Also as shown in the table above, the obligated dollar amounts have increased substantially in each succeeding year.

PROGRAM MANAGEMENT

1. Acquisition Planning

Center Acquisition Forecast

NFS 1807.72 states that it is NASA policy to prepare an annual Acquisition Forecast and semi-annual update, as required by the Business Opportunity Development Reform Act of 1988. In addition, the Forecast should include contract opportunities that small business concerns, including those owned and controlled by socially and economically disadvantaged individuals, may be capable of performing. At JSC, a procurement analyst on the Data Systems Team, Procurement Policy and Systems Office, develops the Acquisition Forecast. Although the IAO participates in meetings to seek procurement opportunities for small business, the IAO does not appear to assist in developing the forecast. Once the Acquisition Forecast is developed, however, the IAO periodically checks the Forecast for set-aside opportunities, particularly in the areas that can help JSC meet its small business goals. The IAO works with program personnel to ensure that the requirements are appropriate for small business.

CONSIDERATION

JSC Procurement might consider increasing the IAO's involvement in developing the Center's Acquisition Forecast, since one focus of the Forecast is to publicize possible upcoming opportunities for small businesses.

Center Acquisition Planning

JSC Procurement Instruction 1819.502-91 (a)(4) requires that a JSC Form 357, "Set-Asides Considerations/Recommendations," be completed and signed by the responsible contract specialist, the contract officer, the small business specialist, and the SBA Procurement Center Representative (PCR) prior to issuance of a pre-solicitation notice. However, review of a sample of contract files revealed irregularities concerning the filing of JSC Form 357: (1) that the Form 357 had, at times, been issued after the posting of the respective RFP Synopsis and (2) that in one case, the Form 357 had been issued before the responses to a sole-source notice had been received and analyzed.

The first situation suggests that the IAO and the PCR were not involved in the acquisition planning/set-aside decision process. In those cases, the IAO and PCR withheld their concurrence and signatures. The survey team learned that this irregularity occurred eight times in the two months preceding this Procurement Management Survey.

The second situation suggests a pre-mature decision that, again, excludes the involvement of the IAO and PCR. Set-aside recommendations for sole-source procurements should be processed after market research is conducted, specifically after all responses to a sole-source notice are received and analyzed. Evidence in the contract files of a sole-source procurement that the Form 357 was signed before the issuance of the sole-source notice may be an anomaly, but such an irregularity in procedure should be checked.

The aforementioned JSC Procurement Instruction requires a Form 357 for procurements greater than \$25,000. However, it is unclear whether the term “procurements” includes orders such as Delivery or Task Orders under IDIQ contracts issued by GSA or other centers or agencies.

JSC’s IAO is actively involved in reviewing solicitations before they are released. A list of the larger of those solicitations appears in the JSC 2008 Small Business Program Report. In addition, the small business specialists have increasingly been engaged in the implementation of such regulatory issues as the inclusion of small business clauses and provisions (such as those entailed by the Small Business Utilization Factor, PIC 08-05) before and during RFP development.

CONSIDERATION

With respect to JSC Form 357, greater coordination between contracting officers and the IAO and PCR could obviate further irregularities in determining small business set-aside and sole-source procurements. In addition, contracting officers should ensure that the Form 357 is processed after market research is completed but before issuance of the pre-solicitation notice.

Uniform Methodology for Determining Small Business Goals (NPD 5000.2A)

Section 5 of NASA Policy Directive (NPD) 5000.2A states that performance of the responsibilities for determining small business goals to be included in large business solicitations exceeding \$50M in value “will be the collective responsibility of the following team members: the Small Business Administration (SBA) Procurement Center Representative, as needed; the cognizant technical representative; Center Technical Advisor; Center Small Business Specialist (SBS), [sic] and the contracting officer.” For acquisitions of lesser value, use of NPD 5000.2A is optional but recommended.

At JSC, Uniform Methodology documents are usually developed by the contracting officer, sometimes jointly with a contract specialist. The Uniform Methodology documents are then sent to the IAO and PCR for review and approval before being forwarded to the Office of Small Business Programs (OSBP) for concurrence.

The small business specialists’ role in this process is becoming increasingly more active, as contracting officers frequently solicit their input during development of the Uniform Methodology rather than after its completion. Doing so lessens the likelihood that the NPD will be sent back to the contracting officer for modification and shortens the amount of time needed in the concurrence chain.

JSC’s effort to ensure consistency in implementing the Uniform Methodology encompasses procedures to be used for procurements both below and above the \$50M threshold. The IAO has developed and posted on the Office of Procurement website Uniform Methodology templates for developing small business goals for procurements (1) under \$10M in value, (2) \$10 to \$50M in value, and (3) more than \$50M in value. The result is the Center’s setting a higher standard for developing subcontracting goals for lower-dollar procurements than what NASA requires as an agency.

STRENGTH

The IAO is to be commended on its initiative and foresight in developing Uniform Methodology templates that can be used for any procurement in which a subcontracting plan is required, regardless of dollar value. These templates are being used by other NASA Centers, which is a testament to their usefulness.

2. Contract Award / Contract Administration

Source Evaluation Board / Source Evaluation Committee

JSC's SBS and SBTA serve as subject matter experts (SME) in evaluating subcontracting plans submitted in proposals. The objective is to assess the completeness of the proposed subcontracting plan and the degree to which it meets or exceeds the requirements in the RFP. To ensure that all required elements have been met, the IAO uses as guide its "Subcontracting Plan Checklist," which it developed in accordance with FAR Clause 52.219-9, "Small Business Subcontracting Plan," paragraph (d). According to the IAO, the checklist is updated regularly to keep pace with updates of the FAR Clause.

The IAO also uses as guide the "Section L Review" checklist it developed to evaluate proposed small business subcontracting goals, the qualitative elements of the offerors' commitment to small businesses, and SDB participation in the contract. This checklist is based on requirements in FAR 52-219-8, "Utilization of Small Business Concerns," and FAR 52-219-23, "Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns."

STRENGTH

The IAO is to be commended on its efforts to establish consistency and thoroughness in the review of proposed subcontracting plans by developing checklists that encompass the elements to be evaluated.

Award Fee / Incentive Fee Assessments

Using a prime contractor's proposed subcontracting plan and its performance on meeting small business subcontracting goals as evaluation factors for award fee/incentive fee determinations have proved to be effective measures for keeping the respective contractor "committed" to its teaming relationships with its small business partners. JSC conducts semi-annual contract reviews, the findings of which are documented in the Center's Performance Evaluation Board (PEB) report.

The IAO's input into award fee/incentive fee assessments consists of reviewing the write-ups on the portions related to small business goal achievement and small business involvement in executing the contract. Although the small business specialists are not involved in the actual fee determination, their concurrence is sought before fee is determined. The Center's Director of Procurement, who sits on all award fee assessments, supports the IAO's involvement in the process by ensuring that the small business specialists are given the opportunity to provide input into the proceedings. Recent participation in the assessments includes evaluation of the small business portions of the Orion and the Engineering Services contracts.

The survey team reviewed award fee determinations of several contracts and found a discrepancy between the data and actual rating. Specifically, a rating of “excellent” was assigned for subcontracting performance when the contractor’s subcontracting actuals warranted a rating of “good.” The result was a difference of up to two full points on the contractor’s final award fee score. The finding may be an anomaly, one that use of the checklists described in the section above may obviate.

3. Coordination

SBA Procurement Center Representative

The SBA Procurement Center Representative (PCR) for JSC oversees the small business programs of a number of military and civilian organizations located throughout southeast Texas, including those along the Gulf Coast. Such organizations include the Veterans Administration, the Corpus Christi Army Depot, and the Galveston Corp of Engineers. The PCR’s office is located in the IAO, in close proximity to the offices of the JSC SBS and SBTA.

The PCR’s primary function is to obtain more business opportunities for small businesses, to which end she serves as the SBA’s Commercial Marketing Representative (CMR). In that capacity, she works directly with JSC’s aerospace prime contractors to provide them assistance on their subcontracting plans and with the subcontracting data they must submit in compliance with contractual requirements. She has afforded the NASA contracting officers of these large contracts the opportunity to accompany her on her reviews of the respective prime contractor. At her invitation, two years ago, the JSC SBTA accompanied her on the SBA Surveillance Review of Fort Bliss, in El Paso, TX. Since all NASA Centers undergo periodical SBA Surveillance Reviews, the experience and insights gained should benefit JSC as it prepares for its next review.

The PCR works closely with the JSC small business specialists, providing them support and assistance on small business-related issues. When large solicitations (value over \$50M) are being developed, the PCR reviews the NPD 5000.2A methodology for determining small business subcontracting goals prior to concurring on the recommended goals. All small business subcontracting goal requirements must be approved by at least one of the small business specialists in the IAO, the SBTA, the contracting officer, someone in the Director of Procurement’s office, and the PCR before being forwarded to the OSBP for concurrence. If the PCR objects to the final decision of the Center’s procurement strategy, she can register that objection by submitting a Form 70, which is an appeal from the SBA Administrator to the NASA Administrator. The PCR filed a Form 70 at JSC a number of years ago, but when the situation was resolved, the Form 70 was rescinded.

The PCR speaks well of the JSC IAO and states that they get along well as colleagues and that their working relationship is good. She attends Source Board meetings when asked to determine compliance in offerors’ proposed subcontracting plans. She also gets involved in reviewing eSRS data if a problem such as the absence of a report arises. With respect to set-aside decisions, she indicates that she has never had to declare non-concurrence, attributing this to the small business specialists’ effort to involve her early in the process. However, she considers her biggest problem to be the one discussed under “Center Acquisition Planning,” above, i.e., her receiving a Form 357 from procurement personnel after, rather than before, a set-

aside synopsis is posted. According to the PCR, there were eight such instances in the last two months. The "Consideration" under "Center Acquisition Planning" refers to this problem.

Center Small Business Technical Advisor

The small business technical advisor (SBTA) is the primary consultant to the SBA PCR and small business specialist(s) in determining the extent to which a small business can perform the technical requirements of an RFP. At JSC, one of the small business specialists is “dual-hatted,” serving also as SBTA. In this latter capacity, he is proactive in interfacing with the Center’s technical personnel, apprising them of what he is currently engaged in and discussing with them the benefits of utilizing small businesses to execute upcoming program requirements. His efforts, which can be construed as in-reach, have resulted in inquiries from program organizations about the possibility of using small businesses to perform a particular statement of work.

The SBTA’s primary focus is to resolve technical issues that would increase small business involvement in Center procurement, and to that end, he is diligent about including the PCR in procurement actions early in the process. He is also proactive in interfacing with the Center’s procurement personnel, assisting in the review of work breakdown structures in Statements of Work of upcoming procurements in order to identify subcontracting opportunities in technical areas. For the IAO, he provides invaluable insights into technical issues relative to small business procurement.

Contracting Officer(s)

The interaction between contracting officers (CO) and small business specialists occur throughout the procurement cycle, during such pre-award activities as conducting market research and determining small business subcontracting goals, and in such post-award activities as assisting in fee determination. The survey team interviewed a sampling of three contracting officers who administer large contracts concerning their working relations with the IAO and found differences in the types of interface.

One CO indicated that though the SBTA has been very responsive to requests for information concerning small business goals and participation, the small business specialists, in general, have provided limited help. The second indicated that he endeavors to involve the IAO in all small business-related issues as early as possible, so as to get the specialists’ “buy-in” to decisions made. He adds that one or more of the small business specialists always attends meetings pertaining to the contract he administers and that the specialist(s) has input in performance evaluations for Award Fee. The third CO indicated that the IAO has worked closely with his contract team by providing input into developing small business goals using NPD 5000.2A and that the Uniform Methodology document was subsequently signed by the IAO and the SBA PCR.

4. Initiatives

Small Business Improvement Plan

The NASA Small Business Improvement Plan (SBIP) consists of three initiatives for improving the Agency’s Small Business Program. These initiatives, developed at an annual meeting attended by Center small business specialists and SBTAs, personnel from the Office of Procurement and the Office of General Counsel, and representatives from each of the four HQ Mission Directorates, are to be undertaken by each Center. Progress in accomplishing the initiatives is reported in the Centers’ mid-year and final Small Business Program Reports.

The three initiatives of the FY 2008 Small Business Improvement Plan are (1) Ensure Accurate Reporting and Data; (2) Improve Actuals and Goals; and (3) Obtain Management Commitment. JSC's FY 2008 Small Business Program Report documents the Center's progress in accomplishing the initiatives. With respect to the first initiative, JSC uses its own data verification and validation process, which is compliant with the NASA FAR Supplement and OMB/OFPP guidance. With respect to the second initiative, JSC has consistently exceeded its socioeconomic goals, as evidenced in Table 1, "JSC Prime Contractor Data." The goals themselves have not always increased over the three years of this reporting period, however, due to projected fluctuations in a given year's procurement plans. And with respect to the third initiative, JSC reports that the performance evaluation plans for the Center's senior management and their staffs all include evaluation criteria pertaining to their commitment to the Small Business Program.

In addition to the Agency-wide SBIP initiatives, JSC has undertaken two Center-wide initiatives: (1) Develop a Proactive Education and Training Program and (2) Expand the Depth and Breadth of JSC's Small Business Base. The Center's FY 2008 Small Business Program Report also documents progress made toward accomplishing these initiatives. Training courses developed and conducted and efforts to increase the small business supplier base are discussed in the sections under "In-Reach and Outreach."

Programs Planned / Implemented

In an effort to promote closer relationships and better communication among NASA-JSC, the JSC prime contractors, and the small business community, the IAO instituted two major programs during this reporting period. The first of these programs, established in June 2007, is the JSC Small Business Roundtable (SBR), which is comprised of approximately 50 companies that are actively marketing the Center or have contracts or subcontracts with NASA. The SBR, which meets quarterly, has two chairpersons: a small business specialist, who usually conducts the meeting, and a representative from a small business. The SBR also has three committees that are chaired by small businesses: (1) Education/Training, (2) Marketing, and (3) Mentor-Protégé. SBR meetings are forums for exchanging ideas, discussing issues and concerns, and disseminating general information relative to the mandated socioeconomic programs.

The second program, established in August 2008, is the twice-monthly joint counseling sessions, which are attended by one or more of the small business specialists, the IAO Team Lead, a representative from the Procurement Policy and Systems Office, the SBA PCR, and representatives of JSC large prime contractors. The small business specialist presides over each session. Six small businesses seeking to do business with NASA and/or the prime contractors are invited to present their capabilities at each session, after which they receive advice and information specific to the products/services they offer. For the other parties in attendance, the opportunity to meet viable small businesses is an opportunity to "grow" the Center's contracting base or, in the case of the prime contractors, an opportunity to assess potential teaming partners.

In addition to the two more recent programs described above, the Small Business Liaison Officers' (SBLO) Roundtable, established in September 1999, continues to be an important element in the IAO's operations. The SBLO Roundtable is comprised of representatives of NASA's large prime contractors, the PCR and an SBA representative from another district, a JSC small business specialist, and the JSC Deputy Procurement Officer, who serves as Chair. The SBLO Roundtable meets monthly to discuss issues that affect all of them, such as new procurement requirements, legislative changes in procurement regulations, or coordinated

outreach events. The IAO's working relationship with the SBLOs of its large prime contractors focuses on building a strong supplier diversity program.

Representatives of a sampling of small businesses report that the SBS have always been available to them and responsive to the small business community. The companies categorized their experiences in interacting with the IAO as "productive" and "good overall," especially considering the amount of work "on their plate." They praised the SBTA for his understanding of and help with the technical aspects of procurements and commended the JSC Director of Procurement and Deputy Director for their continued willingness to meet with them and for providing strong support to the Center's Small Business Program. In addition, representatives from a sampling of large prime contractors indicated that the small business specialists are very much involved with the SBLO Roundtable and that their own working relationship with the IAO is very good.

STRENGTHS

1. The JSC IAO is to be commended on their establishment of programs that support the small business community and, at the same time, contribute toward increasing the Center's contracting base.
2. The Office of Procurement's senior management is to be commended on its strong support of the JSC Small Business Program, in general, and of the IAO, in particular. They have provided the IAO guidance as well as resources and opportunities to "grow" the Center's Small Business Program.

Special Assignments / Committees

The special assignments undertaken by the IAO during this reporting period include the SBTA's serving as Small Business Advisor on the NASA Protective Services Source Evaluation Board. The procurement, which will be let out of the Kennedy Space Center, has required that the SBTA spend a great deal of time on temporary duty away from JSC. The SBTA also served as a member of the Minority Serving Institutions Research Program (MSIRP) planning for its 2008 National Conference.

With respect to the other two small business specialists, one serves as the JSC Chair of the SBLO Roundtable, and the other as the JSC Chair of the SBR. The two specialists also represent JSC in the Women's Business Enterprise Association (WBEA) by serving as members of the WBEA Corporate Advisory Committee and of the WBEA Certification Committee. In addition, one small business specialist serves as a board member of the Supplier Diversity Advisory Counsel of the Houston Minority Business Council (HMBC) and as a member of the Strategic Teaming Alliance Committee.

These assignments, which could be considered as both in-reach and outreach, contribute to the success of the Small Business Program.

Pending Significant Projects / Events

The IAO indicates that the JSC SBR will be involved in a significant project: preparing small businesses to be more competitive in seeking NASA contracts and to perform well on contracts and subcontracts. The

SBR's three committees will jointly undertake this initiative. Since training is key to success, the Education/Training Committee will be developing and conducting training in the near future.

The National Contract Management Association (NCMA) Small Business Conference's Mini Trade Fair is an example of a significant event that was pending at the time this report was being written. Scheduled for March 2009, the NCMA Conference was co-chaired by NASA JSC and a major JSC prime contractor. The conference focused on Constellation and the ways in which small businesses can participate in helping the Agency fulfill its mission. NASA and the Houston NCMA office worked together to ensure that the conference offered effective interactive networking and information exchange opportunities.

IN-REACH AND OUTREACH

1. Management Briefings and Briefings to Other Center Organizations

The IAO participates in upper-level informational meetings as well as makes presentations to its management on aspects of the Small Business Program. Examples of briefs provided during this reporting period include apprising the Center's procurement managers of the three initiatives that JSC planned to submit at the SBIP meetings held in the past two years and informing them about the results. The IAO also periodically briefs the Center Director, Director of Procurement, and Manager of the Procurement Policy and Systems Office about the fiscal year's prime and subcontractor socioeconomic goals.

2. Training Provided and Received

During this reporting period, the IAO provided a variety of training to the Center's procurement managers, contract specialists, and technical program managers. Topics included small business-related issues such as subcontracting plans, socioeconomic goals, and the Uniform Methodology, as well as procurement-related issues such as the eSRS and coordination of the JSC form 357. The numbers of attendees at these sessions, which fall between 10 and 150 persons, have varied according to topic.

With respect to training received, the JSC small business specialists list in their 2008 Small Business Program Report courses offered in-house at NASA and training provided by organizations external to NASA. The latter all pertain to aspects of contracting, supplier diversity, working with small businesses.

3. Counseling

The IAO's counseling sessions for small businesses are comprehensive in topics covered and responsive to the concerns articulated by the companies that request the meetings. In addition to providing an overview of the Center's organizational structure, the three small business specialists discuss the procurement process and provide information about upcoming procurement opportunities and procurement points-of-contact. Counseling is provided individually or jointly, as described under "Programs Planned / Implemented," above. Individual counseling, or one-on-one counseling, is provided in person, by telephone, or via e-mail, as the occasion requires, and generally focuses on doing business with NASA. The IAO also counsels large businesses when requested. In these cases, the discussion generally centers on involving small businesses in JSC initiatives. The IAO's location outside the Center's main gate makes it easier for representatives of both small and large companies to meet with the SBS and SBTA.

Counseling is also provided at conferences and expos. The small business specialists have counseled small businesses during such conferences as the annual KSC Expo and the JPL High Tech Conference and have participated in face-to-face matchmaking events sponsored by the SBA and industry. Examples of the latter include SBA Matchmaking Events, the National Veterans Small Business Conference and Expo, and the Bexar County Minority & Women's Business Enterprise Conference.

4. Participation in Conferences, Expos, Industry Days

The IAO participates in numerous outreach activities throughout each year, supporting conferences and business expos sponsored by other agencies and organizations as well as engaging in the outreach provided by the three programs described under “Programs Planned / Implemented,” above. In the past fiscal year alone, the JSC SBS and SBTA have attended, exhibited at, served as panelist for, or spoke at more than 30 events. These include the Texas Conference for Women in Austin, TX; the SW Supply Chain Forum in Galveston, TX; the National Minority Supplier Small Business Conference in Miami, FL; SBA Matchmaking Events in San Antonio, Dallas, and Houston, TX; the Golden Triangle Global Summit in Houston, TX; the PTAC Conference in Kansas City, KS; the OSDBU Procurement Conference in Upper Marlboro, MD; the Minority Serving Institutes’ Research Program (MSIRP) Small Business Conference in New Orleans, LA; the Texas Association of Mexican American Chambers of Commerce Meeting in Austin, TX; the Alaskan 8(a) Association Meeting in Anchorage, AK; the Black Business Expo in Houston, TX; the National Veterans Small Business Conference and Expo in Las Vegas, NV; the annual Kennedy Space Center Small Business Expo in Cape Canaveral, FL; and the annual JPL High Tech Conference in Los Angeles, CA.

5. Other

Website

Information pertaining to the Center’s Small Business Program is housed on the Office of Procurement’s website, under such categories as Small Business Tools, Presentations, Contacts, Small Business Roundtable, and External Customers. The Procurement website also contains information specific to doing business with JSC, covering such topics as where solicitations are posted, the importance of registering in the Central Contractor Registration (CCR) database, and how to pursue subcontracting opportunities. Website contents are updated periodically.

Awards

JSC makes it a practice to recognize NASA personnel and contractors who do exceptional work in promoting the Agency’s mission. An illustration is the IAO’s presenting awards to outstanding contractors in various small business categories, during the Government Procurement Connection EXPO 2008 Award Ceremony.

A second illustration is the Center’s own award ceremonies, the winners of which were submitted as nominees for the OSBP Small Business Advocates Awards (SBAA) and Small Business Industry Awards (SBIA). These awards are presented annually to NASA employees and NASA contractors, respectively, who make significant contributions to the Agency’s Small Business Program. In 2007 as well as in 2008, JSC’s nominee was recognized as the SBAA Program Person (or Team) of the Year.

SUMMARY

JSC's Small Business Program is thriving, due in large part to the initiative and dedication of its small business specialists and the small business technical advisor. Their efforts to establish consistency in work procedures, specifically by developing templates for determining small business subcontracting goals and checklists to guide evaluations, have contributed to program efficiencies within the IAO. In addition, the IAO's pro-active outreach activities as well as its establishment of the SBR, SBLO Roundtable, and joint counseling sessions are proving to be effective elements in the effort to increase the utilization of small businesses in the Center's procurement actions.

The strong support and guidance provided by the Office of Procurement's senior managers have been invaluable to the IAO's implementing the initiatives described in this report. However, with respect to the organization itself, a reporting structure that affords the IAO the opportunity to report directly to the Director of Procurement would allow timely communication, and with respect to procurement procedures, more coordination with the Center's contracting personnel in acquisition planning activities may be in order.