



Procurement Management Review Report

Goddard Space Flight Center

July 10 – 21, 2017

OFFICE OF PROCUREMENT

HEADQUARTERS

WASHINGTON, D.C.

PREFACE

The Headquarters Office of Procurement (Headquarters Procurement) established the Procurement Management Review process to meet various internal control requirements mandated at the federal and agency level. The two key federal regulations that levy internal control requirements on agencies are 1) the Federal Manager's Financial Integrity Act (FMFIA) of 1982 (P.L. 97-255) and 2) OMB Circular A-123. The FMFIA requires agencies to establish and maintain internal control. These requirements serve as an umbrella under which other reviews, evaluations, and audits should be coordinated and considered to support management's assertion regarding the effectiveness of internal control over operations, financial reporting, and compliance with laws and regulations. The OMB Circular provides updated internal control standards and new specific requirements for conducting management's assessment of the effectiveness of internal control.

The amount of NASA's annual budget devoted to acquisitions makes it essential for Headquarters Procurement to maintain a continuing program for periodic oversight of contracting activities across the Agency. Agency level regulations that direct the Office of Procurement to establish internal control processes include but are not limited to: 1) NASA Policy Directive (NPD) 1000.3E, The NASA Organization (Chapter 4.6.2.1.t.(5)(b)(g) – which states that the AA for Procurement "... accomplishes oversight through the comprehensive Procurement Management Review program, the Center Self-Assessment process, and the conduct of special surveys, studies, and reviews as required."); NPD 1280.1A, NASA Integrated Management System Policy (Section 1, emphasizes the need to (...establish, implement, assess, and report on an Integrated Management System (IMS) to provide accountability and improve the effectiveness of the Agency by conducting appropriate periodic reviews and assessments to determine the quality of performance over time and assure that the findings are promptly resolved...). Review results and trends noted are reported by the AA for Procurement to the NASA Administrator as part of the Agency's Annual Statement of Assurance.

Headquarters Procurement conducted a virtual procurement management review of the Goddard Office of Procurement (Goddard Procurement) under the above referenced authorities. The review was conducted July 10 – 21, 2017. The report contains strengths, weaknesses, and recommendations resulting from the review.

Two exit briefings were held on July 28, 2017, to discuss the review findings with the Procurement Officer and Center Director.

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Review Program Co-Manager
Headquarters Office of Procurement

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SECTION I

EXECUTIVE SUMMARY

Headquarters Procurement conducted a virtual Procurement Management Review (PMR) of Goddard Procurement July 10 – 21, 2017. The virtual PMR utilized an electronic platform to upload review documents. The documents were retrieved and reviewed by PMR team members from their home Centers. The PMR Manager and Co-Manager were on-site during the review. Concurrent reviews of the Small Business Program and the Solutions for Enterprise-Wide Procurement (SEWP) were conducted on-site by representatives from the NASA Headquarters Office of Small Business Programs (OSBP). The PMR team conducted interviews with technical, procurement, and legal personnel to gauge the effectiveness of the Center procurement organization. The PMR team also conducted reviews of procurement activities and documentation for adherence to procurement statutes, regulations, and procedures, and to identify best practices and innovations. The team sought to determine whether Goddard Procurement has established and maintained a workforce commensurate with its workload and the level of support needed by the office.

FINDINGS OVERVIEW

The PMR team found that Goddard Procurement is providing meaningful support to the Center and the Agency. The compliance portion of the review identified strength areas and areas for improvement (Attachment B). Strengths were identified in several areas, including: Internal Policies, Procedures and Knowledge Management, Acquisition Planning, Architect and Engineering Service Contracts, Closeout Process, and Exercise of Options. Several findings from the 2014 PMR report were sufficiently addressed or resolved. Repeat findings (weaknesses) were identified in some areas including: Justification for Other than Full and Open Competition, Government Property, Interagency Acquisitions, and Financial Management Reporting. Additional areas for improvement are addressed in the report.

Staffing levels within the organization have decreased since the last review. Attrition in the organization is due to retirement, transfer to other agencies and other NASA Centers, and internal promotions within the Center. The technical and legal representatives interviewed indicated that working relationships with procurement personnel are pretty good and the organization is perceived as important and effective.

PLAN OF ACTION

The Procurement Officer will provide a corrective action plan to address identified weaknesses and recommendations within six months after issuance of this report. Headquarters Procurement will work with Goddard Procurement to address the findings and implement corrective actions through completion. Goddard Procurement will have the opportunity to gauge the effectiveness of corrective actions through the self-assessment process. The determination that weaknesses are resolved and recommendations adequately addressed will

occur during on-going Headquarters Procurement reviews (i.e., Procurement Status Reviews) of the findings and during the next PMR.

SECTION II

OVERVIEW

The PMR consists of two primary components: 1) interviews with technical, procurement, and legal personnel regarding the effectiveness of the procurement organization, and 2) compliance reviews of contracting actions focused on adherence to procurement statutes, regulations, and procedures. The primary emphasis of the compliance portion of the review is on systemic procurement processes rather than individual file anomalies. Implementation of current procurement innovations, both Agency-wide and Center-specific, are also reviewed. A concurrent review of Small Business Programs was conducted by a representative from the Headquarters Office of Small Business Programs (OSBP) and added to this year's review, the SEWP Program, also conducted by OSBP. The interview participants were randomly selected civil servants from the procurement, technical, and legal organizations and received an e-mail invitation requesting an interview. The number interviewed was based on availability; therefore, not all requests were responded to.

The results of the interviews and compliance reviews are compiled into narrative summaries with strengths, weaknesses, and recommendations 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. Recommendations are defined as issues that: 1) are not necessarily systemic when identified but may turn into a problem or problems if not addressed by the Center and 2) are actions that require Headquarters Procurement consideration or action such as development, clarification, or updating of policy.

The team sought to identify Goddard Procurement processes or initiatives that may be beneficial to other Centers. Conversely, the team sought to identify suggested approaches utilized by other Centers that may be beneficial to Goddard Procurement in an effort to promote the exchange of successful lessons learned and innovative procurement methodologies among Centers. The PMR team also sought to determine whether Goddard Procurement has established and maintained a workforce commensurate with its workload and the level of support needed by the Center.

The exit conference held at the conclusion of the review consisted of a team presentation of review findings and exchange of observations and ideas among the participants. A high level overview of the findings was provided to the Center Director.

1. REVIEW FOLLOW-UP

Center ownership of the resolution of any identified weaknesses or recommendations is emphasized through the review follow-up process. The follow-up process focuses on actions or initiatives undertaken by the Center to address review findings. The Procurement Director shall

provide a written summary of corrective actions planned or taken to resolve all weaknesses and adequately address all recommendations contained in this report to the review manager and the designated Program Operations Division Center analyst. The summary shall contain the expected start and completion date of the corrective action(s). The summary corrective action plan shall be submitted to Headquarters Procurement within six months after issuance of this report. The corrective action plan will be updated to incorporate the status of efforts undertaken to address review findings. The PMR Manager will acknowledge in writing that corrective actions were completed, weaknesses were resolved, and recommendations were adequately addressed once the Center satisfactorily completes all corrective actions.

2. REVIEW TEAM MEMBERSHIP:

The following is a list of team members and the areas reviewed:

Tania Davis (*on-site*), HQ: Review Manager: Personnel Interviews (procurement, legal and technical personnel) and Self-Assessment Process, and Organizational Structure and Staffing

Ceseley Dunbar (*virtual*), LaRC: Simplified Acquisition/Commercial Acquisitions, Contract Closeout Process and Unliquidated Obligations, and Earned Value Management

Jerry Edmond (*virtual*), HQ: Information Technology Clauses

David Grove (*virtual*), HQ (*detailed to OP*): Cooperative Agreements

Yolande Harden (*on-site*), HQ: Review Co-Manager: Personnel Interviews (procurement and technical personnel) and COR Training and Delegations

Sonya Harmon (*virtual*), HQ: Goddard Center Analyst: Master Buy Plan Actions, Acquisition Forecast, and Deviations and Waivers

Scot Haumesser (*virtual*), GRC: Construction & Architect and Engineering Services Contracts and Contractor Safety Requirements

Jodie LaFreniere-Dajc (*virtual*), HQ: Justifications for Other Than Full and Open Competition (JOFOCs), Acquisition Planning, and Source Selection Process

Richard Mann (*virtual*), HQ OSBP: SEWP Program Review

Ashley McQueen (*virtual*), ARC: Exercise of Options, Indefinite Delivery/Indefinite Quantity, and Undefined Contract Actions/Letter Contracts

Robert Medina (*virtual*), HQ OSBP: Small Business Review

Melissa Merrill (*virtual*), GRC: Subcontract Consent, Government Property, and Financial Management Reporting (NF 533)

Holly Prinzel (*virtual*), LaRC: Voucher Payment Clause, Evaluation of Contractor Performance, and Interagency Acquisitions

Manuel Quiñones (*virtual*), HQ: Internal Policies/Procedures/Knowledge Management and Award/Incentive Fee Contracts

Eric Schell (*virtual*), JSC: Negotiation Documentation, Technical Evaluations, and Cost/Price Analysis, Structure Fee Approach used in Profit/Fee Determination

Desireé Sylver-Foust (*virtual*), HQ: Blanket Purchase Agreements

Jill Vogel (*virtual*), HQ/KSC Recycling and Sustainable Acquisition (RSA): Environmental Issues

3. REVIEW SUPPORT:

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

James (Jim) Becker	Goddard Procurement Operations Division
Geoff Sage	Goddard Procurement Operations Division
Jonathon Cole	AAO Support Contractor

SECTION III

ORGANIZATION - MANAGEMENT

1. ORGANIZATION STRUCTURE AND STAFFING

The Goddard Procurement Operations Division is part of the Center Management Operations Directorate. The organization is headed by the Procurement Officer, an Associate Chief and Deputy Procurement Officer, and an Associate Chief for Operations and Business Management. Goddard has personnel in the following locations: Greenbelt, MD, Wallops Island, VA, and the Independent Verification and Validation Facility in Fairmont, WV. There are 11 offices within the division: Industry Assistance; Joint Polar Satellite System (JPSS); Geostationary Operational Environmental Satellite – R Series (GOES-R) Program and GOES-R Flight; Policy; Procurement Systems and Support; Space Sciences; Earth Science, Institutional Support; Mission Enabling; Program Support; and Headquarters. Oversight of the Wallops Flight Facility is managed by the Associate Chief for Institutional Support. The Policy Office staff support a variety of activities including file reviews, career development, pricing, SEB management, and internal control audits.

Goddard Procurement is the largest procurement organization in NASA. The civil servant staffing level at the time of the review was 177, which is five less than what Goddard is authorized to have total on board (182). During the 2014 PMR, the staffing level was 194, which was a decrease of 10 from the 2011 PMR staffing level of 204. It has been given authority to fill a few of the vacancies, mainly at the GS-12 level. Goddard anticipates a few retirements during the latter part of FY17 and into the next fiscal year. It currently has eight Pathway interns.

Despite the losses of senior personnel since the last PMR, Goddard Procurement has been able to attract and maintain a sufficient workforce to support the mission. The Procurement Officer is continually working to address the challenges and fill gaps in the experience base due to retirement and attrition.

2. PROCUREMENT STAFF INTERVIEWS

Interviews were conducted with several individuals within Goddard Procurement to gain greater insight into the effectiveness of the organization. Eighteen procurement personnel were interviewed (one was not an 1102), which is approximately 10.7 percent of the 1102 workforce, ranging from a Pathway intern to Associate Chiefs. The majority of the people interviewed were at the journeyman level of their careers (i.e., 10 – 20 years of experience) at Goddard Procurement. A small number interviewed had prior procurement experience at other federal agencies.

Overall, the general perception of the individuals interviewed indicated that the organization is doing well. A few indicated that there was room for improvement; many thought management made attempts to address issues and improve inclusion and cohesion within the division. Half stated that morale in the organization was great; however, others indicated that morale was okay or low. Low morale was attributed to overwhelming workload issues and burnout. Perception of workload volume was mixed; some indicated that the volume was heavy, but manageable and there were a few instances when personnel faced extremely heavy workloads. Some indicated that their workloads were balanced. A small representation described the workload as cyclical (i.e., ebbs and flows). Several individuals mentioned that senior level specialists and team leads do not have sufficient time to mentor team members due to their own workload burdens (Goddard Procurement has a Climate Advisory Team (CAT) comprised of a representative from each team which encourages feedback from the lowest levels). Some individuals indicated that workload was not equitably distributed within their branch and that some individuals were not contributing sufficiently.

Headquarters Procurement rolled out a new contract writing system called Procurement for Public Sector (PPS) on June 19, 2017. Since PPS affects workload, a question was included in the interviews for this PMR to gather feedback from the procurement personnel on their initial assessments of the new system. The responses varied. Due to the newness to the system, no one indicated that using it was easy or intuitive. The two comments expressed in a more positive tone were acknowledgement that, although there were more steps involved in entering data than for PRISM, the more times the system was used, the better it was understood; and another stated there would be a learning curve to overcome and was working to flatten the curve. One respondent did not take the training; felt that since it was a demo with no “hands-on” training, familiarity with the system would come from trial and error. The hope of another respondent was to not have to use PPS. The preponderance of the comments centered around the system slowing down efficiency. Training was surmised as ineffective. A few of the personnel indicated that they managed contracts that were maintained in the legacy system and did not foresee using PPS any time soon. The “super-users” were praised for their assistance with problems encountered by end users. Personnel knew to inform the super-users of issues with the system so that they can be reported and tracked by the AAO. It is important to capture these reactions in this report and future PMRs to establish a history of PPS and measure of effectiveness across the Agency. The feedback from this PMR has been shared with the Headquarters PPS Lead.

Most individuals indicated that communication and knowledge sharing within the individual offices was very good. Overall, relationships with the technical organizations were characterized as good to excellent. Those individuals who are co-located with the technical organizations were integrally involved and accepted as part of the team. Some indicated that working with the technical organizations is challenging at times. Some also indicated that technical artifacts could still be improved (i.e. technical evaluations, supporting documents, etc.). A few perceptions were that technical organizations elevate issues to Procurement management unnecessarily and management will “cave” to the demands of the technical community. The sentiment of a few is that technical organizations are not held accountable for

their actions. Relationships with legal are generally perceived as good to great. A few interacted with Legal rather distantly (i.e., ethics training).

Management is viewed as supportive of training, career development and growth. A variety of internal training opportunities are available.

Managers are generally perceived as supportive of the work/life balance. Managers are generally accessible and responsive. Most individuals take advantage of the flexible work schedules. Those individuals who had opportunities to interact with Headquarters Procurement indicated that personnel are accessible and responsive.

3. TECHNICAL ORGANIZATION INTERVIEWS

Interviews were conducted with six Contracting Officer's Representatives (CORs) to assess the effectiveness of Goddard Procurement from the technical organizations' perspective. Experience at the Center ranged from less than a year to 41 years. Half began their careers as contractors and converted to civil servants. Others had military backgrounds and a couple worked at other NASA Centers prior to moving to Goddard. Several spent their entire careers at the Center. The individuals interviewed indicated that there was a good working relationship with the procurement organization, except one who indicated that there was not much of a relationship. Most indicated that they have regular interactions and communicate frequently, except the one identified above. When there is co-location of the Contracting Officer and COR, the relationship tends to be more cohesive and collegial.

Goddard Procurement is perceived as knowledgeable, very efficient and effective, and responsive to requests for assistance. During certain times of the year (i.e., end of fiscal year) or if there is an organizational change, the responsiveness is drastically reduced. Also noted as it pertains to experience were knowledge gaps, particularly if the CO is new to working on a source board or is not paired with a senior CO already on a board. It is recognized that there is a learning curve for the new CO to overcome.

All of the CORs interviewed maintained current Federal Acquisition Certification for Contracting Officer Representatives (FAC-COR) and met the required continuous learning requirements for the most recent certification period. Some of the CORs feel that the basic course is really good, but there were challenges with finding specialized courses as they gained more experience as a COR and the need for maintenance courses to fulfill annual certification requirements. One expressed that more in-depth offerings such as a course that delved into contract administration would be beneficial in the COR role, while another expressed that the basic course was a deterrent for new CORs due to the difficulty of scientists and engineers finding the time to be away from the office for a 40-hour course. A few expressed the need to offer courses more frequently, possibly through on-line offerings in order to meet the continuous learning requirements both internally and through external sources.

Suggestions offered for improvement were: 1) A forum to share innovative contracting approaches would be helpful when folks are in the acquisition planning phase. 2) To have a task monitoring system that is mandated from either a Center or Headquarters level authority; TOMS is okay, but needs improvement. Ideally, everything needs to be electronically captured.

Source Evaluation Boards (SEB) are a concern of one COR. The length of time and skillset of all of the stakeholders required to be properly staffed. More cost/price analysts are needed; however, the COR was not aware that Goddard Procurement has dedicated cost/price analysts. Based on learning that fact, the individual felt that there must be too few to support the numerous SEBs at the Center. Resource analysts are not the right resource on SEBs to evaluate cost/pricing data. Procurement Form 1707 and GSFC 23-59 (form belongs to Code 300, Mission Assurance Directorate) present a challenge for technical organizations to validate the accuracy of certifications and some actions are held up by procurement personnel who question the accuracy of the responses on these forms.

RECOMMENDATION

Goddard Procurement should ensure that on-site training opportunities for the technical community are made available to members of the technical community who are located in remote facilities, in particular, Wallops Flight Facility via electronic technology (Skype, Adobe Connect, Vydeo, ViTs, etc.).

4. LEGAL OFFICE INTERVIEWS

Interviews were conducted with three attorneys from the Goddard Office of Chief Counsel. The attorneys provide legal counsel and advice to Goddard Procurement by reviewing a full array of procurement documents to participating as advisors on source evaluation boards. The years of Goddard experience for the attorneys interviewed ranged from relatively new to experienced.

The description of the working relationship with Goddard Procurement ranged from good to very good. The relationship between the two offices is described as effective and professional. There's an open door policy, especially with the associate chiefs. Questions are answered promptly. They regard the Procurement organization as one that is highly effective and critical to NASA's role. One attorney noted that the outside perception of Procurement is the process is long and burdensome, but important.

The attorneys indicated that the quality of work products submitted for legal review varied from good to superb. Significant contract actions that require legal review are excellent and well vetted. The level of experience of the procurement personnel producing the documents is a direct corollary to the quality of the final product. Work products that are reviewed at the higher levels within Goddard Procurement are notably better than those that are not subject to review by the Procurement Policy team (acknowledged as being "very strong") or Associate Chiefs. There was a general opinion that reviews conducted at the Procurement Manager level do not necessarily result in good work products, and certainly not a package from a junior

employee where a review was skipped. One attorney expressed the desire to have the same dollar threshold for the procurement package reviews. Whether the current threshold increases for the Legal review to the Procurement level or the Procurement level review decreases to the Legal review level, workload for the attorneys will be impacted. Two indicated that it would be very helpful to have all work products reviewed by the Procurement Policy team prior to submission to their office for review, rather than those that are at a certain dollar value. Two attorneys commented that having SEB Managers to conduct thorough reviews of documents before being submitted for Legal review was beneficial, as well as, steering the team through the source selection process and keeping it on track has been a pleasant experience.

RECOMMENDATION

Goddard Procurement should ensure that thorough, high quality reviews of lower dollar value procurement documents are conducted by the appropriate level staff prior to submission for legal review. The package(s) should contain the disposition of reviewer comments when submitted for legal review. *(Repeat finding)*

5. CONTRACTING OFFICER'S REPRESENTATIVE (COR) TRAINING AND DELEGATIONS

Contract files were reviewed for compliance with the requirements of NFS 1801.602-2, NFS 1801.604, FAR 7.104(e), FAR 16.301-3(a)(4), and FAR 37.601 to verify the presence of surveillance plans when required and ensure that delegated Contracting Officer Representatives (COR) maintained current Federal Acquisition Certification for Contracting Officer Representatives (FAC-COR). Files were also reviewed to determine whether the NF 1634, 'COR Delegation' forms were properly executed.

The requirements for FAR 7.104(e) stipulate that the Contracting Officer designate and authorize the COR as early as practicable in the acquisition process. Additionally, FAR 16.301-3(a)(4) stipulates that resources are made available to award and manage the contract and a COR is designated prior to award, for non-fixed price contracts.

COR delegations were executed prior to contract award for the majority of files reviewed. The files reviewed contained the necessary documentation regarding changes in CORs when applicable. Forty percent (2 out of 5) of award fee contracts reviewed had COR delegation letters that were issued after contract award. The COR delegation letter for contract NNG14CR62C was signed on 12/10/2014 after contract award date of 8/13/2014. COR delegation letter for contract NNG15HZ39C was signed on 12/1/2015 after contract award date of 7/1/2015. The Contracting Officers indicated that there were mitigating circumstances that caused the delays, i.e., one COR was out of the country for an extended period of time supporting testing related to the project. One file reviewed contained delegations signed by the COR and alternate COR, however, neither delegation contained a Contracting Officer's signature. Goddard Procurement reviewed COR delegations and surveillance plans during the 2016 and 2017 self-assessment reviews to ensure that findings identified in the 2014 PMR were

addressed. The 2014 PMR report identified a weakness to ensure that COR delegations are executed prior to contract award in accordance with the FAR requirements. Based on the results of this review, the weakness is resolved.

The 2014 PMR report also contained a recommendation to ensure that the NF 1634 COR delegation form is accurate and complete, that rescission letters are issued when necessary, that the requirement for surveillance plans is appropriately marked, and that the forms are signed and dated in a timely manner. Based on the results of this review, the recommendation was partially addressed.

NFS 1801.604-70(h) requires the Contracting Officer to verify that the proposed COR has a current Federal Acquisition Certification for Contracting Officer Representatives (FAC-COR) prior to issuing a COR delegation. All delegated CORs for the contracts reviewed met the FAC-COR training and continuous learning requirements.

Contract files were reviewed to verify the presence of a written surveillance plan, when required. Surveillance plans were present for all but one contract when required by the NF 1634. Some of the plans contained evidence of configuration control efforts and review and approval processes when modifications to the plans were necessary. The NF 1634 delegation form for some of the files reviewed did not indicate that a surveillance plan was required, however, a plan was developed and included in the solicitation language. Most plans were updated after award to reflect the appropriate contract number and any modifications, when necessary.

Conversations with members of Goddard Procurement senior staff indicated that the incorporation of a surveillance plan in solicitations is a routine practice since the majority of their acquisitions meet the requirements for the incorporation of surveillance plans stipulated in either FAR 46.401(a), NFS 1846.401(a)(iii), or NFS 1836.604. The Goddard Procurement website contains templates for the development of quality assurance surveillance plans for various contract types (cost reimbursement, fixed price, GSA Blanket Purchase Agreements, or GSA orders). These documents are included in solicitations and draft solicitations as required. The templates include detailed instructions regarding content, etc. to ensure consistency in the surveillance plans across the Center. Members of the Goddard Procurement senior staff indicated that the NF 1634 documents are reviewed to ensure that the appropriate responsibilities are delegated on the form and that the appropriate signatures are present during the final contract file review prior to award.

STRENGTH

Goddard Procurement is commended for the implementing a process for ensuring that COR delegations are executed prior to contract award during the final contract file review process. This ensures that the appropriate resources are made available to award and manage the contract in a timely manner.

RECOMMENDATIONS

A contracting officer's representative (COR) should be appointed and delegated COR responsibilities prior to contract award in accordance with (IAW) FAR 16.301-3(a)(i) to ensure appropriate Government surveillance during contract performance.

Goddard Procurement should ensure that the NF 1634 COR Delegations are annotated appropriately when surveillance plans are required. *(Repeat finding)*

6. 1102 CAREER DEVELOPMENT AND TRAINING

A review of the Goddard Procurement and Career Development Training Program was conducted.

Goddard Procurement has 158 personnel classified as 1102. Of that number, 152 hold FAC-C at one of the three levels; two applications are under review; and four are pending completion of required courses. The breakdown of certifications is as follows; Level I (10%), Level II (37%), and Level III (62%).

Goddard Procurement maintains its training records on an in-house built system called the Employee Personnel Database. This is managed by the Training and Career Development manager. The use of Individual Development Plans is highly encouraged but are not mandatory; and if requested, a learning plan is created in SATERN. Individuals are also responsible for ensuring that the record of completion is entered into the agency learning management system (SATERN) in accordance with the NASA Procurement Career Development and Training Program Policy Handbook and responsible for maintaining records to document and track continuous learning points (CLPs) outside of SATERN. This practice helps to create a consistent method for tracking and managing CLPs.

Goddard Procurement follows the policies as provided in the FAR, NFS, and the April 30, 2015, NASA Procurement Career Development and Training Program Policy Handbook when issuing Contracting Officer warrants.

Goddard Procurement provides a variety of training and career development opportunities for its workforce. Recent activities sponsored at the center level include, but are not limited to: Goddard Procurement Shadowing Program that offers employees opportunities to learn about PEB meetings, Source Selection Briefings, MSRs, policy telecons, Pre-OSMs and Debriefings; LDEM-A, LDEM-B, LDEM-C; Critical Thinking; Leading through Influence; Getting Results without Authority; Leadership & Management Skills for Non-Managers; and NASA Foundations of Influence, Relationships, Success and Teamwork (FIRST) Program.

7. SELF-ASSESSMENT PROCESS

The self-assessment program was reviewed for compliance with the NASA Self-Assessment Guide. The Goddard Procurement self-assessment team is comprised of volunteers from the various offices within the organization. Self-assessment findings and recommendations are initially presented to the procurement managers and then to the entire procurement organization during Procurement Forums. Members of the Goddard Acquisition Council (this body has a representative from each procurement office) take the self-assessment team recommendations and actions back to their respective offices for resolution. The files reviewed during the self-assessments are selected from each procuring office to facilitate easy identification of specific areas within those offices that require corrective action.

The NASA Self-Assessment Guide requires Centers to submit annual self-assessments. Overall, the self-assessments were conducted in accordance with the criteria contained in the latest Self-Assessment Guide. The assessments address areas where there were inconsistencies or non-compliances. There was an increase in the number of files and actions called for review in 2016-17 (900) than in 2014-15 (599). The Purchase Card process is addressed in the self-assessment and no issues were noted. Goddard Procurement was in the process of transitioning the Purchase Card program to the NASA Shared Services Center at the time of the review. Therefore, the large volume of purchase card transactions that were reviewed in the past were not reviewed during the most recent self-assessment. Goddard Procurement conducted two annual self-assessments since the August 2014 PMR. Each assessment period is identified below.

Assessment period August 1, 2014 – December 31, 2015 (including semi-annual report for award-fee dated August 10, 2015)

The self-assessment places emphasis on reviewing files for progress against weaknesses identified in the August 2014 PMR report and previous self-assessments. The files reviewed focused on actions awarded between August 1, 2014 through December 31, 2015, except simplified acquisitions because they were in the process of transitioning to the NASA Shared Services Center. Goddard performed its self-assessment March 3 - 31, 2016. The Self-Assessment Guide recommends reviewing a sample size between 5% - 20% depending on the number of actions executed and available for review during the assessment period. The self-assessment team reviewed a higher percentage of files than required by the Self-Assessment Guide, except under the GWAC category (only one file was reviewed; based upon the number of files in the sample size, the percentage was 0.4%). The sample size was 599 contract, delivery order, and task order files and actions; selected for review were 192. Files reviewed represented actions generated by each office within Goddard Procurement. The topic/functional areas reviewed were: 1) Internal Policies and Procedures/Knowledge Sharing; 2) Exercise of Options; 3) Subcontract Consent (Special Surveillance); 4) Source Selection Process; 5) Award/Incentive Fee contracts; 6) COR Delegations/Government Surveillance Plans; 7) Blanket Purchase Agreements; 8) Financial Management Reporting; 9) Contract Management Model (CMM) Implementation/FPDS-NG Reporting/NAIS Postings; 10) Small Business Program; 11) Award Fee Payments; 12) Bank Card Method of Payment; and 13) Grants and Construction. The files from the Wallops Flight Facility were also reviewed and included in the sample size

above. The self-assessment team did not find prevalent occurrences of the weaknesses identified in the August 2014 PMR.

The summary for the corresponding findings from the self-assessment team is as follows:

1. Internal Policies and Procedures/Knowledge Management - Goddard Procurement's website was very well organized and contained an extensive amount of relevant information and tools. The recommendation from this review was for Senior Staff to ensure that the website and Circular dates were in sync.

2. Exercise of Options - Of the 14 files reviewed, 79% included evidence of an advance notification being submitted timely to the vendor, 36% did not show evidence of the contract specialist checking SAM for suspended and debarred contractors, and 29% did not show evidence a determination was performed that included an informal analysis of prices or examination of the market. The recommendations were to remind specialists of the advance notification requirement, verification of Excluded Parties Listing in SAM, and preparation of a determination and performing an informal analysis of prices/examination of the market.

3. Subcontract Consent (Special Surveillance) - Nine files were reviewed; 67% were competitive actions, therefore, Goddard's internal form for documenting the price-negotiation memorandum were not applicable. Five of the six competitively awarded actions contained the required Subcontracts clause with the fill-in, three out of six files contained evidence of a written determination outlining consideration of special surveillance, although no evidence of a "requirement" to do special surveillance was identified. No recommendations were offered.

4. Source Selection Process - The sample size was 16; nine files were reviewed, seven were deemed not applicable (i.e., FAR Part 12, NRAs, BAAs, etc.). Only one Source Selection Statement (SSS) was not fully compliant with NASA FAR Supplement requirements. The recommendation was to remind specialists that SSSs are required to address the elements of NFS.

5. Award/Incentive Fee Contracts - Of the four contracts pulled for having award fee provisions, only one was reviewed for having a performance period within the assessment period; the other three were at various stages of their award fee cycles and had not issued an award fee payment via modification. For the two instances of having been through award fee cycles, the fee determination was not made within the 45 days of period completion and the award fee payment modifications were issued beyond the stipulated 60 days after evaluation period completion. The recommendation was to ensure that the Fee Determination Official decisions and award fee payment modifications were executed within the time requirements of the NFS clause. One way to ensure timeliness, Goddard Procurement revised its policy to implement virtual participation in PEB meetings.

6. COR Delegations/Government Surveillance Plans - The sample size was 53 files; 44 were reviewed, nine were not (six files were associated with NRAs that resulted into contracts and grants, two were in close-out, and one was in the process of being completed). Sixty-six percent of the files contained the appropriate form that was signed and identified the delegated COR duties. Thirteen files contained a Government Quality Assurance Surveillance Plan (QASP) prepared in conjunction with the contract's Statement of Work (SOW). Four COR delegation forms indicated that the COR was supposed to prepare a QASP, but there was no evidence of a plan in the contract file. The recommendations were to remind contract specialists of the

requirement to delegate COR responsibilities on the appropriate form and to identify the requirement of a Government prepared QASP on the form, and they are required to ensure the COR follows through with generating and providing the contracting officer a surveillance plan accompanying the SOW.

7. Blanket Purchase Agreements - The sample size of BPAs was 10. All files contained the necessary terms and conditions. Evidence showed one file contained an annual review; four files had not reached a year's performance; and five files contained no evidence that an annual review was performed. The recommendations were to offer targeted training on BPA Circular 15-01, specialists were encouraged to generate and maintain a BPA call log and to ensure calls were being placed by authorized personnel/monitor call placement against ordering limitation/facilitate review, and reminded to perform annual reviews.

8. Financial Management Reporting - The file sample size was 20; 15 were reviewed and five did not apply to this review. Thirteen out of 15 contracts contained evidence of completed 533M analyses and three of the contracts contained 533Q analyses. Several files were flagged with instances where the contracting officers: 1) noted that costs came in as "planned" but was experiencing an underrun and overrun; 2) noted variances without any plan to address those variances; and 3) did not conduct a 533 analysis at all. The recommendation was to remind contract specialists about monitoring costs on a contract, to follow guidance in the "NF533 Analysis by the Contract Specialist" and "15-Point Analyses", and record any findings on the appropriate Goddard Procurement form.

9. Contract Management Model (CMM) Implementation - The sample size was 63 solicitations and 63 were reviewed. Sixteen out of 63 were required to be posted in FedBizOpps, were found on the portal, and confirmed to have been generated via CMM/PRISM. Ten of the 16 posted solicitations matched the solicitation version found in CMM/PRISM. The remaining 47 were not applicable due to the following reason: award was based upon a NASA Research Announcement, Announcement Opportunity, 8(a) Direct, Broad Agency Announcement, sole source requirement, or combination synopsis/solicitation. Fifty-three of the documents contained milestone templates/plans, 63% of the milestone plans had dates populated, while 10 awards did not contain milestone templates at all. The recommendations were to remind contract specialists that CMM/PRISM should contain the same version of the solicitation that is posted on FedBizOpps and to populate the dates in the milestone plans. In FY15, Goddard and HQ Procurement achieved FPDS-NG validation of 99%. For this review, all selected files were recorded in FPDS-NG and the Center statistically verified and validated its data against HQ Procurement by the deadline established in NFS. There was an 89% match rate of the NAICS code of reported awards; 54 awards reported the correct number of offers (not applicable to BPAs); 51 awards reported "Extent Competed" correctly, four reported incorrectly, and eight reported non-reportable (did not apply to BPAs); and 62 awards reported a period of performance that matched the prime award, one award had no reference to a delivery date nor period of performance in the hard copy which meant the field in FPDS-NG was reported incorrectly. The recommendations were to ensure FPDS-NG corrections were in place no later than August 30, 2016 and to remind contracting officers of their responsibility to confirm FPDS-NG accuracy prior to release of the contract award. The sample size was 233 solicitation postings, looking for documents that had .pdf extensions. Of the 485 attachments available, 391 were reviewed. Of the 391 assessed, 373 were in .pdf format. The remaining 18 were not

and seven of them were posted after the guidance was issued on May 6, 2015. Ninety-four documents could not be assessed because the links to the documents were “broken” due to the decommissioning of NAIS. The recommendation was to remind contract specialist of the Goddard Procurement policy for FedBizOpps files to be posted in .pdf format.

10. Small Business Program - The sample size was 13 files; 12 were reviewed and one was not applicable. Of the 12, 10 files included adequate subcontracting plans; they were reviewed and approved by the Industry Assistance Office. One file contained relevant clauses, but no subcontracting plan. Three out of the 10 contracts did not contain the NFS clause requiring eSRS reporting. The recommendation was to remind contract specialists of the FAR requirement for subcontracting plans in other than small business contracts exceeding \$650,000 and the requirement to include the NFS clause for eSRS reporting.

11. Award Fee Payments - Two semi-annual reports were reviewed. No improper overpayments of provisional award fee were made in either reporting period. The provisionally paid amounts were properly offset against the award fee period’s interim or final earned fee amounts. Training was provided to contract specialists on new procedures regarding Award Fee Contracts. The training pertained to the periodic review of award fee contracts and the reassurance of correctly calculating interim and final payments and then review every six months after the first review. Goddard established the use of standardized calculator/tracker tools for end-item and services type contracts. The Associate Chiefs conduct the review of AFES reports. Seven semi-annual reports were reviewed contained an adequate level of documentation for each contract file selected. The recommendation was for Goddard to provide a standard template for AFES semi-annual reviews to ensure consistency and corrective actions were identified and immediately addressed rather than waiting for the results to be published in the annual self-assessment report.

12. Bank Card Method of Payment - The sample size was 33 purchase orders; three were reviewed (at least 5% reviewed per HQ Self-Assessment Guide) and 30 were not applicable. Two bankcard purchase orders included clause “Payment by electronic Funds Transfer-Other than System for Award Management”; however, neither order identified the bankcard as the method of payment. One purchase order did not use OF346 as the cover page. Two purchase orders did not contain the document numbering scheme in conformance with NFS. All 33 purchase orders in the sample size were entered in FPDS-NG. The recommendations were to remind purchase card holders to clearly identify the method of payment in the terms and conditions, for OF347, the method was to be identified in Block 21 of the form, and be reminded of the numbering scheme requirement delineated in the NFS.

13. Grants and Construction - No findings for either area due to no new awards were made during the assessment period.

Assessment period January 1 – December 31, 2016

The self-assessment places emphasis on reviewing files for progress against weaknesses identified in the August 2014 PMR report and previous self-assessments. The file review focused on actions awarded during the assessment period of January 1 to December 31, 2016. The Self-Assessment was conducted March 10 – 28, 2017. Files reviewed represented actions generated by each office within Goddard Procurement, including NASA Headquarters, Wallops Flight Facility (WFF), NASA Independent Verification and Validation Facility and Goddard

institute for Space Studies. The Self-Assessment Guide recommends reviewing a sample size between 5% - 20% depending on the number of actions executed and available for review during the assessment period. Goddard Procurement changed the format for its review during this assessment period. It remained a thorough review, but the manner in which the information was conveyed was less detailed on the findings. The sample size included 812 basic and modification award files that related to the review topics and 88 records from the FPDS-NG system for a total of 900; selected for review were 88. An on-site review was conducted for WFF files. The self-assessment team reviewed a higher percentage of files than required by the Self-Assessment Guide. Also, included in this assessment is data for Procurement Lead Time that was requested by Headquarters on February 14, 2017, for Centers to track based upon an outcome from the Procurement Business Services Assessment (BSA) Team – Decision #5. The files and actions reviewed revealed 10 categorical areas that ranged from tactile errors to critical thinking gaps. The categories were: 1) Missing file documentation; 2) Unsigned documentation; 3) Missing contract attachments; 4) General filing issues; 5) SEMO issues; 6) Technical Evaluation/Proposal Analysis; 7) Miscellaneous issues; 8) Source Selection Justification; 9) BPA Annual Review; and 10) Contract modification authority.

Descriptions of the findings for each category are provided below:

- 1) Missing file documentation – COR Delegation Form, In-House Cost Estimate, Technical Evaluation, Sole Source Justification, Procurement Request, and Determination & Finding for Single Award.
- 2) Unsigned documentation – PNM Stand Alone Request, PPM, PNM, Option Justification, and COR Appointment.
- 3) Missing contract attachments – IT Security Management Plan, Safety & Health Plan, OCI Avoidance Plan, and Subcontracting Plan.
- 4) General filing issues – Removing extra copies from the file, adding tabs to file, document filed behind the wrong tab, and adding signed modification to the file.
- 5) SEMO issues – SEMO recommendations not adopted, Government property list did not contain all information required by FAR, and no property determination.
- 6) Technical Evaluation/Proposal Analysis – No analysis beyond technical evaluation, proposed rates not analyzed, cost/price analysis missing, and no rationale for recommendations.
- 7) Miscellaneous issues – contract plans received but not incorporated into the contract file, option modification issued 30 days after base contract expired, PNM states that PNM objective was met but maximum was negotiated, and modification value of option does not match the value in the basic contract.
- 8) Source Selection Justification – Sole Source Justification not posted in FBO, and no sole source justification written when required.
- 9) BPA Annual Review – Annual reviews not completed.
- 10) Contract modification authority – Incorrect authority cited on contract modification.

The summary for the corresponding findings from the self-assessment team is as follows:

- 1) Review resulted in 25 findings; eight corrections were made and the remaining corrections were in progress.
- 2) Review resulted in 17 findings; five corrections were made and the remaining corrections were in progress.
- 3) Review resulted in 12 findings; four corrections were made and the remaining corrections were in progress.
- 4) Review resulted in 15 findings; nine corrections were made and the remaining corrections were in progress.
- 5) Review resulted in five findings; three corrections made and the remaining corrections were in progress.
- 6) Review resulted in eight findings; two corrections made and the remaining corrections were in progress.
- 7) Review resulted in 13 findings; no corrections were made and an assessment of the corrections was in progress.
- 8) Review resulted in four findings; two corrections were made and the remaining corrections were in progress.
- 9) Review resulted in four findings; corrections were in progress.
- 10) Review resulted in three findings; no corrections were made and an assessment of the corrections was in progress.

The self-assessment team only reviewed provisional award-fee payments that occurred since the last review. Eight award fee contracts were reviewed and no improper overpayments of provisional award fee were made under the sample size reviewed. Use of an internal tool contributed the consistency of the calculation methods used. Additionally, provisionally paid amounts were properly offset against the evaluation period's interim or final earned award fee amount - an improvement from the previous year.

The review of the Award Fee Evaluation System (AFES) Data was performed by the Associate level managers in the organization. They conduct a semi-annual review of all award fee determinations in their respective offices. The contracts selected for each semi-annual review are chosen such that every contract receives at least one review every two years. Seven AFES postings were reviewed since the last Self-Assessment Report in July 2016. The review revealed all reports met or exceeded the expectation for AFES entries. To be more beneficial, one review noted that a narrative could have provided more emphasis and the contracting officer responsible for the entry received one-on-one guidance for future AFES entries. Another review noted that the postings lacked a time frame prior to the transfer of the file from one office to another. This is being worked.

Goddard provided oversight of the Purchase Card Program. For this assessment period, Goddard performed P-Card actions. However, the Headquarters Bankcard Center Program Coordinator (CPC) responsibilities transitioned to NSSC on January 3, 2017 and the WFF

bankcard CPC responsibilities transitioned on February 1, 2017. A 2-tiered approach was taken to review purchase card transactions for HQ, WFF, and Greenbelt card holders. An extensive desktop review of receipts and order log transactions was performed. In tandem, the CPC performed a 2% random review of monthly bankcard transactions. The Self-Assessment team lead relied on the completed desk top audits to ensure cardholders had completed the required training, had the proper delegation authority in place, complied with their spending limits, as stated within their delegation letter, maintained the required receipts and approvals, and reconciled their statement timely.

Procurement Lead Time is a new segment in the Self-Assessment Report. Centers are to track procurement acquisition lead times greater than \$5M, but less than \$50M, as part of their Self-Assessment reviews. As outlined in a BSA recommendation, procurements less than \$10M will have a PALT goal of 6-months from strategy approval, and procurements greater than \$10M will have a PALT goal of one year from strategy approval. During January 1, 2016 through December 31, 2016 timeframe, the GSFC/HQs procurement offices awarded 10 competitive procurements within these parameters.

Procurement Name	Description	Value	Date Strategy Approved	RFP Released	Award Date	Type of Competitive Process used (Full Trade-Off, LPTO, PPTO)
NNH16CE01B	Aeronautic studies	>\$10M	10/06/2015	12/1/2015	8/15/2016	Not Competed
NNH17CB02B	Independent body to provide assessments on NASA programs	>\$10M	6/12/2016	6/30/2016	11/18/2016	Not Competed
NNG16HQ02C	Sun Photometer	<\$10M	9/30/2015	5/11/2016	9/26/2016*	Sole Source
NNG17FD01C	Restore-L VSS camera	<\$10M	7/20/2016	9/8/2016	11/18/2016	Full & Open
NNG16VE05C	Land Mobile Radio Systems	<\$10M	2/1/2016	4/26/2016	8/25/2016*	Full & Open
NNG16FC87C	Vision Navigation Sensor Unit	>\$10M	4/20/2016	5/4/2016	8/16/2016	Sole Source
NNG16HS01C	TIRS-2 Cryocooler	>\$10M	7/12/2015	12/1/2015	2/19/2016	Sole Source
NNG16WA66C	WFF Airfield Repair	>\$10M	3/15/2016	4/4/2016	6/30/2016	Full & Open, Sealed Bid
NNG16AZ05C	Environmental Compliance Svc	>\$10M	2/18/2014	2/2/2015	1/29/2016*	Full & Open after Exclusion (8A)

* Three awards exceeded the PALT goal due to: 1) the requirements significantly changed from procuring maintenance services to procuring replacement hardware and maintenance services, 2) extensive technical customer review delays, and 3) foreign vendor holiday schedule and work-day hour difference, as well as, changes in Specialist and Procurement Management staff.

8. INTERNAL POLICIES, PROCEDURES AND KNOWLEDGE MANAGEMENT

The Goddard procurement web pages were reviewed for content, accuracy, and relevance of information and tools available to the acquisition community. The website is highly relevant, valuable, and generally consistent with the Federal Acquisition Regulation (FAR) and the NASA FAR Supplement (NFS). Goddard's new Procurement Knowledge Management Portal is still under development. Notwithstanding, Goddard's Procurement Operations and policy webpages provide for the most part comprehensive procurement policy, procedures, guidance, and information to the NASA acquisition community. Procurement policy webpages contain extensive and important procurement-related information, are well organized, easy to access and navigate to desired topic areas. The webpages are focused on the sharing of procurement-related knowledge by way of electronic access to the FAR, NFS, HQ and Goddard specific policies and procedures, helpful templates, tools, checklists, and links to other resources. Emphasis has been placed at several procurement policy webpages on the proper release and posting of documents to prevent inadvertent disclosure of contractor proprietary or non-public information/data.

While Goddard is to be commended on their comprehensive procurement policy website, several discrepancies were noted regarding the currency of information posted to the Goddard website. During the review of the Goddard webpages, several information headings that hyperlinked to outdated or superseded policy and guidance were identified. In addition, if accessing the NFS through the hyperlink on the GSFC 210 Procurement Policy webpage, a user would be unable to quickly discern if viewing the latest version of the NFS. Moreover, the following Headquarters (HQ) circulars were identified as deactivated procurement information circulars or class deviations that are not to be relied upon for guidance:

- Acquisition Planning Award term folder contains and references deactivated HQ procurement information circular PIC 06-02, dated Jan 25, 2006, titled Use of Award Term Incentive. PIC 06-02 has been superseded by PCD 17-01, dated June 16, 2017, and is no longer active as the date of PCD 17-01.
- HQ Circulars section contains several deactivated PCDs and PICs (PCD 11-01, PCD 09-03, PCD 07-09, PIC 12-02, PIC 10-12, PIC 10-03, PIC 07-07, PIC 07-02, PIC 05-07, PIC 04-12).
- Guidance on award fee and award term incentive contracts contained superseded procurement class deviations (PCD) 09-13, dated October 20, 2009, regarding CPAF contracts and PCD 06-02, dated January 25, 2006, regarding the use of award term incentives. Both class deviations have been deactivated.

STRENGTH

Given the volume of electronically-available procurement-related documents and helpful tools on the Goddard Procurement Policy website, Procurement Analysts Jim Becker and Geoff Sage are doing an exceptional job overseeing Goddard's procurement policies, procedures, guidance, and e-tools. The Clause Finder software tool is noteworthy.

RECOMMENDATIONS

Ensure a review of procurement circulars and guidance is conducted on a regular basis to maintain the accuracy of information, latest policy is posted, and the timely removal of outdated information. ***(Repeat finding)***

There is agency-wide concern over duplication of information on NASA websites and the constant struggle to maintain procurement policy, guidance, and information current and relevant. A substantial amount of information on the Goddard 210 Procurement website may already be available on other websites. Goddard Procurement should ensure that duplication of information is minimized and located on a common site.

SECTION IV

PRE-AWARD PROCESSES AND DOCUMENTATION

1. MASTER BUY PLAN ACTIONS

The MBP/BPR program was reviewed for compliance with NFS 1807.71. The MBP database provides information on planned acquisitions to enable the Center management to focus attention on a representative selection of high-dollar value and otherwise sensitive acquisitions. Goddard has a single person to oversee and maintain the MBP and BPR data, focusing more attention on the quality, level of detail, accuracy, completeness, timeliness, and consistency of data entered into the MBP database and onto the BPR Spreadsheet. Monthly status updates are provided in MBP, with comprehensive explanations when there are opportunities and/or challenges in the acquisition process. Overall, the program is well-managed as there are no noted weaknesses.

STRENGTHS

The Goddard Office of Procurement is commended for assigning a single individual to oversee and maintain the Master Buy Plan and the Baseline Performance Review. This has ensured consistency, completeness, and accuracy of the data entered and updated in the system.

The Goddard Office of Procurement is commended for the consistency, completeness, accuracy, and timeliness of the information posted on the Acquisition Forecast website.

Acquisition Forecast

Centers are required to prepare an annual acquisition forecast and to update the forecast on a semi-annual basis. The forecast reports expected contract opportunities or classes of contract opportunities for each fiscal year. The information provided by the Center includes contracting opportunities for small business concerns, including efforts that socially and economically disadvantaged entities may be capable of performing.

Goddard met the statutory requirements of The Business Opportunity Development Reform Act of 1988 which requires a one-year projection of contracting opportunities. Annual forecasts were accurately prepared for classes of contracting opportunities and posted to the NAIS in accordance with NFS 1807.72. Goddard's FY 2017 Acquisition Forecast is current and detailed. There were no discrepancies noted, and the program is well-managed.

2. DEVIATIONS AND WAIVERS

A review was conducted of deviations and waivers for compliance to the FAR, NFS, and other NASA policies and regulations. A sample of 10 deviations and waivers submitted by the

Goddard Procurement Office during the period covered by the PMR were reviewed. Of the sample, five were deviation requests to extend contracts beyond the 5-year limitation on contract performance. The remaining five were deviations/waivers submitted to HQ in the interest of (a) extending the award fee evaluation periods to better align with launches or mission critical activities, (b) gaining efficiencies in the Government purchase card program for the OIG and the Office of Administrator, and (c) ensuring consistency in the application of the cross-waiver of liability in the NextStep CubeSat contracts.

All requests were submitted with sufficient details to support and document the rationale for said request. If revisions were required, they were minimal in nature and did not require rework/resubmission by the Center. None of the contract extension requests were due to the lack of planning. Generally, the extensions were due to the need for continuity of services with the same contractor because of the nature of the mission (i.e. Hubble Space Telescope) and the contractor having the unique expertise and capabilities. In these instances, it was deemed to be in the best interest of the Government to permit the extension rather than re-compete to avoid unnecessary delays and increased administrative costs. All deviations/waivers contained all necessary Center and HQ approvals. Last, all requests were submitted in sufficient time to allow thorough review by HQ in order to determine whether to grant approval and permit the Center to execute the procurement action.

STRENGTH

Goddard Procurement is commended for the very well written deviation and waiver request documentation. The documents contained clear and solid rationale for making the request.

3. JUSTIFICATIONS FOR OTHER THAN FULL AND OPEN COMPETITION (JOFOC)

Justifications for Other than Full and Open Competition (JOFOC) were reviewed for compliance with the applicable FAR and NFS requirements and Goddard Procurement policies and procedures. Fifteen files were reviewed on non-competitive contracts for compliance with FAR 6.3 and NFS 1806.3. The contracts reviewed ranged in dollar value from \$2.5M-approximately \$115M. One contract on the list was SBIR Phase III and in lieu of a JOFOC contained a detailed Memorandum for the Record documenting the SBIR status and requirements and explaining why a JOFOC was not required. This memorandum was detailed and thorough; however, it was prepared for the PMR and was not contemporaneous with the award. All of the JOFOCs except one cited the exception 10 U.S.C. 2304 (c)(1), "only one responsible source and no other supplies or services will satisfy agency requirements" as the authority for the sole source action. One JOFOC cited FAR 6.302-5 "Authorized or required by Statute" as the authority for the sole source action.

All JOFOCs reviewed were very well documented, regardless of dollar value. JOFOCs cited the proper authority and were reviewed and approved by the appropriate officials in almost all cases; there is a question on one award which was made at approximately 30% higher than the JOFOC estimate. This difference would have prompted a higher level JOFOC review.

While there was a partial resolution of the 2014 recommendation to assure post-award notifications and Headquarters Public Announcements, in some instances the contract files did not contain proof of synopses. In one file, the Contracting Officer was not able to locate proof that a pre-award synopsis was released, nor could it be located on Federal Business Opportunities portal. In another case, there was no evidence of any post-award notifications. Without documentation, there is no way to verify this was performed in accordance with the FAR and NFS.

A review of the FBO portal and discussions with Contracting Officers showed evidence that only 10 of the 14 JOFOCs were posted following contract award. Of the 10 JOFOCs that were posted, only 2 were posted within the 14 days of award required by FAR 6.305.

WEAKNESS

Goddard Procurement shall ensure that JOFOCs are made publicly available within 14 days after contract award in accordance with FAR 6.305(a).

RECOMMENDATION

Goddard Procurement should ensure that synopses are issued consistently on all required contracts and that the file is documented accordingly. *(Partial Repeat Finding)*

Goddard Procurement should assure that the entire value of a procurement is covered by a JOFOC estimate or via an addendum documenting the increase if the awarded contract value significantly exceeds the JOFOC estimate.

4. ACQUISITION PLANNING

Pre-award planning documents were reviewed for compliance with the applicable FAR and NFS regulations. Documents reviewed included acquisition plans, Procurement Strategy Meeting (PSM) charts, market research reports, and the contractor responsibility determination. Twelve files were reviewed to assess the adequacy of acquisition planning: requirements definition, applicable procurement strategy meeting charts and minutes, market research documentation, contract type selected, responsibility determinations, past performance checks, System for Award Management verifications/EPLS report, purchase requisitions, and NF 1707 processing. One of the selected files was awarded off a NASA Research Announcement. Another was a firm fixed price construction contract. For the other 10 files, acquisition planning documents were reviewed for compliance with FAR 7 and NFS 1807. The contracts reviewed ranged in dollar value from \$10M to \$46M. Some of the items reviewed included Procurement Strategy Meeting (PSM) charts, PSM minutes, resolution of minutes, Purchase Requisitions, NF 1707s. The documentation of the excluded parties list was checked for verification with the System for Award Management database. All of the PSM charts and closure memoranda were well written and thorough and included resolution of PSM comments, and all files contained the PR and NF1707. Several of the files were missing responsibility determination; however, the source selection reports contained some of the information required by FAR 9.104-1. One file was

missing EPLS/SAM verification and the Contracting Officer was unable to locate it within the file.

STRENGTH

Goddard Procurement is commended for their Procurement Strategy Meeting (PSM) documentation, and resolution of PSM issues. The PSM charts addressed all acquisition planning issues and the files included detailed documentation addressing the PSM, the results of the PSM and the manner in which PSM issues were resolved. **(Repeat Finding)**

RECOMMENDATIONS

Goddard Procurement should assure that all elements of responsibility outlined in FAR 9.104-1 are examined and documented in the contract file by the Contracting Officer.

Goddard Procurement should assure that EPLS/SAM is checked and the file is properly documented.

5. SOURCE SELECTION PROCESS

Contract files were reviewed for compliance with FAR, NFS, and Goddard Procurement policies and procedures. The files were reviewed to examine the steps taken in the source selection process and to ensure that all required documentation was present. Fifteen files, ranging in value from \$127M to \$20B, were examined for compliance with the FAR and the NFS. One of the selected files was a task order under an IDIQ, therefore it did not contain further source selection information at the task order level. One other file was a one-bid situation which contained a detailed memorandum to the file documenting the review of the proposal. For the remaining 13 files, the SEB charts and the SSA decision memo were compared against Sections L & M of the solicitation. A review of the thoroughness of the SSA decision memorandum showed that Goddard has seemed to resolve the weakness in the 2014 PMR report in that the section of the Source Selection Statement pertaining to proposed costs for both successful and unsuccessful offerors was compliant with NFS 1815.308. While the content of the SSA decision memoranda were thorough, only 4 of the memoranda were verified as posted on the FBO website in accordance with NFS 1815.308(3). In talking with each of the Contracting Officers of each file for which verification of the SSA decision memo posting to FBO could not be located, some indicated that they had instead emailed the document to offerors.

Files were also checked for documentation of decisions to award on initials or to establish a competitive range. In several instances, there was no independent verification of the Contracting Officer's decision. Instead, in most cases there was a statement within the Source Selection statement of the SSA concurrence to either award on initials or establish a competitive range. In one instance, discussions were held without a separate Contracting Officer's establishment of a competitive range. When asked, the Contracting Officer indicated that since discussions were held with all offerors, a separate Contracting Officer's establishment of the competitive range was not made. This procedure does not appear to be

compliant with the intent of FAR 15.306, NFS 1815.306 and NASA SSG 4.5.2. In another case, award was made on initial proposals, but the SSA memorandum did not indicate this.

The SEB coordinators are always available for questions during the technical evaluation process and provide guidance to all SEB and non-SEB teams. They are also heavily involved in the acquisition planning phases and assist the Contracting Officer and technical managers in initial strategy development. The SEB coordinators train all SEB members, assuring constant standards, expectations and procedures amongst multiple SEBs.

Goddard Procurement was successful on most protests throughout this period. Meaningful corrective action has only been necessary once. The Source Evaluation Board members worked closely with legal and policy to ensure that all processes were followed and everything was well documented.

WEAKNESS:

Goddard Procurement shall ensure that the section of the Source Selection Statement is posted to the Federal Business Opportunities web page no later than 11 calendar days after the final debriefing in accordance with NFS 1815.308.

RECOMMENDATION

Goddard Procurement should ensure that a competitive range determination shall be made and documented in the file in every instance that discussions are held, even if all offerors are included within the competitive range.

6. CONTRACTOR SAFETY REQUIREMENTS

Contract files were reviewed for compliance with NFS 1823.70 Safety and Health. Specifically, solicitations and contracts were reviewed for the inclusion of NFS 1852.223-70 "Safety and Health Measures and Mishap Reporting" and its accompanying provision 1852.223-73 "Safety and Health Plan" as applicable. Safety and health plans were also reviewed for the presence of concurrence from Office of Safety and Mission Assurance and proper incorporation of the plans into contracts as required by the NFS. Solicitations and contracts were reviewed for the inclusion of NFS 1852.223-72 "Safety and Health" (Short Form) as applicable. For eight files reviewed, all contained the above clauses, plans and form. The files reviewed contained the Goddard Initiator's Acquisition Checklist (GSFC Form 23-59), approved by the Safety and Health Official and where necessary included an approved HASP.

For one contract, the Safety and Health requirements for this contract were not properly monitored. Although the contract included the required safety clauses, the CO for the contract, identified that the required 1707 form was not reviewed or signed prior to the award of the contract; therefore, the Safety Program Manager was not aware that the contract existed. NFS Clauses 1852.223-70 and 1852.223-75 were not enforced and as a result no Monthly or Quarterly Reports were submitted to date.

RECOMMENDATION

Goddard Procurement should ensure the 1707 form has been review and approved by all necessary reviewers and approvers.

7. GOVERNMENT FURNISHED PROPERTY

Contract files were reviewed for compliance with FAR and NFS requirements pertaining to Government Furnished Property. All of the files reviewed contained the appropriate provisions and clauses in the solicitations and resulting contracts in accordance with FAR 45.107, NFS 1845.107-70 and 1852.245.

The review of government property focused specifically on the Contracting Officer's determination to provide government property, Industrial Property Officer (IPO) solicitation reviews, IPO or Property Administrator assistance in evaluating the contractor's proposed systems, standards and practices, property delegation, government property lists, and form NF 1707. Most of the contract files reviewed were compliant with the applicable FAR and NFS requirements relative to providing government property to contractors. The government property best interest determinations were well written and properly addressed the criteria and considerations required to provide government property to the contractor concerning FAR 45.102. However, they did not provide insight into the consideration of NFS 1845.102-70. One file did not contain the best interest determination for providing government property.

The files were reviewed for Property delegation and most indicated that they were delegated. The files did not contain any follow up details pertaining to reports or communication beyond the initial delegation.

Most of the files reviewed contained documentation of the IPO solicitation review prior to the issuance of the solicitations. One contained a "disagreed" memo and no resolution or follow up concurrence.

All contracts reviewed contained a list of Government Property in the contract; however, many of the property lists were not fully compliant with FAR 45.201. Several of the government property lists were missing at least one of the five items required by FAR 45.201. Property dollar values were missing from a large proportion of the reviewed files. However, one file reviewed, contained a very comprehensive property list in the file and addressed all of the requirements outlined in FAR 45.201.

RECOMMENDATIONS

Goddard Procurement should ensure that the government property lists contain all of the information required by the FAR. The development of a standard form may be useful to ensure consistency across the organization. ***(Repeat finding)***

Goddard Procurement should develop a template to document Best Interest Documentation to include a reference to 1845.102-70.

SECTION V

POST-AWARD PROCESSES AND DOCUMENTATION

1. AWARD/INCENTIVE FEE CONTRACTS

Award fee contracts were reviewed for compliance with FAR and NFS requirements. Five files were reviewed. The 2014 PMR Report contained a weakness, regarding the failure to post reports in the Award Fee Evaluation System (AFES). No repeat findings were noted in this area. All contracts reviewed were entered in AFES.

All award fee contract Performance Evaluation Plans (PEPs) reviewed were approved and signed by the Fee Determination Official (FDO) in accordance with FAR 16.401(e)(3)(i). The PEPs were thorough and contained detailed procedures, board roles and responsibilities, performance evaluation criteria, and an explanation of how performance will be measured against evaluation criteria. Cost control was weighted at no less than 25% of the total weighted evaluation factors in all CPAF contract reviewed. However, 100% of the PEPs reviewed included two grading tables to evaluate contract performance—Table C.1 for grading each performance factor and Table C.2 for the overall total award fee grading. Table C.1 contains a gap between the Satisfactory and Unsatisfactory ratings. For example, a performance factor that has failed to meet one or two of the significant award fee criteria, but less than “most or all” of the significant award fee criteria, as defined under the unsatisfactory rating, may result in an incorrect rating for that particular performance factor.

Procurement Information Circular (PIC) 10-17, issued on November 15, 2010, prohibits the use of EVM metrics as criteria for evaluating the cost control factor. Forty percent or 2 out of 5 CPAF contracts inappropriately used or referenced earned value management (EVM) data in the FDO’s rating letter and/or the performance evaluation plan (PEP) in violation of active PIC 10-17. One contract used contractor-generated EVM data to justify the cost control rating score in the FDO rating letter for period 2. The PEP of another contract described the use of EVM data to rate cost control. During the PMR of 2014, one contract was identified as having relied on EVM data to determine cost control performance and another used EVM as the primary cost control tool. A similar finding of improper use of EVM metrics to determine cost control performance was noted during the GSFC PMR of 2014.

Fifty percent or 2 out of 4 eligible CPAF contracts failed to provide the Fee Determination Official’s award fee ratings to the contractor within 45 days of the end of period being

evaluated. The same contracts failed to meet award fee payment timeline requirements of 60 days after the end of the period IAW NFS 1816.405-276(c). Further, one contract contained undated FDO award fee rating letters for 4 out of 5 evaluation periods. The award fee amounts were properly calculated.

The determination and findings (D&F) for CPAF contract NNG16HS00C contained the signature block for the AA for Procurement, but was not signed IAW NFS 1816.401(d). However, located under separate cover, was a single page CPAF approval letter signed by the AA for Procurement.

WEAKNESS

Goddard Procurement shall ensure that the PEP award fee grading Table C.1 descriptions for Satisfactory and Unsatisfactory ratings are revised to eliminate any ambiguity and preclude the possibility of an incorrect rating for that performance factor.

RECOMMENDATIONS

Goddard Procurement should ensure contracting officers/specialists comply with the requirements of PIC 10-17. Revise the affected contract award fee plans at the next 6-month interval to remove the direct link to earned value metrics and focus on what is important and critical to the Government.

Goddard Procurement should ensure the timely issuance of FDO award fee ratings to the contractor (within 45 days) and the timely execution of award fee payments (within 60 days) of the end of the award fee period being evaluated in accordance with NFS 1816.405-276(c).

2. EVALUATION OF CONTRACTOR PERFORMANCE

Files were reviewed for compliance with FAR 42.15 and NFS 1842.15. Contractor performance evaluations were conducted and appropriately entered into the Contractor Performance Assessment Rating System (CPARS).

The majority of contractor performance evaluations reviewed were completed in CPARS within 120 days as required by NFS 1842.15. The majority of the CPAR records reviewed were completed in a timely manner. Only one of the fifteen contracts reviewed was overdue and Goddard's overall CPARS metrics report showed 95% of the centers total active contracts to be compliant with PPIRS. This information demonstrates Goddard is actively working to follow the previous PMR's recommendation to complete contractor performance evaluations no later than 120 days after the end of the period of performance on all contracts having a period of performance exceeding one year.

One of the files reviewed was an award fee contract, which was compliant with the requirements to include award fee information in the annual CPARs, in accordance with NFS

1842.15. Most of the narratives provided in the CPARS were sufficient to justify the rating given for a particular evaluation category. However, four out of the fifteen contracts reviewed contained a single sentence as the narrative justification for each particular rating. This lack of detailed information to justify the rating hinders a source selection team's ability to evaluate the contractor's past performance record for the purposes of award of a future acquisition.

RECOMMENDATION

Goddard Procurement should provide a short refresher to its CORs on the procedures for CPARS evaluations found in the User Manual for CPARS (www.cpars.gov) and the requirements for providing detailed narratives to justify a particular evaluation rating reported in accordance with the FAR and NFS.

3. NEGOTIATION DOCUMENTATION

Files were reviewed for compliance with FAR 15.406-1 and NFS 1815.406-1 for Pre-Negotiation Memoranda (PPM) and FAR 15.406-3 and NFS 1815.406-3 for Price Negotiation Memoranda (PNM). PPM, and PNM procedures ranging from \$564k to \$491M, with one credit (negative value) proposal of \$6.7M were reviewed. All items utilized the requisite procedures for achieving negotiation objectives and documenting the final negotiation in accordance with FAR, NFS, and local policy.

One stand-alone PNM was reviewed. The file was documented appropriately in accordance with NFS 1815.404-3(a)(ii) and local policy. The PNM documentation for one IDIQ file reviewed discussed exceptions taken by the Government that were not addressed in the technical evaluation. The PNM documentation for two other IDIQ files reviewed contained statements that indicated the skill mix and hours were appropriate for the effort based on the technical evaluation. However, there was no mention of the skill mix and hours in the actual technical evaluations for those efforts.

STRENGTH

Goddard Procurement is commended on the use of a verbally approved negotiation objective to effectively streamline the procurement process during dynamic negotiations where achieving agreement between the Government and the contractor quickly is essential. This approach facilitates collective discussion of the various negotiation factors among key stakeholders in the process.

RECOMMENDATION

Goddard Procurement should ensure that pre-negotiation position memoranda contain the appropriate detailed rationale/documentation to support the reasonableness determination in accordance with FAR 15.406. Further, Goddard Procurement should ensure that the information in the pre-negotiation position memoranda is consistent with the information contained in the technical evaluations.

4. INDEFINITE DELIVERY/INDEFINITE QUANTITY (IDIQ) CONTRACTS

The files were reviewed for the decision on the use of multiple awards, single award determinations under \$103M, Headquarters Procurement approval for awards greater than \$103M, task orders including SOWs, ordering procedures, exception to fair opportunity, price memorandums, and technical evaluations. Please note that effective March 24, 2017, the threshold to sending D&F for Single-Award IDIQ increased from \$103M to \$112M.

Overall the Task Orders reviewed included a cost/price analysis or cost/price reasonableness memorandums and a technical evaluation. The Task Orders reviewed were issued both within the NASA TOMS database and outside of the NASA TOMS database. The Task Orders that were in NASA TOMS did not utilize the NASA regulated Technical Evaluation template for the technical evaluation. All of the Task Orders within the NASA TOMS exceed the simplified acquisition threshold and is required to utilize the regulated format. Goddard Policy sent out the following guidance to the Goddard Procurement Workforce:

“Applicability to Task Orders:

Our procurement system requires technical evaluations in support of the development of pre-negotiation positions. If the task ordering process and system being utilized does not depend upon the development of a formal pre-negotiation position memorandum to support task negotiations, then the technical assessment of those tasks does not need to comply with this Agency guidance and template. While this does not create a new requirement where previously none existed, if you presently receive written technical evaluations in support of the development of a pre-negotiation position memorandum for the negotiation of tasks, they now need to be in this new Agency format.”

RECOMMENDATION to HQ

Use of Technical Evaluation Template: HQ Procurement Office to review this guidance to ensure interpretation is consistent with the NFS. If so, recommended this same interpretation is provided to all of the other Centers for implementation and to remain consistent across the Agency.

5. EXERCISE OF OPTIONS

Contract files were reviewed for compliance with FAR 17.2 and NFS 1817.2. Overall, these files were well documented and detailing the use of including options and why it was in the best interest of the Government to exercise the option.

This review revealed that improvements have been made since the last PMR. Goddard established a detailed Option Determination Memorandum template, which was included in the majority of the files reviewed. With the use of the template as guidance, the Option Determination Memorandums were well-written and clearly addressed the appropriate areas

outlined in the FAR and NFS. Also, Goddard Procurement created a template contract specialists used to notify the contractor of the Government's intent to exercise an option.

This review also revealed several files where the contractor was not properly notified in accordance to the terms and conditions of the contract. Close to 50% of the files reviewed did not have proper advance written notification as outlined in the contract terms and conditions. Within that percentage, about 38% were inappropriately executed as unilateral modifications. In one case, the contractor was not notified in advance and there was not an option determination memorandum completed by the contract specialist. In this same instance, the modification to exercise the option was completed unilaterally. This modification should have been executed bilaterally.

STRENGTH

Goddard Procurement is to be commended for developing templates to assist contract specialists with properly processing and documenting options. The Option Determination Memorandum includes a detailed timeframe of when the Contract Specialist/Contracting Officer should begin preparing to exercise an option of the contract.

WEAKNESS

Goddard Procurement shall ensure that the Contractor is properly notified in accordance to the terms and conditions of the contract. In the case that the contractor is not properly notified, Goddard shall ensure that bilateral modifications are completed in accordance with the FAR and NFS.

RECOMMENDATIONS

Goddard Procurement should include FAR 52.217-8 in its Option Determination Memorandum template. The inclusion of this clause may avoid any misinterpretation that a memo is not needed. Currently the template only includes FAR 52.217-7 and FAR 52.217-9.

Goddard Procurement should ensure that each contract file has a proper option determination memorandum that adequately addresses the FAR and NFS. ***(Repeat finding)***

Goddard Procurement should provide training and issue additional guidance to the Procurement workforce, strongly advising the use of appropriate Goddard templates for contract files with options, ensuring FAR and NFS clauses are properly addressed.

Goddard Procurement should ensure that Contracting Officers are citing the appropriate authority for exercising and funding options. There are variations among the citations when COs use the "Limitation of Funds" clause, "Mutual Agreement", or the "Options" clause. Some COs appropriately cited both the Option and Limitation of Funds clause when they were exercising an option and adding funding to the contract.

6. SUBCONTRACT CONSENT

Contracts were reviewed to ensure that subcontracts required to receive Government consent were reviewed and approved by the Contracting Officer, that the applicable FAR Clause 52.244-2 was included in the contract, and that a determination was made as required by FAR 44.302, outlining the need for a Contractor Purchasing System Review. Fourteen files were reviewed to ensure that the need for a Contractor Purchasing System Review was properly documented in the file. Files were also reviewed to ensure that any approval of a contractor's purchasing system was documented in the contract file.

Consent packages reviewed contained a significant number of sole source actions. These packages provided very little information to support the basis for the sole source (one included a checked box that the sole source was *Customer Directed* with no supporting details provided). Little, if any, evidence was noted in any of the packages reviewed for this contract (not just the sole source packages) to suggest that the approving Contracting Officer questioned any aspect of the purchase.

Contractor Purchasing System Review

FAR 44.302 states that the Administrative Contracting Officer shall determine the need for a Contractor Purchasing System Review (CPSR) on, but not limited to, the past performance of the contractor and the volume, complexity, and dollar value of subcontracts. Some forms provided N/A, Yes, or No to subcontractor's purchasing system with little or no additional information.

None of the files indicated that a review was done. The files reviewed did not contain evidence of whether administration responsibilities were retained or delegated to Defense Contract Management Administration. Further, the files reviewed did not contain a determination for the need to conduct a CPSR or a follow up review per FAR *(b) Once an initial determination has been made under paragraph (a) of this section, at least every three years the ACO shall determine whether a purchasing system review is necessary. If necessary, the cognizant contract administration office will conduct a purchasing system review.*

Only one file stated that the contractor was not expecting to exceed \$25 Million during the next 12 months (on the contractors Reqs and Certs), no other file indicated that this was reviewed. Per the FAR.

The files reviewed contained the subcontracting consent clause in the contracts. Consent packages were submitted to the Contracting Officer for review and approval, when appropriate. Each file contained documentation that the contractor either had an approved purchasing system or a non-approved purchasing system.

RECOMMENDATIONS

Goddard Procurement should ensure that determinations for the need to conduct a Contractor Purchasing System Review (CPSR) are made by the Administrative Contracting Officer and that

a CPSR is conducted when determined necessary in accordance with FAR 44.3 and NFS 1844.3. Goddard Procurement should also ensure that the approval of a contractor's purchasing system is documented in the contract file. **(Repeat finding)**

Goddard has a good tool in the *Consent to subcontract checklist*, this should be a mandatory requirement for all subcontract consent requests. It is suggested to add the following to the form/checklist: dollar amount of subcontract and "check box" to indicate review of CPSR or not required with a date of review; see FAR 44.302(b).

Goddard Procurement should ensure that proposed actions are appropriate for subcontract activity and that subcontract consent packages are thoroughly reviewed to verify that the appropriate actions are taken and sufficient documentation is present.

7. INTERAGENCY ACQUISITIONS

Interagency acquisitions were reviewed for compliance with FAR 17.5 and NFS 1817.5. Six of the files reviewed contained a Determination and Findings (D&F) reviewed by the Office of Chief Counsel. The D&F's met the requirements for the determinations for making an award under the appropriate regulations and when necessary included the best procurement approach as required by FAR 17.502-1(a). The awards without D&F's were reimbursable agreements where the servicing agency was performing the work and no determinations are required.

Orders were prepared on the required NASA Form 523, "NASA Inter-Agency Purchase Request" (NIPR). About two-thirds of the files contained the appropriate order acceptance documentation from the servicing agency. All of the agreements included a Statement of Work (SOW) with written descriptions of responsibility for management and administration. The 2014 PMR report identified a recommendation to ensure that the signed acceptance of the interagency agreement by the service agency is received within 30 days of the agreement and is maintained in the agreement file. All but one file met this requirement. Based on the results of this review, Goddard Procurement is working hard to follow this recommendation.

8. UNDEFINITIZED CONTRACT ACTIONS

The review focused on Undefinitized Contract Action (UCA) compliance with NFS 1843.70. The files reviewed received authority to enter into a UCA or letter contract at the appropriate levels. Of the 12 files reviewed, all of UCAs were well-documented and received proper approval from the Procurement Officer when it was below the simplified acquisition threshold and the Head of Contracting Activity (HCA) when the UCA exceeded the simplified acquisition threshold. Most of the letter contracts were well documented and received proper approval from the Procurement Officer when the action was below \$1M and the AA of Procurement when the value exceeded \$1M. In one file, the Contracting Officer completed a request for pre-

contract costs; however, there was not an approved request for letter contract included in the file.

It was noted that the Contracting Officers were citing different authorities within their respective UCA/Letter Contract and Definitization modifications. For example, some Contracting Officers were citing U.S.C. 2304(c)(1) when issuing a Letter Contract. They were also using that same authority when definitizing the letter contract instead of citing the appropriate “Changes” clause.

RECOMMENDATION

Goddard Procurement should ensure that Contracting Officers are being consistent when issuing both UCA and Definitization modifications. When definitizing a UCA or a Letter contract, the appropriate authority to cite is the “Changes” clause. Goddard’s policy should ensure the authority cited is appropriate when issuing these types of modifications to ensure consistency throughout the Center and appropriate classification in the HQ BPR system.

9. CONTRACT CLOSEOUT

The contract closeout process was reviewed for compliance with FAR 4.804, NFS 1804.804, and PIC 14-07, “*Agency-wide Contract Closeout Guidance*”, dated December 2014. Brandon Enterprise, Inc. (BEI) is the support services contractor that performs contract closeout functions under an agency-wide contract administered by the NASA Shared Services Center (NSSC). There were 2509 physically completed actions (i.e., contracts, grants, interagency acquisitions) that should be ready to transfer to the closeout contractor for processing at the time of this review. BEI’s most recent monthly status report (May 2017) reflected that there have been 804 instruments closed this year and 759 backlog instruments that remain open in the closeout process.

Goddard Procurement assigns the period of performance end date as the physically complete date, which is not a requirement of FAR 4.804-4(a) or NFS. The emphasis is on the period of performance rather than when the items are delivered or the work performed. Assigning this physically complete date does not allow time for inspection and acceptance (FAR 46.502), which typically occurs after delivery or performance. For example, FAR 52.212-4(a) states that acceptance occurs after delivery, unless otherwise stated in the contract and Alt 1 states that in T&M contracts, acceptance is 60 days after work is performed.

Monthly meetings are held between BEI and the Goddard Procurement closeout point of contact (POC) to discuss generally about closeout, a problem or target contract and/or repeat issues related to closeout. Each procurement branch has 1-2 designated closeout POCs (civil servants) who works closely with BEI to address issues related to contract closeout.

In the 2014 PMR report, it was noted that there was no uniform process for transferring physically complete files across the organization. Goddard Procurement instituted a new

process called the Centralized Closeout Processing Unit (CPU). All physically completed files are boxed up and shipped to this unit. The CPU then organizes the closeout package that then goes to BEI. Two of Goddard's procurement branches have rolled out this new procedure and the CPU has received over 300 boxes of physically completed files to process. As noted in the 2014 PMR and what continues to be the case, BEI only receives the required parts of the physically complete file. In the past, the contract specialists retained these files because BEI's storage space was limited. This led to problems with tracking down some of the files when time came to transfer the closed files to storage. The CPU does not alleviate BEI's limited storage issue, but it does provide a centralized location where the physically complete files can be found, closed and assigned accession numbers. BEI ships the entire closed file to storage/retention in accordance with FAR 4.805.

Unliquidated Obligations (ULO) – The 2014 PMR noted that BEI did not have access to information on outstanding unliquidated obligations. This issue has been resolved. Goddard Procurement has permitted BEI access to SAP/BOBJ, which allows BEI to retrieve Goddard and HQ's contract obligations information. BEI is now able to reconcile ULOs early in the closeout process and possibly preclude aging funds from being lost.

STRENGTH

By establishing the Centralized Closeout Processing Unit (CPU), Goddard Procurement is commended for greatly reducing its backlog of contract actions ready for closeout.

Goddard Procurement is commended for establishing a close working relationship with the closeout contractor to ensure that files are closed-out in accordance with the FAR, NFS, and NASA closeout procedures.

RECOMMENDATIONS

Goddard Procurement should assign physically complete dates based on inspection and acceptance, not the period of performance end date.

Goddard Procurement should utilize FAR 42.708, Quick Closeout Procedures to help reduce the backlog of physically complete contracts. ***(Repeat finding)***

Goddard Procurement should establish a process, wherein contract closeout files can be contained in databases and not storage facilities, due to the huge volume of physical files.

SECTION VI

PRICING/FINANCIAL/AUDITS

1. TECHNICAL EVALUATIONS

Technical evaluations were reviewed to determine whether the appropriate level of assessment was used to ensure compliance with FAR 15.404 and NFS 1815.404. The review included technical evaluations for modifications and task orders.

The NASA technical evaluation template was utilized on all of the files reviewed. The 2014 PMR report contained a recommendation regarding the utilization of the NASA Technical Evaluation template, based on the results of this review, the recommendation was adequately addressed. Some technical evaluations reviewed contained lengthy tables with numerical information of the cost elements at the work breakdown structure line item level. However, the narrative explanation or summary of the numerical recommendations was very high level.

The pre-negotiation position memorandum for one file reviewed, contained far more detailed technical information than the supporting technical evaluation. The technical evaluation appeared to present a 'should cost' assessment of the independent government estimate rather than an analysis of the proposed skill mix, labor hours, and other direct costs. Again, the pre-negotiation position memorandum for another file reviewed documented a series of fact finding meetings and discussions, however, none of the results, recommendations, or considerations were documented in the actual technical evaluation.

Some issues were identified with technical evaluations of proposed task/delivery orders. One technical evaluation cited a NFS clause that was no longer valid. Another technical evaluation provided reasons why the proposed amount was higher than the Independent Government Estimate (IGE), but did not explain why the higher cost was reasonable. Further, the technical evaluation did not address whether or not the proposed skill mix was acceptable nor provide the basis for the rationale.

RECOMMENDATION

Goddard Procurement should ensure that technical evaluations provide sufficient analysis of the elements (labor hours, skill mix, material costs, etc.) necessary to meet the requirements and support the Government's objective position. Further, technical evaluations should provide sufficient rationale for accepting proposed amounts that are higher than the Independent Government Estimate.

2. COST/PRICE ANALYSIS, STRUCTURED FEE APPROACH USED IN PROFIT/FEE DETERMINATION

Contract and modification files were reviewed for compliance with NFS 1815.404-4, 1815.404-470, and local policy requirements. The majority of the files reviewed potentially required the use of the structured fee approach to determine profit or fee.

DCMA conducted the price analysis for one file reviewed and therefore utilized the DD 1547 Weighted Guidelines rather than the NASA 634 required by NFS 1815.406-170(d)(3). Other files reviewed utilized the FAR 15.404-4(c)(6) exception which allows the same fee rate as the basic contract for changes with similar skill mix and risk profile. However, this exception was not documented in one file reviewed, nor was it mentioned in the negotiation documentation. Discussions with the Contracting Officer revealed that the FAR 15.404-4(c)(6) exception was utilized for that action. A price analysis was performed at the bottom line for other files reviewed. Waivers for the certificate of current cost or pricing data were obtained in accordance with FAR 15.403-1(b)(3), when applicable. The 2014 PMR report contained a recommendation to obtain certificates of cost or pricing data when applicable, based on the results of this review, the recommendation was adequately addressed. The 2014 PMR report also identified a weakness to ensure that files contained adequate documentation and sufficient detail to determine cost reasonableness for lower dollar actions. Based on the results of this review the weakness was resolved.

Files reviewed that contained the NF 634, appropriately utilized the weighted guidelines to ensure that the proposed fee was consistent with the complexity of the proposed effort. Exception was taken to proposed fee when it appeared that the contractor's proposed fee was inflated. Many files reviewed contained evidence of thorough analysis of the proposed efforts including proposed subcontractor efforts. The 2014 PMR report identified a weakness to ensure consistent utilization of the NF 634 and to ensure that adequate justification for the assignment of other than the normal values to the risk factors was documented. Based on the results of this review, the weakness was resolved.

STRENGTH

Goddard Procurement is commended for the thorough analysis of the proposed subcontractor efforts in the contracts reviewed and the Contracting Officer's efforts to ensure that the contractor's proposed fee was consistent with the weighted guidelines of the structured fee approach used in profit/fee determination.

3. FINANCIAL MANAGEMENT REPORTING (NF 533)

Contract files were reviewed for compliance with NFS 1842.72, 'NASA Contractor Financial Management'. Sixteen files were reviewed and properly included the required financial

reporting requirements of NFS Clause 1852.242-73 for monthly contract cost reporting (NF 533M) and quarterly reporting (NF 533Q).

Files reviewed contained the appropriate NFS 1852.242-73, NASA Contractor Financial Management Reporting clause, GSFC 52.242-90 Financial Management Reporting (June 2014) and an attachment in Section J, Financial Management Reporting Requirements, listing specific requirements for the contract.

Generally, NF 533M documents were provided and appeared to be timely, although there was very little documentation to verify this. Some files contained the email with the transmittal date others while others were silent. The NF 533Q forms, if submitted, were not documented as to timely receipt. Most of the contracts reviewed contained documentation of regular analysis of the NF 533M or NF 533Q. Contracting Officers utilized the GSFC Form 210-49, "533 Analysis and Record of Actions Taken", to document analysis in most files reviewed. A few contracts reviewed did not contain the required NF 533Q reports. There was only one file that provided a waiver; it was signed by a CO/CS and not by the CFO. No additional data was submitted.

There were no communications between CO/CS and the contractor beyond the few transmittal emails provided. There was no evidence of corrective actions beyond a few comments on the GSFC Form 210-10 with no follow-up information from the contractors.

The NFS clause 1842.7201 was referenced on a GSFC 210-49 forms as documentation of the CO responsibilities, with no additional follow-up or actions as a result of the requirements. The 2011 PMR included a repeat weakness regarding the lack of documented analysis on the NF 533M and NF 533Q reports as required and the 2014 reported an improvement. There were still some contracts reviewed that did not contain adequate documentation of analysis on a regular basis.

RECOMMENDATIONS

Goddard Procurement should ensure that the NF 533M and NF 533Q analysis is adequately documented on a consistent basis across the organization and that waivers are executed when the submission of the NF 533Q is not applicable.

Goddard Procurement should revise the GSFC form 210-49 to include: 1) date received; 2) split the overrun and underrun to two separate lines; and 3) indicate the type of analysis (i.e., plan to actual or estimate to actual and is it hours, dollars, etc.). Add an indicator of 533M/533Q being reviewed and an indicator of 533Q required or waived. Add more evaluation items/areas of concern: Document the evaluation or evaluate the requirements requested. Some of the 533s were huge, over several hundred pages. There was no documentation/verification that these pages were reviewed.

4. EARNED VALUE MANAGEMENT (EVM)

The implementation of Earned Value Management (EVM) was reviewed for compliance with NFS 1834.2. Two of the three files reviewed contained the reports required by the Data Requirements Descriptions (DRD) and appropriate clauses in the contracts. The Integrated Baseline Review and EVM Plan were submitted in a timely manner.

Discussions with the Contracting Officer regarding the other file reviewed revealed that the value of the contract was below the threshold for EVM requirements at the time of award. However, the value increased during the life of the contract. EVM data was embedded in the monthly Management Progress Reports and a DRD for EVM requirements was incorporated as an attachment to the contract.

5. VOUCHER CLAUSE

Sixteen contracts were reviewed for compliance of PN 16-23, *Revised Voucher Submission and Payment Process*, which required Contracting Officers to remove NFS clause 1852.216-87 from all cost type contracts and replace it with NFS 1852.232-80, effective September 14, 2016. All but two of the contracts reviewed incorporated the new payment clause. The two files that did not were noted by the contract specialists as an oversight and would be corrected with the next modification. Additionally, the Audit and Assurance Information Reporting System (AAIRS) was reviewed for reportable DCAA audits related to the contracts reviewed. No reportable audits were found.

SECTION VII

OTHER REVIEW AREAS

1. COMMERCIAL SIMPLIFIED ACQUISITIONS

Files were reviewed for compliance with FAR 13, “Simplified Acquisition Procedures” and applicable FAR 12, “Acquisition of Commercial Items” clauses. Overall, the level of quality in the files reviewed, particularly regarding sufficiency and relevancy of the rationale utilized to determine price reasonableness and develop source sole justifications, showed no demonstrable improvement from the 2014 PMR. The majority of the files reviewed contained adequate file documentation. Many sole source justifications were well-documented. The files reviewed contained the necessary support documentation including the NF 1707, “Special Approvals and Affirmations of Requisitions”, NF 1787, “Small Business Coordination”, Abstract of Offers, etc. Terms and conditions were attached to all awards.

There were, however, files reviewed that did not contain adequate price reasonableness determinations. These files contained template language but did not adequately address the requirements. Price reasonableness was based on the COR’s statement that the price was fair and reasonable. However, no language to support the COR statement, such as he/she has knowledge of historical or industry prices.

RECOMMENDATION

Goddard Procurement should re-work template for price reasonableness. If the basis of price reasonableness is based upon the experience of a government source, then those credentials should be noted.

2. ENVIRONMENTAL ISSUES

Contract and task order files were reviewed for compliance with FAR and NFS requirements and to ensure proper documentation of coordination with the Goddard Environmental Office and completion of the NF 1707. Additionally, Headquarters Procurement collaborated with representatives from the NASA Recycling and Sustainable Acquisition (RSA) office to conduct a review in this area. The contract files were selected for review based on the potential for sustainable acquisition of products and services and the applicability of green language within the contracts. Files were reviewed for the inclusion of FAR clauses related to Sustainable Acquisitions, Energy and Water Efficiency and Renewable Energy, Use of Recovered Materials and Bio-based Products, and Contracting for Environmentally Preferable Products and Services when applicable.

All files reviewed included the appropriate environmental clauses. The files reviewed demonstrated that they met the intent of Executive Order 13693: Planning for Federal

Sustainability in the Next Decade. Sustainable acquisition elements were routinely incorporated into contracts when applicable.

The review revealed that FPDS-NG entries did not always include the appropriate sustainability acquisition references. The 2014 PMR report included a recommendation to ensure that the appropriate sustainable acquisition codes are reflected in FPDS-NG. Based on the results of this review, the recommendation was not adequately addressed.

Additionally, the NF 1707 forms reviewed did not always contain the appropriate information regarding Environmental/Sustainably Acquisition requirements. Four files reviewed contained bio-based purchasing language in the contract, while only one of the files had the bio-based language requirement reflected in the corresponding NF 1707.

RECOMMENDATIONS

Goddard Procurement should ensure that compliance with the sustainable acquisition requirements is accurately reflected in FPDS-NG. ***(Repeat finding)***

Goddard Procurement should ensure that the NF 1707, Section 2, 'Environmental/Sustainable Acquisition' requirements block is appropriately marked for all planned requirements that will include bio-based purchasing contract language.

3. CONSTRUCTION AND ARCHITECT & ENGINEERING SERVICES CONTRACTS

A total of nine contract files were reviewed for compliance with FAR 36 Construction and Architect- Engineer Contracts and NFS 1836 Construction and Architect-Engineer Contracts.

Construction – 7 reviewed

The files reviewed contained the appropriate clauses and complied with safety and health requirements. The files included both 1852.223-70, Safety and Health Measures and Mishap Reporting, and 1852.223-75, Major Breach of Safety or Security. The construction contract files included all the required documentation per the FAR and NFS. For Pre-award activities, although there were no strengths or weaknesses identified, Goddard is recognized for writing well-documented and thorough IGCEs and Determinations of Responsibility.

For Post Award and Contract Administration activities, there was one weakness identified. It was found that compliance checks for payroll records is not being fully completed. There are two key elements regarding compliance checks. The first is comparing the submitted Certified Payrolls to the Davis Bacon Wage Rates listed in the contract to ensure that the contractors are reporting the proper wages paid. There was sufficient documentation provided to consider that this element was in compliance. The second element is conducting field interviews with the contracted employees to verify that they are receiving the wage reported. This element lacked supporting documentation.

RECOMMENDATION

Goddard Procurement should ensure, upon the receipt of Certified Payroll Records, conducting unscheduled interviews with random contractors at the job site and ask the contractor if the wage listed in the payroll is the correct wage they were paid. Additionally, determine whether or not the labor category reported is the correct labor category.

Architect and Engineering Services – 2 files reviewed

The information submitted for the subject A&E contracts was very detailed and thorough for the base contract. There are four similar contracts that Goddard utilizes that were awarded at the same time and are due to expire in September of 2017. The contracts are not very active as there was only one recent project awarded. The 2014 PMR Report indicated that per FAR 36.605 there was a weakness regarding the IGCE. Based on that report, the 2017 review found the estimates to be similar in nature again. The IGCE included an estimate of required hours for specific labor categories, but nothing more. However, the forming of a detailed IGCE is very subjective and the amount of information needed to form a complete estimate that satisfies the regulation is based on the specific requirement or Statement of Work. Although the estimate could have included other information, the total amount that was awarded was very close to the estimate, which means the estimate was accurate for that project. The reviewer determined that, for each of the contracts reviewed, the IGCE met the requirement. The weakness has now been corrected.

STRENGTHS

A well-defined checklist has been implemented, since the 2014 PMR, to each of the A&E projects in the beginning of the process that addresses all of the elements as required by both the FAR and NASA FAR Supplement. The checklists addressed all elements and were very detailed and thorough. It was demonstrated that full use of the checklist ensures that each of the requirements are included in the contract and significantly reduces the risk that requirements are forgotten or not included in the file during administration.

As indicated in the 2014 PMR Report, pre-award requirements continue to be a strength as the information contained therein was exceptional. The well detailed pre-award planning and requirements documentation significantly reduces potential project risks that might occur after award.

RECOMMENDATION

For FACETS Contract - Review FAR Part 36 to ensure that the contract is both effective and within the regulation, when combining different areas within the same FAR Part, to ensure the basis for the contract is sound.

4. BLANKET PURCHASE AGREEMENTS

Contract files were reviewed for compliance with FAR 8.4, Procurement Information Circular 15-05A, and FAR 13.303. There were 24 contract files in the sample size and seven files were reviewed. They contained the single award justifications as required. The single award justification for the blanket purchase agreement awarded under FAR 8 authority met the requirements of FAR 8.405-3(a)(3)(iv). The single award justification was very well documented and addressed all the required areas.

There was no consistency in the filing of annual reviews for the blanket purchase agreements awarded under FAR Part 13. There was no evidence of annual reviews conducted for the blanket purchase agreements awarded utilizing FAR 8 procedures in the files.

WEAKNESS

Goddard Procurement shall ensure that all Blanket Purchase Agreements are reviewed annually in accordance with the applicable requirements of either FAR 8.405-3(e) or FAR 13.303-6 and the review is filed accordingly.

5. COOPERATIVE AGREEMENTS

Grants and Cooperative Agreements were reviewed for compliance under authority of 2 CFR 200, Grants and Agreements (Uniform Guidance); 14 CFR 1274, Cooperative Agreement with Commercial Firms; and following the procedures of the NASA Grants and Cooperative Agreement Manual (GCAM), Grant Notices (GN) and Grant Information Circulars (GIC). In addition, General Accountability Office (GAO) and the Office of the Inspector General (OIG) audit review recommendations are incorporated into the PMR. The Office of Management and Budget (OMB) issued the Uniform Guidance effective December 26, 2014, which implemented new procedures for issuing grant awards. New federal and NASA regulations were implemented on awards issued after December 26, 2014. Cooperative Agreement awarded before these changes are still following the older guidance but should be updated at the earliest possible time.

Files were reviewed to ensure that the approved waivers for retaining award and/or administration responsibilities were present, the proper Catalog of Federal Domestic Assistance (CFDA) numbers were assigned, competition was present, and the file records documented the award. Cooperative agreements in effect for the previous two years were selected for review. After the Uniform Guidance was signed, NASA issued Grant Information Circular (GIC) 14-2 that directed 2 CFR Parts 200 and 1800 supersede 14 CFR Parts 1260 and 1273 for all new grant and cooperative agreement awards awarded after December 26, 2014. For existing grants and applicable cooperative agreements, the new guidance would apply to funding increments made after that date. GSFC had one cooperative agreement where the change was not made and another cooperative agreement where only some of the terms and conditions were included.

It was recommended that the grant and cooperative agreement policy be streamlined and that the website be updated to remove all unnecessary documents. This will be passed on to the Office of Procurement, Program Operations Division. It was also noted by Goddard that since they do not award a lot of cooperative agreements and that most cooperative agreements are for a period of five years with a possibility of five additional years, cooperative agreement training would be helpful.

The CFDA is required by GCAM Section 5.5 to help implement the Federal Funding Accountability and Transparency Act Implementation (FFATA) which helps to populate USASpending.gov. Currently, the CFDA is required to be included on the NF1687 and included on the Retention of Authority memo. All of the cooperative agreements reviewed included the CFDA number, supplemental changes to cooperative agreements are required to be numbered and included on a NF1687 per GCAM 6.4. GSFC continues to use a "Summary of Amendments" spreadsheet that provides a quick history of the summary of supplements issued. Cooperative agreements are encouraged to be competitively competed. However, in some circumstances, a single or sole source award is warranted (GCAM 5.3.1). A single source is most likely used in renewals of cooperative agreements. The majority of the cooperative agreements awarded were competitive with a well-documented award selection process.

WEAKNESS

Cooperative agreements, unless with commercial firms and with agreed upon cost sharing, should now contain the terms and conditions found in 2 CFR 200.1800 per GIC 14-2. One cooperative agreement reviewed still had the 14 CFR 1260 terms and conditions and another only partially converted the terms and conditions. These cooperative agreements should be modified in accordance with GIC 14-2.

RECOMMENDATION

Goddard Procurement should ensure that training is available to personnel when an action contemplated to be a cooperative agreement, and ensure proof of any training is maintained in the appropriate training tracking system.

RECOMMENDATION FOR HEADQUARTERS

For the Program Operations Division to ensure the grant and cooperative agreement policy is streamlined and that the website is updated to remove all unnecessary documents.

6. INFORMATION TECHNOLOGY CLAUSES

With an increased emphasis of threats to information technology (IT) both domestically and internationally, this topic area was added to the PMR process.

Ten contracts were reviewed to determine if the various IT Clauses were inserted into the contract when appropriate. The majority of the contracts included FAR 52.204-21, "Basic Safeguarding of Contractor Information" and was only included in contracts as appropriate (this

clause was not published in the FAR until June 2016). This clause maybe in conflict with NFS1852.204-76 and the reviewer recommended that Headquarters conduct research on this to determine if the supplement has been revised. FAR 52.239-1 "Privacy or Security Safeguards" was applied where appropriate. All of the contracts included the clause at NFS 1852.204-76, "Security Requirements for Unclassified Information Technology Resource", which requires the contractor to submit an IT Security Plan. In reviewing NFS 1852.239-73 or 74, "Class Deviation to NFS 1839 and 1852, "Restrictions on Acquiring Moderate or High-Impact IT Systems for FY 2015", the reviewer questioned Goddard's application of the clause in contracts. Goddard Procurement Policy described its process for inclusion or not. Through the NF 1707, the GSFC CIO makes the determination if the clause needs to be added for each procurement. Further, during the time of the Procurement Strategy Meeting, the GSFC CIO gets another opportunity to determine if the clause needs to be added to the RFP or the resulting contract. Since this is an IT requirement to determine High-Impact IT Systems and the Procurement office is dependent upon the CIO's expertise, the reviewer was comfortable with Goddard's approach.

RECOMMENDATION FOR HEADQUARTERS

For the Contract and Grant Policy Division to determine if FAR 52.204-21, "Basic Safeguarding of Contractor Information" is or is not in conflict with NFS 1852.204-76.

ATTACHMENT A

**SMALL BUSINESS PROGRAM
&
Solutions for Enterprise-Wide Procurement
(SEWP)**

I. OVERVIEW (DRAFT – Report has not been approved by the AA OSBP)

1. Scope of Review

The purpose of the Office of Small Business Programs' (OSBP's) participation in the Procurement Management Review (PMR) is to conduct a detailed review of a NASA field center small business program to ensure that it has adequate processes, and that these processes are fully implemented to (1) meet the goals established by NASA and the center;¹ and (2) comply with FAR Part 19, NFS Part 1819, NPD 1000.3, NPD 5000.2D, NPD 5119.1, and other related guidance. The review also identifies any issues that may prevent a Center Small Business Office from accomplishing its mission. The review consists of contract file reviews, interviews, and metric analysis, and covers market research, procurement planning, subcontract reporting, contractor performance evaluations, and award fee evaluation plans and determinations.

2. Organizational Structure and Staffing:

FAR 19.201 (e) requires Small Business Specialists (SBS) to be appointed in accordance with agency regulations. NFS 1819.201 (e) and NPD 1000.3D Chapter 4.21.2.1 (c) set forth the corresponding agency regulations.

There is an Industry Assistance Office (IAO) at GSFC, the IAO team includes the Small Business Specialist and three team members. The SBS is dual hatted as a contracting officer for a major contract office while the team members are dedicated to small business activities on a full-time basis. The current SBS has been performing the duties since July 2010. The SBS also acts as a warranted Contracting Officer and Division Chief. The SBS has a SBS appointment certificate signed by the Associate Administrator, Office of Small Business Programs and the Goddard Center Director. The SBS appointment certificate prominently hangs on the SBS wall in her office. The SBS reports directly to the Procurement Officer as required by NFS 1819.201 (e).

At GSFC, procurement personnel at mostly co-located with their technical customers. Currently, the SBS resides in a different building than the remainder of the Industry Assistance Office, which resides in Building 22 Suite 226A. The space offers parking for visitors, and a dedicated conference/meeting room. In addition, it is across the hallway from a dedicated office for the Small Business Administration (SBA) Procurement Center Representative (PCR).

The IAO maintains its own center-level Standard Operating Procedures (SOP) guidance as well as various templates for recurring processes. SOPs and template standardizes the process and reduces process errors. In addition, it reduces the amount of training required for new personnel.

The relationships between the SBS and the Procurement staff, management, the SBTAs, and the SBA PCR all appear to be healthy, and certainly improved from the last PMR.

3. Performance Evaluation of Procurement Personnel – Support of Small Business Program

On October 10, 2012, the NASA Administrator issued a memorandum that recommends that for acquisition personnel who are involved in the development of procurement strategies that support NASA's small business program, a statement be included in an Employee Performance Communication System (EPCS) critical element which reads substantially as follows:

“Fully supports the achievement of NASA small business goals and outreach.”

The aforementioned memorandum reiterated an earlier memorandum dated March 27, 2007; thus this is not a new requirement. The Procurement Officer and the Small Business Specialist have a specific Small Business and every 1102 has a small business performance element in their EPCS. NPD 5119.1, Section 5, paragraph b.11 requires that the Associate Administrator (AA) for Small Business Programs provide a written evaluation of the principal Center Small Business Specialist at each Center, which shall be attached to that individual's annual performance appraisal. The reviewer had the most recent evaluation pulled; the AA's evaluation was attached.

4. Small Business Specialist(s) Responsibilities and Relationships:

Position Descriptions were requested and received for the SBS and all the team members of the Industry Assistance Office. The reviewer received Position Description (PD) for a Supervisory Contract Specialist GS-15, Contract Specialist GS-14, Procurement Analyst GS-14, and Contract Specialist GS-13. The PDs under the contracting specialist GS-1102 were the generic PDs GSFC uses for all their contract specialist employees. The GS-14 Procurement Analyst is geared entirely towards small business activities, including managing the small business program, contract compliance review with respect to small business matters, small business policy, subcontracting issues, and mentor-protégé' arrangements. The PDs for the Contract Specialist, while it briefly mentions subcontracting and set-aside policies as duties, cover the entire gamut of traditional Contract Specialist duties and does not focus on Small Business or Industry Assistance duties. It is therefore not consistent with or appropriate for the actual duties in the Industry Assistance Office.

The relationships between the SBS and the Procurement staff, management, and the Small Business Administration (SBA) Procurement Center Representative (PCR) all appear to be professional and generally cooperative, and very good. The relationship between the SBS, SBA PCR and GSFC Small Business Technical Advisor (SBTA) is especially healthy as they have conversations on procurement opportunities to discuss small business participation in these procurements opportunities.

II. METRICS

1. Center Prime Contractor Small Business Goals and Actuals:

NPD 1003.D, subparagraph 4.11.2.6.2.1 (i), requires the AA for OSBP to negotiate socioeconomic goals with NASA centers and the SBA. In addition to Goddard's own procurements, Goddard also has a separate buying division for NASA Headquarters (HQ). Since GSFC and HQ have separate funding office codes, Federal Procurement Data System – Next Generation (FPDS-NG) tracks the metrics for each office separately. However, acquisitions for both Goddard and HQ are coordinated through GSFC's Industry Assistance Office. Accordingly, OSBP's practice has been to assign one set of goals for the combined procurement dollars of GSFC and HQ. While OSBP maintains separate charts for GSFC, HQ and blended GSFC/HQ metrics on a monthly basis, the table at the end of this section only lists GSFC/HQ's goals and blended actuals for year-end FY 2015, FY 2016, and FY 2017 thus far (through June 30, 2017).

NASA FAR Supplement 1819.201 (e) (ii) (J) lists “Ensure that participation of small business concerns is accurately reported” as a duty of the Small Business Specialist (as the Procurement Officer determines appropriate). From examples seen at other centers, few other aspects of an agency's small business program impact its metrics as much as data accuracy. A review of the data in FPDS-NG reflect that ARC is entering their data correctly and accurately, for the most part.

The AA for Office of Small Business Programs and the Assistant Administrator for Office of Procurement co-signed a memorandum dated May 7, 2012 regarding Small Business Procurement Data, which implements a memorandum dated November 14, 2011 from the Office of Federal Procurement Policy on the same topic. The NASA memo envisions a partnership at each center between the SBS and the center procurement office to improve small business data quality.

OSBP encourages center Small Business Specialists to “own” their data in FPDS-NG. This entails the following:

- Skill in extracting both Standard and Ad-Hoc reports and data from FPDS-NG
- Knowledge of how the FPDS-NG Small Business Goaling Report is constructed
- Consistent monitoring of contracts becoming due for rerepresentation
- Consistent monitoring of contracts let on behalf of other federal agencies and NASA centers
- Consistent monitoring of the funding agency and the funding office fields

The SBS stated she is capable of pulling the Small Business Goaling Report as well as ad-hoc reports from FPDS-NG.

The FY 2015 and FY2016 indicate that GSFC is doing a good job of meeting their small business and small disadvantage (SDB) goals. This achievement is reflected in the agency meeting its goals. GSFC is one of the largest buying centers within the agency and contributed over 30.6% in FY 2015, 30.7% in FY 2016 and 30.5% in FY 2017 (thru June 30, 2018) to the agency small business dollars. GSFC is struggling with Historically Underutilized Business Zones (HUBZone), Woman Owned Small Business (WOSB) and Service Disabled Veteran Owned Small Businesses (SDVOSB). The agency as a whole is also struggling with these categories.

GSFC’s goal achievements have been declining somewhat for a few years in HUBZone and SDVOSB but have been increasing for WOSB. They consistently meet their SB, SDB and WOSB each year but have difficulty in meeting their HUBZone and SDVOSB goals with even the dollars obligated in these two categories declining. As mentioned above GSFC though is the major contributor in the Agency for dollars obligated to SB with their dollars accounting for approximately 30% of the Agency’s SB dollars.

GSFC Prime Statistics

Year	FY-15	FY-16	FY-17 (through June 30, 2017)
Total Eligible Dollars in Millions	\$2,894.3	\$2,977.8	\$2,198.4
	Actuals	Actuals	Actuals
Small Business %	26.5%	27.5%	25.5%
Goal	22.1%	22.2%	22.8%
Dollars	\$766.9	\$819.3	\$559.7
SDB %	17.1%	15.7%	13.6%
Goal	14.0%	14.0%	14.5%

Year	FY-15	FY-16	FY-17 (through June 30, 2017)
Dollars	\$496.3	\$467.1	\$298.2
HUBZone %	0.1%	0.0%	0.0%
Goal	0.3%	0.3%	0.3%
Dollars	\$2.1	\$1.5	\$0.8
WOSB %	3.2%	3.7%	4.0%
Goal	3.0%	2.5%	3.0%
Dollars	\$93.3	\$109.9	\$88.5
SDVOSB %	0.5%	0.4%	0.4%
Goal	1.50%	0.8%	0.3%
Dollars	\$14.4	\$13.2	\$6.4

Data for FY 2017 are obtained from FPDS-NG on 7/7/17.

2. Individual Subcontracting Report (ISR):

ISR's are required to be submitted in the electronic Subcontracting Reporting System (eSRS) by April 30 (mid-year) and October 30 (year-end) of each year. FAR 19.705-6 (h) and 52.219-9 (l) (iii) (a) indicate that acknowledging receipt or rejecting the report is the responsibility of the Contracting Officer. This review covers ISR reporting periods from mid-year 2014 through mid-year 2017 (6 reporting periods in all).

GSFC manages over a hundred subcontracting plans. In FY 2013 this represented 32% of the agency's subcontracting plans. A review of six contract folders with subcontracting plans indicated no significant problems and a good understanding of the process. There seems to be a steady trend for the GSFC prime contractors in meeting their subcontracting goals. However, since a subcontracting plan does not have to meet its goals until the end of the contract performance, it is not necessarily a negative to miss a goal. Some contracts require R&D in the initial phases of the contract which do not have a lot of opportunity for small businesses, yet by the time they reach manufacturing/production where small business excels, they make up the difference. GSFC provided a list of 30 contracts over \$650K that did not require a subcontracting plan. The majority of which were commercial items. The contract file is documented with a Memorandum for the Record signed by the Industry Assistance Office (IAO) and a level above the contracting officer. The IAO has a document standard operation procedure (SOP) in place for subcontracting with responsibilities spelled out and response dates.

ISR Processing Metrics

Period	Approx. # of Subcontracting Plans	ISR's Submitted	ISR's Accepted	ISR's Rejected or Reopened*	ISR's Pending Gov't Action**
End 2014	unknown	109	109	0	0
Mid 2015	unknown	119	119	0	0

Period	Approx. # of Subcontracting Plans	ISR's Submitted	ISR's Accepted	ISR's Rejected or Reopened*	ISR's Pending Gov't Action**
End 2015	unknown	111	109	2	0
Mid 2016	unknown	102	100	2	0
End 2016	unknown	107	91	7	9
Mid 2017	unknown	107	100	7	7

Data pulled from eSRS on July 30, 2017.

*These ISR's were properly rejected, but the contractors have not corrected and re-submitted them.

**Includes Reports that have been Revised by the Contractor.

3. Set-Asides

NASA requires a Small Business coordination sheet, NF 1787, for all requirements over \$150,000 and for those requirements under \$150,000 that were not automatically set-aside for small business in accordance with FAR 19.502-2. The GSFC SOP fully supports the analysis and documentation of small business set-asides. The Contracting Officers initiate, signs and then scans the coordination sheet and then email the document to the IAO who sign, scan and email to the PCR, the PCR signs, scans and emails document back to the IAO. The PDF version of the form does have an imbedded electronic signature that would eliminate the manual scanning of the document. It is recommended that GSFC use the electronic signatures to reduce transaction time. The significant increase in total forms processed is due in part to changes in the reporting methods. The change added Simplified Acquisitions not set aside in FY 2013.

Full and Open Competitive	24
Sole Source – Other than Small	42
GSA Orders – Competitive, not restricted to Small Businesses	40
Sole Source Small Business	26
Competitive Small Business Set-Asides	51
8(a) Sole Source	43
8(a) Competitive	9
HUBZone Set Aside	1
HUBZone Sole Source	0
SDVOSB Set-Aside	1
SDVOSB Sole Source	0
WOSB Set-Aside	0
EDWOSB Set-Aside	0
Total Forms	237

Of the total 237 acquisitions reviewed, 105 (or over 44%) were set-aside in one of the various categories. The 105 set-asides represent over 80% of the competitive open-market acquisitions (excluding sole source and GSA buys). While comparable data is not yet available from all centers, the percentage of set-asides at GSFC compares favorably to the centers for which such data has been collected. HUBZone and SDVOSB set-asides are low, however. FAR 19.203 establishes priority for these categories (as well 8[a] and WOSB) over regular SB set-asides. GSFC might consider pursuing these more aggressively, especially considering the current scrutiny NASA is receiving in these two categories from the Executive Office of the President. There were no known instances of non-concurrences by the SBS on any of the forms.

III. PROGRAM MANAGEMENT

The Small Business Office appears to be included in pre-award functions, including market research, set-aside recommendations, and subcontracting goals, but has not been included in post-award Award Fee functions. During the survey period, IAO members were regularly appointed as advisory (non-voting) members of Source Evaluation Boards, and participated in the evaluation of small business factors on such procurements.

1. Acquisition Planning/Pre-Award Functions:

a. Center Acquisition Forecast

NFS 1807.72 states that it is NASA policy to prepare an annual Acquisition Forecast and semiannual 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. The GSFC Acquisition Forecast coordinator is a SBS in the IAO. The process is to contact the program and project contracting officer representative (COR) in the July/August timeframe and request them to update the GSFC acquisition forecast and add new items to the list. The GSFC is then added to the agency forecast.

b. Set Aside Recommendation Reviews / Coordination:

FAR 19.402 (b) states that upon their request and subject to applicable acquisition and security regulations, contracting officers shall give the SBA PCR access to all reasonably obtainable contract information that is directly pertinent to their official duties. NFS 1819.202 states that NF 1787 forms shall be reviewed by the SBS and the SBA PCR.

Nearly all of the NF 1787's were properly coordinated, containing signatures by the CO, SBS, and SBA PCR and were accompanied by a Market Research form.

c. Recommended Small Business Subcontracting Goals in Solicitations:

NASA Policy Directive (NPD) 5000.2D, is used to establish recommended subcontracting goals in unrestricted solicitations valued at \$50 million or more. Use of the procedures in the NPD is recommended, but not required, for procurements not exceeding \$50 million. The NPD requires OSBP coordination on acquisitions exceeding \$50 million and entails that the center: (1) review the solicitation's statement of work to identify areas with subcontracting opportunities; (2) review of the subcontracting history of the contract if the solicitation is for a follow-on requirement and/or review of the subcontracting history of similar contracts; (3) conduct market research to assess the availability of small businesses with the capability to

perform the effort in the statement of work requirements; and (4) make a determination of the percentage of the effort that can be subcontracted to small businesses. Once approved by OSBP the recommended goals are published in the solicitation.

OSBP reviewed four contracts exceeding \$50 million which were awarded in FY 2015 or 2016. The analysis on most of these documents are a best practice for the agency and in government. Starting with the statement of work, GSFC incorporates the work breakdown structure and incorporates it into a sources sought notice. Based on responses, the technical community documents the amount of work available to small business. Then looking at System for Award Management (SAM), SBA's Dynamic Search, and the NASA Vendor Data Base (NVDB) they document available small businesses including subcategories. The analysis then looks at previous and similar contracts, not just at GSFC but also other centers. Based on a careful analysis of the data they make realistic goals that can be used in the request for proposals (RFP) and during negotiation.

d. Subcontracting Plan Evaluation:

FAR 52.219-9 and Section 8(d) of the Small Business Act (15 U.S.C. 637 [d]) require subcontracting plans from other than small businesses over a certain dollar threshold (currently \$650,000). FAR also requires that these subcontracting goals be expressed in terms of percentage of total dollars subcontracted. Simultaneously, NPD 5000.2D and NFS 1819.201 (a) (ii) require that goals be expressed as a percentage of total contract value. While NASA believes that the latter method is more meaningful in terms of impact on small businesses, the Small Business Administration (SBA) uses the FAR method in its annual Scorecard evaluation of federal agencies' small business programs. Therefore, it is important to NASA that both methods are carefully considered in establishing and tracking subcontracting goals.

Subcontracting plans are required to be sent to the SBS and SBA PCR for advice and recommendations, per FAR 19.705-4 (d) (7). The plans are reviewed in accordance with FAR 19.704 and 52.219-9. A review of the most recent subcontracting plans has been sent to SBA PCR for review and comment and GFRC is in compliance with FAR 19.705-4 (d)(7).

According to FPDS-NG, GSFC has awarded 73 contracts since the last PMR which meet the requirements for a subcontracting plan (by far the most in the agency). OSBP requested 16 such contracts that require subcontracting plans for review. SEWP contracts were reviewed and are included in a separate section of the PMR.

GSFC uses a very good template for concurrence by the Industry Assistance Office. All but 2 files with subcontracting plans contained documentation of concurrence by the IAO.

Per FAR 52.219-9 (c), subcontracting plans are included in and made a part of the contract, and as such, should be included under Tab 83 in the file. There were two instances in which the actual contract document did not include the subcontracting plan, although a plan was found under other tabs.

Of the 5 plans with goals, 3 did not list goals in terms of both percentage of total contract value as well as total subcontracting dollars.

Two files contained Determinations that no subcontracting possibilities exist. These were properly signed at a level above the Contracting Officer.

e. Website

A review of the GSFC IAO website revealed it to be up-to-date and accurate. The email and internet links were all checked and operated correctly.

2. Contract Award / Contract Administration

a. Award Fee Contracts:

Performance Evaluation Plans (PEP) for Award Fee contracts are required to evaluate performance against the subcontracting plan, and the evaluation weight should be significant (up to 10%), as delineated in NFS 1816.405-274 (g).

Since the last PMR, GSFC has awarded five Award Fee contracts, according to FPDS-NG. One of these is a GSA Delivery Order, so it was not reviewed since it does not carry its own subcontracting plan. OSBP reviewed five active Award Fee contracts. Most fee determinations do contain at least a bullet, if not more, discussing subcontracting performance. The quality of these discussions varies, but treatment of subcontracting in Determinations appears to have improved somewhat since the last PMR. Due to the lack of a separate weighting factor, it is unlikely that any of these comments impacted Award Fee scores.

GSFC might consider adding ISR reporting accuracy as part of a subcontracting evaluation factor. This was highlighted as a best practice on a recent PMR at another center.

b. Subcontract Reporting:

See discussion of “Individual Subcontracting Report (ISR)” in the “Metrics” section above.

a. Annual Performance Evaluations (Past Performance Information Retrieval System [PPIRS] Report Cards/Contractor Performance Assessment Reporting System [CPARS])

FAR 19.706 states that the administrative contracting officer is responsible for assisting in evaluating subcontracting plans, and for monitoring, evaluating, and documenting contractor performance under the clause prescribed in 19.708 (b) and any subcontracting plan included in the contract. Additionally, FAR 42.1502 (g) states that past performance evaluations shall include an assessment of contractor performance against, and efforts to achieve, subcontracting plan goals. NFS 1842.1503 (b) requires that CPARS be used to document evaluations, including utilization of small business.

OSBP looked at eight different contracts with subcontracting plans in the Past Performance Information Retrieval System (PPIRS)/ Contractor Performance Assessment Reporting System (CPARS), which is the federal database for storing report cards. Seven of the eight adequately documented small business performance. One contract did not explain why the rating was so high when the contractor missed some small business subcategory goals and didn't evaluate subcontracting achievements.

3. Coordination

a. Small Business Administration (SBA) Procurement Center Representative (PCR):

The SBA PCR assigned to GSFC is Bernard Durham; his office is on-site in Building 22. The PCR has been in this position for over twelve years and oversees the small business programs of a number of civilian and one military organization located throughout the DC metro area. These organizations include the U.S

Department of Homeland Security, the U.S Department of Housing and Urban Development, U.S General Services Administration Regional Office, and the U.S Department of the Army, Adelphi, Maryland.

FAR 19.402 (b) states that upon their request and subject to applicable acquisition and security regulations, contracting officers shall give the SBA procurement center representatives access to all reasonably obtainable contract information that is directly pertinent to their official duties. For GSFC, the PCR requires coordination on set-aside recommendations for procurements over \$150,000. GSFC also sends over procurements under \$150,000, but only if any special concerns are noted. The PCR believes GSFC has been diligent in meeting this requirement.

The PCR signs the NF1787 and NPD 5000.2C via email and has a turnaround time of 1-3 days. He participates in outreach and training events hosted by GSFC. FAR 19.705-4 (d) (7) requires that the CO should obtain advice and recommendations from the SBA PCR and Agency SBS. While the PCR indicated he was receiving subcontracting plans from GSFC.

The PCR has not processed any SBA Form 70's (non-concurrences with set-aside decisions) during the review period, but does have informal discussions with the IAO from time to time, whenever the PCR sees a procurement that raises concern.

b. Center Small Business Technical Advisor (SBTA):

FAR 19.201 (d) (8) and NPD 1000.3 Paragraph 4.11.2.6.1 (l) require appointment of an SBTA to each contracting activity within the agency to which a PCR has been assigned. Subparagraph (ii) indicates that the principal duty of the SBTA is to assist the SBA's assigned representative in performing functions and duties relating to sections 8, 15 and 31 of the Small Business Act.

The acting SBTA at GSFC is Dr. John Day, who has been performing SBTA duties approximately two months. This is Dr. Day's second tour of duty in this role, having served five years previously, so he is well versed in his responsibilities. However, GSFC has not sent a written recommendation to OSBP, so no appointment letter with list of duties has yet to be issued. Dr. Day's activities, such as recommending a breakout procurement for small businesses a few years ago, represent the epitome of an SBTA's intended role. His ability to comprehend the technical details of the requirements improves communication with the program offices. Dr. Day also serves as the Chief Engineer, NASA Engineering and Safety Center, which is part of the Applied Engineering and Technology Directorate. This Directorate comprises about one-half of GSFC, giving the SBTA a broad purview. Dr. Day plays a critical role in implementing the Uniform Methodology for Determining Small Business Goals (NPD 5000.2C) process by identifying subcontracting opportunities in technical areas. He also participates in Procurement Strategy Meeting (PSM) reviews. The SBTA's other small business-related activities include participating outreach events, including the GSFC 2011 Small Business Conference and the FY12 Small Business Improvement Plan Meeting.

IV. SUMMARY OF FINDINGS

STRENGTHS:

1. The relationships between the SBS and the Procurement staff, Procurement Management, the SBTA, and the SBA PCR all appear to be amicable and productive. The great team work between the IAO lead by the SBS coupled with Standard Operating Procedures and templates have greatly improved the efficiency and effectiveness of the office.
2. FAR 19.5 sets forth a policy of set-aside procurements. GSFC is to be commended for its high percentage of set-asides for open-market procurements.

3. FAR 19.201 (d) (8) requires the appointment of an SBTA. The current SBTA at GSFC is very strong in carrying out traditional SBTA duties, and is a strong advocate for small business.
4. Subcontracting plans are required to be sent to the SBS and PCR for advice and recommendations, per FAR 19.705-4 (d) (7). GSFC's template for Subcontracting Plan concurrence by the Industry Assistance Office and the SBA PCR is one of the better instruments OSBP has seen for accomplishing this task.
5. FAR 19.705-6 (h) and 52.219-9 (l) (iii) (a) indicate that acknowledging receipt or rejecting the report is the responsibility of the Contracting Officer. GSFC has always been strong in accepting ISR's in eSRS in a timely fashion, despite its heavy subcontracting workload.
6. The analysis and documentation of the Methodology for Determining Small Business Subcontracting Goals in accordance with NPD 5000.2C is not only a strength but also a best practice for the agency. The market research, contract comparison, and analysis provides realistic subcontracting goals.

CONSIDERATIONS:

1. GSFC might consider adding subcontracting reporting accuracy as part of a subcontracting evaluation factor for award fee contracts. This was identified as a best practice on a recent PMR at another center.
2. GSFC should consider more aggressively pursuing HUBZone and SDVOSB set-asides, as FAR 19.203 requires consideration of these programs (and others) before a small business set-aside. Such activity might entail challenging Contracting Officer set-aside recommendations on the NF-1787, when appropriate.

RECOMMENDATIONS:

1. Regarding Individual Subcontracting Reports, FAR 19.705-6 (h) and 52.219-9 (l) (iii) (a) indicate that acknowledging receipt or rejecting the report is the responsibility of the Contracting Officer. FAR 19.705-6 (h) requires that inadequately completed reports be rejected. GSFC should reject and require correction of ISR's that are improperly completed, including those that do not include goals as a percentage of total contract value, and those that do not include comments when subcontracting goals are not being met.
2. Per FAR 52.219-9 (c), subcontracting plans are included in and made a part of the contract. As such, GSFC should ensure that plans are included with the contract document under Tab 83.
3. FAR 52.219-9 (d) (1) requires that these subcontracting goals be expressed in terms of percentage of total dollars subcontracted. Simultaneously, NPD 5000.2 and NFS 1819.201 (a) (ii) require that goals be expressed as a percentage of total contract value. GSFC must ensure that all subcontracting plans express goals using both methods.

WEAKNESSES:

1. NFS 1816.405-274 (g) requires that for Award Fee contracts, performance against the subcontracting plan shall be evaluated, and the evaluation weight should be significant, up to 15%. None of the five Award Fee Evaluation Plans reviewed comply with this requirement. GSFC should modify its existing Award Fee Evaluation Plans so that they conform with this requirement.

2. The PD in place for the GS-13's is a generic Contract Specialist PD that pertains very little to small business duties as listed in NFS 1819.201 (a) (ii). GSFC should establish PD's that are specific to small business duties for these positions.

V. FOLLOW-UP OF FINDINGS FROM PREVIOUS PMR (2008):

1. NFS The position description is a repeat Finding.

SEWP

I. OVERVIEW

A. Scope of Review

SEWP is a multiple-award Government-wide Acquisition Contract (GWAC) vehicle focused on commercial IT products and product based services. Its contractors, over 140 of them in all, are mostly Value-Added Resellers (VAR's), selling off-the-shelf IT hardware and software products. Goddard Space Flight Center manages the SEWP program. SEWP is currently in its fifth iteration (SEWP V).

The SEWP V contracts have a collective ceiling value of \$20 billion, covering a 5-year base period plus one five-year option. The contracts were awarded under FAR Part 12 procedures (commercial items). The SEWP program is considered a main cog in NASA's strategic sourcing/category management program.

OSBP has not reviewed the SEWP program on previous PMR's of GSFC. However, the expansion of the SEWP program, along with the implications on NASA's subcontracting program, warrant a review of SEWP distinct from the standard GSFC review.

Due to the nature of the SEWP contracts, many aspects of a standard center review do not apply to the SEWP review.

B. Organizational Structure and Staffing

GSFC's Industry Assistance Office (IAO) serves as the Small Business Specialist for the SEWP Program. The SEWP Program office advises that it currently has a total of eight civilians and 63 contractor personnel working in it (fifteen of whom were just recently added). The SEWP program maintains a separate physical office about a mile away from the GSFC campus. Within GSFC's organization, SEWP advises that it falls under Code 210.P, which is the Program Support branch within the Procurement Operations Division, which itself falls under Code 200, the Management Operations directorate. The SEWP Program Office supports GSFC's Code 700, the Information Technology and Communications directorate.

Currently, SEWP only has one warranted Contracting Officer overseeing all of its contracts. The Contracting team within the SEWP organization has a total of five employees, three of whom are contractor employees. This is a very recent increase; previously, there was only one civilian/Contracting Officer and one contractor employee. In addition to the one Contracting Officer, who arrived just over a month ago, there is a NASA Civilian team lead, who was the former SEWP Contracting Officer (since March 2016) but no longer has a warrant. The team lead reports to the SEWP Deputy Program Manager, and oversees the rest of the contracting staff. The team lead believes they now have enough personnel to manage the contracts adequately. The contractor personnel function as contract administrators.

The three contractor employees that support the Contracting Officer work for Brendan Enterprises on a task order issued under an agency-wide contract managed by NSSC. The remainder of SEWP's contractor support come from GSFC's "GITISS" (IT Integration and Support Services) contract with Business Integra Technology Solutions, which was awarded through the 8(a) program.

C. Performance Evaluation of Procurement Personnel – Support of Small Business Program

On October 10, 2012, the NASA Administrator issued a memorandum that recommends that for acquisition personnel who are involved in the development of procurement strategies that support NASA's small

business program, a statement be included in an Employee Performance Communication System (EPCS) critical element which reads substantially as follows:

“Fully supports the achievement of NASA small business goals and outreach.”

The GSFC procurement policy office advises that both the contracting team lead (who remains in the GS-1102 series) and the current Contracting Officer have the statement above in their critical elements.

II. SEWP SMALL BUSINESS METRICS

A. Prime Metrics

The SEWP program does not have prime goals per se, but NASA’s actual prime metrics for SEWP V, which began during FY 2015, are listed below.

Table 1 – SEWP Prime Metrics – NASA Only

Year	FY-15 (partial year only)	FY-16
Total Eligible Dollars in Millions	\$50.4 M	\$74.7 M
Small Business %	68.9%	76.0%
Dollars	\$34.7 M	\$56.7 M
SDB %	not provided	not provided
Dollars	not provided	not provided
WOSB %	25.6%	27.6%
Dollars	\$12.9 M	\$20.6 M
EDWOSB%	4.7%	14.9%
Dollars	\$2.4 M	\$11.2 M
HUBZone %	11.8%	15.8%
Dollars	\$5.9 M	\$11.8 M
SDVOSB %	6.6%	26.0%
Dollars	\$3.3 M	\$19.4 M

Data were obtained from the SEWP Program Office on July 11, 2017.

The prime metrics above are very strong, and thus OSBP considers them to be a strength. In addition to agency-level metrics, SEWP also provided metrics at the center level and even the sub-installation level. The overall small business metrics ranged from 53.9% at NASA HQ (which used SEWP very little) and 55.8% at LARC, to 99% at SSC and 100% at GRC (which also did not use SEWP very much, only \$454,000 worth). The largest users of SEWP were GSFC (\$21 million total), plus KSC and SSC (about \$12 million each). Several of NASA's contractors also placed orders from SEWP. This includes JPL, which placed \$1 million in orders and had a small business usage rate of 32.9%.

B. Subcontracting Metrics

SEWP's contracts with other than small businesses require the primes to have subcontracting plans. Most of these subcontracting plans are in commercial format, which means that goals apply to the prime's entire production of commercial items rather than the individual contract. Thus, Individual Subcontracting Reports are not required. Commercial plans cover the offeror's fiscal year, and as such, require updating each year. Once a commercial plan has been approved by any federal Contracting Officer, all agencies must accept that plan. Summary Subcontract Reports are required once per year, but the prime must apportion its dollars among agencies with which it did business. The following table lists SEWP subcontracting metrics (only the portion that applies to NASA) as compared with the remainder of NASA's subcontracting for 2016.

Table 2* – SEWP Subcontracting Metrics Compared with Agency-Wide Subcontracting Metrics 2017

	NASA Agency Goal	SEWP Metrics	Non-SEWP NASA Metrics	Total NASA Metrics
Total Subcontracting Dollars	n/a	\$0.5 B	\$6.1 B	\$6.6 B
Small Business %	33.0%	25.4%	40.4%	39.2%
SDB %	5.0%	12.4%	12.6%	12.5%
WOSB %	5.0%	2.5%	11.4%	10.7%
HUBZone%	3.0%	0.2%	2.9%	2.7%
SDVOSB %	3.0%	0.1%	3.2%	2.9%
HBCU/MI %**	1.0%	0.0%	0.3%	0.3%

*Data was pulled from eSRS on 6/16/2017.

**The HBCU/MI goal of 1.0% includes prime dollars as well as subcontracting dollars, against the total prime spending base. The HBCU/MI metrics (as well as the metrics and goals for all other categories) only represent subcontracting dollars for that category against total subcontracting dollars reported. Since HBCU/MI's primarily perform research services for the agency, one would expect HBCU/MI metrics for a commercial items program such as SEWP to be minimal.

The difference in the SEWP and non-SEWP metrics above is probably tied to the fact that just about all SEWP subcontracting plans are commercial plans, which are not subject to the same level of evaluation as individual plans are at NASA. OSBP does not have access to subcontracting data of other agencies which would help mathematically establish this conclusion. OSBP questioned other federal agencies at a monthly meeting of OSDDBU (Office of Small and Disadvantaged Business Utilization) Directors, but none of the other agencies appear to have ever analyzed subcontracting metrics on a commercial/individual basis. It is clear that the SEWP subcontracting metrics played a role in NASA missing the SDVOSB subcontracting goal of 3.0% in FY 2016. Additionally, starting in FY 2017, the weighting of subcontracting metrics on SBA's Agency Scorecard is doubling, as a result of requirements established in the National Defense Authorization Act of 2016. This places additional importance on the SEWP subcontracting program.

The fact that commercial plans must be updated annually, per FAR 19.704 (d) (2), can be advantageous, however. Table 3 (following page) suggests that the average goals for plans managed by other agencies (although the sample size is small) are considerably higher than the goals for plans managed by NASA. For the twenty commercial plans that NASA approves, OSBP recommends that the SEWP office negotiate higher subcontracting goals, particularly in the WOSB, HUBZone, and SDVOSB subcategories (this is part of broader recommendation regarding SEWP subcontracting plans overall). This should elicit the vendors' attention that NASA is monitoring subcontracting performance. For the twelve plans that are approved by other agencies, NASA is required to accept them as they are.

Table 3 - Individual Contractor Metrics

Contractor	NAICS	Total Dollars		SB Goal	SB Actual	SDB Goal	SDB Actual	WOSB Goal	WOSB Actual	HUBzone Goal	HUBzone Actual	VOSB Goal	VOSB Actual	SDVOSB goal	SDVOSB actual	HBCU/ MI goal	HBCU/ MI actual
		Subcontracted, Governmentwide, 2016	Subcontracted for NASA orders 2016														
A	394111	\$217,993,517	\$202,630,219	8.0%	6.1%	0.9%	0.0%	0.2%	0.0%	0.1%	0.0%	0.5%	0.1%	0.1%	0.0%	none	0.0%
B	394111	\$77,420	\$77,420	5.0%	0.0%	2.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.25%	0.0%	0.25%	0.0%
C	541519	not available*	\$0	20.7%	n/a	15.0%	n/a	4.5%	n/a	3.0%	n/a	0.9%	n/a	0.3%	n/a	none	n/a
D	541519	\$12,342,078	\$12,342,078	3.0%	1.9%	3.0%	0.0%	3.0%	0.3%	3.0%	0.0%	3.0%	0.0%	5.0%	0.0%	none	0.0%
E	541519	\$47,783,636	\$1,724,989	35.0%	20.4%	3.0%	0.0%	3.0%	0.0%	2.0%	20.4%	5.0%	0.0%	3.0%	0.0%	3.0%	0.0%
F	541519	\$817,171,909	\$83,758	5.2%	34.2%	0.0%	0.3%	2.0%	19.6%	0.0%	0.3%	0.0%	5.8%	0.0%	1.5%	none	0.2%
G	541519	\$62,735,518	\$58,908,651	37.0%	84.3%	1.0%	80.8%	5.0%	4.1%	1.0%	0.0%	1.0%	0.4%	1.0%	0.0%	none	0.0%
H	541519	\$14,836,632	\$14,836,632	2.0%	0.0%	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	1.0%	0.0%	none	0.0%
I	541519	\$2,382,759	\$2,358,931	23.0%	57.6%	5.0%	57.6%	5.0%	0.0%	3.0%	0.0%	3.0%	0.0%	3.0%	0.0%	none	0.0%
J	both	\$4,543,002,063	\$27,178,629	26.0%	34.6%	6.0%	2.3%	6.0%	5.1%	4.0%	0.3%	4.0%	0.2%	2.67%	0.0%	none	0.0%
K	both	\$12,600	\$12,587	0.0%	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	none	0.0%
L	both	\$0	\$0	30.0%	n/a	4.0%	n/a	5.0%	n/a	1.0%	n/a	4.6%	n/a	2.0%	n/a	none	n/a
M	both	\$7,515,197	\$7,515,197	6.0%	0.8%	1.2%	0.5%	1.2%	0.3%	1.2%	0.0%	1.2%	0.0%	1.2%	0.0%	none	0.0%
N	both	\$194,078,092	\$15,409,801	23.0%	5.8%	3.0%	1.5%	2.0%	1.7%	1.0%	0.0%	2.0%	2.4%	2.0%	1.5%	none	0.0%
O	both	\$591,963,063	\$0	70.0%	14.5%	15.0%	0.8%	15.0%	1.5%	10.0%	0.0%	15.0%	0.6%	10.0%	0.0%	none	0.0%
P	541519	no SSFR submitted	n/a	37.0%	n/a	6.0%	n/a	5.0%	n/a	3.0%	n/a	5.0%	n/a	3.0%	n/a	none	n/a
Q	541519	\$ 24,293,325	\$373,768	48.1%	30.8%	5.7%	2.5%	8.1%	0.5%	2.4%	0.0%	13.7%	15.7%	2.3%	0.2%	none	0.0%
R	both	\$ 51,743,746	\$8,072,074	39.2%	84.4%	10.78%	35.6%	5.7%	19.9%	2.0%	0.0%	4.7%	1.2%	2.5%	0.9%	none	0.0%
Average, Plans managed by NASA				20.4%	29.5%	4.2%	20.3%	3.9%	2.7%	1.9%	1.8%	2.9%	0.8%	2.2%	0.3%	1.6%	0.0%
Average, Plans not managed by NASA				41.4%	57.6%	7.5%	19.1%	6.3%	10.2%	2.5%	0.0%	7.8%	8.5%	2.6%	0.6%	none	0.0%

* AT&T did not include NASA in its SSFR, resulting in the SSFR not being visible to NASA.

III. PRE-AWARD FUNCTIONS

A. Set-Asides

With respect to set-asides, SEWP V continues, and expands upon, the approach in previous SEWP versions. FAR 19.502-4 provides authority to set-aside or reserve contracts for small business in multiple-award contracts. SEWP V divides its contractors into four separate groups, as shown below:

Group	NAICS Code	Level of Competition
A	334111 Electronic Computer Manufacturing (Original Equipment Manufacturers)	Full & Open
B	541519 Other Computer Related Services (Value-Added Resellers)	Set-Aside for HUBZone & SDVOSB's
C	541519 Other Computer Related Services (Value-Added Resellers)	Set-Aside for Small Businesses
D	541519 Other Computer Related Services (Value-Added Resellers)	Full & Open

Contractors may win a contract in more than one group. Within each group above, agency Ordering Officers may set aside orders for SB's, WOSB's, EDWOSB's, HUBZones, or SDVOSB's, if the conditions in FAR 19.502-2 (b) are met. There are no set-asides for WOSB or EDWOSB at the contract level because at the time of the SEWP V solicitation, there was a \$4 million ceiling in place on such contracts. Orders may be set-aside for WOSB or EDWOSB, as previously mentioned, but only for NAICS Code 541519 (Groups B, C, and D), as NAICS code 334111 has not been designated a NAICS code in which WOSB or EDWOSB are substantially underrepresented.

The metrics in Table 1 above, previously identified as a strength unto itself, are a direct result of the set-aside approach SEWP takes in its solicitation. OSBP considers the set-aside groupings approach to be a best practice.

B. Subcontracting Plan Evaluation

FAR 19.7, FAR Clause 52.219-9, and Section 8(d) of the Small Business Act (15 U.S.C. 637 [d]) require subcontracting plans from other than small businesses for contracts over a certain dollar threshold (recently increased from \$650,000 to \$700,000). FAR 19.704 (d) also states that a commercial plan (as defined in FAR [19.701](#)) is the preferred type of subcontracting plan for contractors furnishing commercial items.

For commercial plans, FAR requires that these subcontracting goals are based on the entire production of commercial items (rather than individual contracts), and that the plan cover the contractor's fiscal year. The goals are thus limited to percentages of total subcontracting dollars; it is not possible to have goals as a percent of contract value.

As noted previously, NASA is the approving agency for 20 of the 32 other-than-small vendors in SEWP V. Subcontracting plans are reviewed for content in accordance with FAR 19.704 and 52.219-9, as well as the guidance mentioned above. OSBP reviewed files covering a total of twenty contractors that have subcontracting plans under SEWP V. Of these twenty, NASA administers fourteen of them, while other agencies administer the remaining six. Many of these contractors have two SEWP V contracts. The same commercial plan applies to both contracts in such cases. Thus, there are more contracts than contractors.

FAR 52.219-9 (c) (1) states that the subcontracting plan shall be included in and made a part of the resultant contract. One of the fourteen NASA-administered plans, and one of the six plans managed by other agencies, were missing from the file in their entirety. Two more plans were partially missing (only one page of the plan was in the file for each). Of the four plans that are managed by other agencies that were in SEWP files, only one contained documentation of approval by the managing agency (FAR 19.704 [d]). Thus, there is a recommendation that SEWP obtain copies of the plans for these contracts, as well as obtain the aforementioned agency approvals.

Commercial plans must be renewed by the contractor annually (FAR 19.704 [d] [2]). For the fourteen plans that NASA manages, eight of them appeared to have expired. For the four contractors whose subcontracting plans are managed by other agencies, and whose plans were contained in the SEWP contract file, all four were expired, for a total of twelve expired plans out of eighteen total. Thus, there is a recommendation that SEWP obtain renewals of all expired plans.

Currently, FAR 19.7 and FAR Clause 52.219-9 require plans to contain fifteen separate elements. None of the existing plans meet the current requirement. A couple of the plans are particularly weak in element #3, a description of the principal types of supplies and services to be subcontracted, and an identification of the types planned for subcontracting to small businesses and the various subcategories. One plan had goals of all 0%; another plan had goals of 0% in four subcategories. The former is tantamount to no plan at all, yet the file did not contain a Determination that no subcontracting possibilities exist, per FAR 19.705-2 (c). Neither plan should have been accepted, nor should a contract have been awarded to the former contractor, per FAR 52.219-9 (c) (1), which states that failure to submit and negotiate the subcontracting plan shall make the Offeror ineligible for award of a contract. Several other plans contain unusually low goals. For one plan, all the subcategory goals are greater than or equal to the overall small business goal, indicating the contractor doesn't understand how goals are calculated.

For a few of the plans managed by NASA, it is not clear which type of plan – Individual or Commercial – was actually submitted. This needs to be addressed because this affects goals, reporting requirements, and how the plan is administered. One of the plans is actually a DOD Comprehensive Plan, which is not acceptable by NASA or any other civilian agency, and needs immediate replacement.

The GSFC IAO maintains a template for the review of subcontracting plans, which is a strength, however, the template is out of date because it only contains eleven plan elements instead of the current fifteen (FAR 19.704 [a]). Most IAO reviews of SEWP subcontracting plans evaluate goals in terms of contract value, which is inappropriate for commercial plans. One evaluation template incorrectly stated that “Since this is a commercial subcontracting plan, goals are not required by NASA.” GSFC IAO should thus update its template to include all elements, and to acknowledge the type of goals that are acceptable for commercial plans (FAR 19.701).

Subcontracting plans should be sent to the SBS and PCR for advice and recommendations, per FAR 19.705-4 (d) (7). For the fourteen plans that NASA manages, nine files contained documentation of this coordination, and five did not. Thus, OSBP recommends that GSFC and SEWP ensure that coordination of plans occurs as each plan is renewed, and is documented. This requirement does not apply when NASA is not the approving agency.

FAR 4.604 (b) assigns responsibility for data accuracy in FPDS-NG to the Contracting Officer. During the review, OSBP identified one contract with a small business which was erroneously coded as other than small. The SEWP Program Office corrected this error during the review.

Since the SEWP V contracts were awarded, FPDS-NG updated the coding options for the Small Business Subcontracting Plan field. New codes now distinguish between Individual Subcontracting Plans and Commercial Subcontracting Plans. The SEWP Program Office might consider recoding its contracts with subcontracting plans accordingly.

C. Website

OSBP considers the website function as part of the overall program referenced in NFS 1819.201 (e) (ii) (A) and NPD 1000.3E Chapter 4.21.2.1 (h). SEWP’s website, while not a small business website per se, is very thorough, lists all contractors by group, and lists each vendor’s socioeconomic category. The Site’s RFQ tool allows ordering officers to select the group(s) they want, as well any appropriate set-aside within each group. OSBP considers the website to be strength.

IV. POST-AWARD FUNCTIONS (CONTRACT ADMINISTRATION)

A. Subcontracting Reporting (Summary Subcontracting Reports [SSR's])

FAR Clause 52.219-9 requires contractors with commercial subcontracting plans to submit SSR’s in the electronic Subcontracting Reporting System (eSRS) by October 30 (year-end) of each year. Individual Subcontracting Reports are not required for commercial plans, since there are no individual contract goals on commercial plans. FAR 19.705-6 (f) lists, as a postaward responsibility of the Contracting Officer, monitoring the prime contractor’s compliance with its subcontracting plan, including the following:

- (1) Ensure that subcontracting reports are submitted into the eSRS within 30 days after the report ending date (e.g., by October 30th for the fiscal year ended September 30th).
- (2) Review...SSRs, in eSRS within 60 days of the report ending date (e.g., by November 30th for a report submitted for the fiscal year ended September 30th).
- (3) Either acknowledge receipt of or reject the reports in accordance with subpart [19.7, 52.219-9](#), Small Business Subcontracting Plan, and the eSRS instructions (www.csrs.gov).

The authority to acknowledge or reject SSRs for commercial plans resides with the contracting officer who approved the commercial plan.

Table 4 - SSR Processing Metrics FY 2016*

Number of Subcontracting Plans Managed by NASA	20
Number of SSR's submitted on time	12
Number of SSR's submitted late	6
Average number of days late	28.5
Total SSR's submitted	18

Number if SSR's reviewed/accepted/rejected on time	6
Number if SSR's reviewed/accepted/rejected late	12
Average number of days late	54
Total SSR's reviewed/accepted/rejected	18
Accepted	17
Rejected (status as of 7/10/17)	1
Pending	0

Of the 20 subcontracting plans managed by NASA's SEWP office, 2 contractors never submitted an SSR. Of the 18 that did, one-third were submitted late, by an average of nearly a month. Of the 18 SSR's that were ultimately submitted, only one-third were reviewed and accepted or rejected on time. The remaining two-thirds were processed by an average of 54 days after the 60-day window in FAR 19.705-6 (f) (2). OSBP recommends that the SEWP office and GSFC ensure that they meet the requirements of FAR 19.705-6 (f). During the review, the SEWP office indicated it was planning on sending out communication in August to its prime contractors reminding them of the SSR requirement. Such an action should help SEWP meet the recommendation.

B. Annual Performance Evaluations (Past Performance Information Retrieval System [PPIRS] Report Cards/Contractor Performance Assessment Reporting System [CPARS])

FAR 19.706 states that the administrative contracting officer is responsible for assisting in evaluating subcontracting plans, and for monitoring, evaluating, and documenting contractor performance under the clause prescribed in 19.708 (b) and any subcontracting plan included in the contract. Additionally, FAR 42.1502 (g) states that past performance evaluations shall include an assessment of contractor performance against, and efforts to achieve, subcontracting plan goals. FAR Table 42-2 lists the evaluation ratings to be used, along with definitions. NFS 1842.1503 (b) requires that CPARS be used to document evaluations, including utilization of small business.

In addition, FAR 19.705-7 (f) requires the contracting officer that approved the plan to determine whether or not the goals in the commercial plan were achieved and, if they were not achieved, review all available information for an indication that the contractor has not made a good faith effort to comply with the plan, and document the results of the review. The aforementioned Table 3, Individual Contractor Metrics, lists the metrics, as reported by the contractors themselves on their 2016 Summary Subcontract Reports, along with their goals from the contractors' subcontracting plans. The table only lists those contractors whose subcontracting plans were reviewed by OSBP for this PMR. For subcontracting plans that are managed by NASA, and for those contractors having goals and NASA orders in 2016, four out of twelve met their small business subcontracting goal. For the subcategories, the percentage is similar, or even lower, despite there being very low goals in numerous cases. This affects not only NASA but all other federal agencies that are SEWP customers as well. As the federal custodian for most of these contractors, the SEWP office needs to monitor this performance much more closely. Some of the metrics are such that it is reasonable to question whether the contractor complied in good faith with its plan. This would be a material breach of contract, as delineated by FAR Clause 52.219-9, paragraph (k).

To date, the SEWP office has not conducted CPARS, allowing the ordering offices to issue CPARS for individual orders. Since subcontracting is only reported at the agency level, subcontracting is typically not evaluated at the order level, meaning that subcontracting achievements are never evaluated, contrary to FAR 42.1502 (g). While OSBP and the SEWP office have had discussions about this issue previously, to date subcontracting has still never been evaluated on CPARS. Accordingly, OSBP recommends that SEWP begin issuing CPARS at the contract level for all contractors that have a subcontracting plan, not only to comply with FAR 42.1502 (g) and 19.705-7 (f), but also to place contractors on notice that the agency is monitoring subcontracting performance.

C. Limitation on Subcontracting

Contracts exceeding \$150,000 which are awarded on the basis of one of the small business set-aside categories, or through the 8(a) program, are required to contain FAR Clause 52.219-14 LIMITATIONS ON SUBCONTRACTING. For services, the clause requires that at least 50% of the cost of contract performance incurred for personnel shall be expended for employees of the prime contractor. For supplies, the concern shall perform work for at least 50 percent of the cost of manufacturing the supplies, not including the cost of materials. The clause applies to orders set aside for small business under multiple-award contracts, such as SEWP, as well as to set-aside contracts themselves.

The SEWP office states that ordering offices are responsible for monitoring this requirement at the order level. At the contract level, SEWP obtains written certifications of compliance annually from its small business contractors.

VI. SUMMARY OF FINDINGS

A. Strengths

- a. The SEWP small business prime metrics are excellent.
- b. OSBP considers SEWP's set-aside (or small business reserve) group approach to be a best practice for GWACS and strategic sourcing/category management (FAR 19.502-4).
- c. The GSFC IAO maintains a template for evaluating subcontracting plans (although see associated recommendation).
- d. OSBP considers the website to be a strength (NFS 1819.201 [e] [ii] [A] and NPD 1000.3E Chapter 4.21.2.1 [h]).

B. Recommendations

- a. The SEWP program office should ensure that for all contracts containing a subcontract plan, a copy of the plan is included in the contract file.
- b. The SEWP program office needs to ensure that all of its commercial subcontracting plans are kept current, which requires annual renewal of the plans that SEWP manages, plus obtaining copies of renewed plans that are managed by other agencies. (FAR 19.701 and 19.704 [d]).
- c. Both the SEWP program and the GSFC Industry Assistance Office, need to ensure that, for the subcontracting plans that the SEWP program manages, all such plans:
 - i. Contain documentation of approval of the plan, for plans managed by other agencies (FAR 19.704 [d]).
 - ii. Contain acceptable goals commensurate with the market for the applicable NAICS codes, and appropriate in accordance with FAR 19.704 (d). Plans with goals of "0" should not be accepted (other than the HBCU category).
 - iii. Contain all 15 elements required by the current version of FAR Clause 52.219-9, with emphasis on the element entailing an identification of types of supplies or services planned for subcontracting to small business and the various subcategories.
 - iv. Clearly identify what type of plan (individual or commercial) it is.
 - v. Are otherwise acceptable by NASA (e.g., not a DOD Comprehensive Plan).
- d. The GSFC Industry Assistance Office should update its template for reviewing subcontracting plans, so that it (1) includes all 15 elements as currently required by FAR 19.704 (a) and 52.219-9 (d), and (2) recognizes goaling in a commercial plan format.
- e. The SEWP Program office should ensure that contract files contain documentation that plans have been reviewed by the GSFC Industry Assistance Office as well as the SBA PCR (FAR 19.705-4 [d] [7]).
- f. OSBP recommends that the SEWP office and GSFC ensure that the requirements of FAR 19.705-6 (f) are met, including ensuring that Summary Subcontracting Reports are submitted on time by contractors, as well as the timely and accurate review of such reports by the Contracting Officer.
- g. OSBP recommends that SEWP begin issuing CPARS at the contract level for all contractors that have subcontracting plans, not only to comply with FAR 19.705-7 (f) and 42.1502 (g), but also to place contractors on notice that the agency is monitoring subcontracting performance.

C. Weaknesses

(none)

VII. FOLLOW-UP OF FINDINGS FROM PREVIOUS PMR

This section is not applicable since the SEWP Program has not been separately reviewed before.

CONSIDERATION

1. The SEWP Program Office might consider recoding its contracts with subcontracting plans in the “Subcontracting Plan” field in FPDS-NG to accurately reflect the type of plan (Commercial, Individual, etc.).

ATTACHMENT B

SUMMARY OF REVIEW FINDINGS

STRENGTHS

Contracting Officer's Representative (COR) Training and Delegations

- ✚ Goddard Procurement is commended for the implementing a process for ensuring that COR delegations are executed prior to contract award during the final contract file review process. This ensures that the appropriate resources are made available to award and manage the contract in a timely manner.

Internal Policies, Procedures and Knowledge Management

- ✚ Given the volume of electronically-available procurement-related documents and helpful tools on the Goddard Procurement Policy website, Procurement Analysts Jim Becker and Geoff Sage are doing an exceptional job overseeing Goddard's procurement policies, procedures, guidance, and e-tools. The Clause Finder software tool is noteworthy.

Master Buy

- ✚ Goddard Procurement is commended for assigning a single individual to oversee and maintain the Master Buy Plan and the Baseline Performance Review. This has ensured consistency, completeness, and accuracy of the data entered and updated in the system.
- ✚ Goddard Procurement is commended for the consistency, completeness, accuracy, and timeliness of the information posted on the Acquisition Forecast website.

Deviations and Waivers

- ✚ Goddard Procurement is commended for the very well written deviation and waiver request documentation. The documents contained clear and solid rationale for making the request.

Acquisition Planning

- ✚ Goddard Procurement is commended for their Procurement Strategy Meeting (PSM) documentation, and resolution of PSM issues. The PSM charts addressed all acquisition planning issues and the files included detailed documentation addressing the PSM, the results of the PSM and the manner in which PSM issues were resolved.

(Repeat Finding)

Negotiation Documentation

- ✚ Goddard Procurement is commended on the use of a verbally approved negotiation objective to effectively streamline the procurement process during dynamic negotiations where achieving agreement between the Government and the contractor quickly is essential. This approach facilitates collective discussion of the various negotiation factors among key stakeholders in the process.

Exercise of Options

- ✚ Goddard Procurement is to be commended for developing templates to assist contract specialists with properly processing and documenting options. The Option Determination Memorandum includes a detailed timeframe of when the Contract Specialist/Contracting Officer should begin preparing to exercise an option of the contract.

Undefinitized Contract Actions

- ✚ Goddard Procurement is commended for providing information regarding the status of its UCAs to the Headquarters Procurement Center Analyst on a weekly basis. The information and weekly updates provide the analyst with a mechanism to apprise Headquarters Procurement management of the status of UCAs in a timely manner.

Contract Closeout

- ✚ Goddard Procurement is commended for having a Centralized Closeout Processing Unit (CPU) to organize the closeout packages that go to Brandon Enterprises, Inc., the support contractor responsible for contract closeout.
- ✚ Goddard Procurement is commended for establishing a close working relationship with the closeout contractor to ensure that files are closed-out in accordance with the FAR, NFS, and NASA closeout procedures.

Cost/Price Analysis, Structured Fee Approach used in Profit/Fee Determination

- ✚ Goddard Procurement is commended for the thorough analysis of the proposed subcontractor efforts in the contracts reviewed and the Contracting Officer's efforts to ensure that the contractor's proposed fee was consistent with the weighted guidelines of the structured fee approach used in profit/fee determination.

Architect & Engineering Services

- ✚ A well-defined checklist has been implemented, since the 2014 PMR, to each of the A&E projects in the beginning of the process that addresses all of the elements as required by both the FAR and NASA FAR Supplement. The checklists addressed all elements and were very detailed and thorough. It was demonstrated that full use of the checklist ensured that each of the requirements were included in the contract and significantly reduced the risk that requirements were forgotten or not included in the contract file during administration.
- ✚ As indicated in the 2014 PMR Report, pre-award requirements continue to be a strength as the information reviewed was exceptional. The well-detailed pre-award planning and requirements documentation significantly reduces potential project risks that might occur after award.

RECOMMENDATIONS

Legal Office Interviews

- ✚ Goddard Procurement should ensure that thorough, high quality reviews of lower dollar value procurement documents are conducted by the appropriate level staff prior to submission for legal review. The package(s) should contain the disposition of reviewer comments when submitted for legal review. ***(Repeat finding)***

Contracting Officer's Representative (COR) Training and Delegations

- ✚ Goddard Procurement should ensure that contracting officer's representatives (COR) are appointed and delegated COR responsibilities prior to contract award in accordance with (IAW) FAR 16.301-3(a)(i) to ensure appropriate Government surveillance during contract performance.
- ✚ Goddard Procurement should ensure that the NF 1634 COR Delegations are annotated appropriately when surveillance plans are required. ***(Repeat finding)***

Internal Policies, Procedures and Knowledge Management

- ✚ Goddard Procurement should ensure a review of procurement circulars and guidance is conducted on a regular basis to maintain the accuracy of information, latest policy is posted, and the timely removal of outdated information. ***(Repeat finding)***
- ✚ There is agency-wide concern over duplication of information on NASA websites and the constant struggle to maintain procurement policy, guidance, and information current and relevant. A substantial amount of information on the Goddard 210 Procurement website may already be available on other websites. Goddard Procurement should ensure that duplication of information is minimized and located on a common site.

Justification for Other than Full and Open Competition

- ✚ Goddard Procurement should ensure that synopses are issued consistently on all required contracts and that the file is documented accordingly. ***(Partial Repeat Finding)***
- ✚ Goddard Procurement should ensure that the entire value of a procurement is covered by a JOFOC estimate or via an addendum documenting the increase if the awarded contract value significantly exceeds the JOFOC estimate.

Acquisition Planning

- ✚ Goddard Procurement should ensure that all elements of responsibility outlined in FAR 9.104-1 are examined and documented in the contract file by the Contracting Officer.

- ✚ Goddard Procurement should ensure that EPLS/SAM is checked and the file is properly documented.

Source Selection Process

- ✚ Goddard Procurement should ensure that a competitive range determination shall be made and documented in the file in every instance that discussions are held, even if all offerors are included within the competitive range.

Contractor Safety Requirements

- ✚ Goddard Procurement should ensure the 1707 form has been review and approved by all necessary reviewers and approvers.

Government Property

- ✚ Goddard Procurement should ensure that the government property lists contain all of the information required by the FAR. The development of a standard form may be useful to ensure consistency across the organization. ***(Repeat finding)***
- ✚ Goddard Procurement should develop a template to document Best Interest Documentation to include a reference to 1845.102-70.

Award Fee/Incentive Contracts

- ✚ Goddard Procurement should ensure contracting officers/specialists comply with the requirements of PIC 10-17. Revise the affected contract award fee plans at the next 6-month interval to remove the direct link to earned value metrics and focus on what is important and critical to the Government.
- ✚ Goddard Procurement should ensure the timely issuance of FDO award fee ratings to the contractor (within 45 days) and the timely execution of award fee payments (within 60 days) of the end of the award fee period being evaluated in accordance with NFS 1816.405-276(c).

Evaluation of Contractor Performance

- ✚ Goddard Procurement should ensure a short refresher is provided to its CORs on the procedures for CPARS evaluations found in the User Manual for CPARS (www.cpars.gov) and the requirements for providing detailed narratives to justify a particular evaluation rating reported in accordance with the FAR and NFS.

Negotiation Documentation

- ✚ Goddard Procurement should ensure that pre-negotiation position memoranda contain the appropriate detailed rationale/documentation to support the reasonableness determination in accordance with FAR 15.406. Further, Goddard Procurement should ensure that the information in the pre-negotiation position memoranda is consistent with the information contained in the technical evaluations.

Exercise of Options

- ✚ Goddard Procurement should include FAR 52.217-8 in its Option Determination Memorandum template. The inclusion of this clause may avoid any misinterpretation that a memo is not needed. Currently the template only includes FAR 52.217-7 and FAR 52.217-9.
- ✚ Goddard Procurement should ensure that each contract file has a proper option determination memorandum that adequately addresses the FAR and NFS. ***(Repeat finding)***
- ✚ Goddard Procurement should provide training and issue additional guidance to the Procurement workforce, strongly advising the use of appropriate Goddard templates for contract files with options, ensuring FAR and NFS clauses are properly addressed. The files that included findings deviated from those templates.
- ✚ Goddard Procurement should ensure that Contracting Officers are citing the appropriate authority for exercising and funding options. There are variations among the citations when COs use the “Limitation of Funds” clause, “Mutual Agreement”, or the “Options” clause. Some COs appropriately cited both the Option and Limitation of Funds clause when they were exercising an option and adding funding to the contract.

Subcontract Consent

- ✚ Goddard Procurement should ensure that determinations for the need to conduct a Contractor Purchasing System Review (CPSR) are made by the Administrative Contracting Officer and that a CPSR is conducted when determined necessary in accordance with FAR 44.3 and NFS 1844.3. Goddard Procurement should also ensure that the approval of a contractor’s purchasing system is documented in the contract file. ***(Repeat finding)***
- ✚ Goddard has a good tool in the *Consent to subcontract checklist*, this should be a mandatory requirement for all subcontract consent requests. It is suggested to add the following to the form/checklist: dollar amount of Subcontract and the “check box” to indicate review of CPRS or not required with a date of review, see FAR 44.302(b).

- ✚ Goddard Procurement should ensure that proposed actions are appropriate for subcontract activity and that subcontract consent packages are thoroughly reviewed to verify that the appropriate actions are taken and sufficient documentation is present.

Undefinitized Contract Actions

- ✚ Goddard Procurement should ensure that Contracting Officers are being consistent when issuing both UCA and Definitization modifications. When definitizing a UCA and Letter contract, the appropriate authority to cite is the “Changes” clause. Goddard’s policy should ensure the authority, cited, is appropriate when issuing these types of modifications to ensure consistency throughout the Center and appropriate classification in the HQ BPR system.

Contract Closeout

- ✚ Goddard Procurement should assign physically complete dates based on inspection and acceptance, not the period of performance end dates.
- ✚ Goddard Procurement should utilize FAR 42.708, Quick Closeout Procedures to help reduce the backlog of physically complete contracts. ***(Repeat finding)***
- ✚ Goddard Procurement should establish an electronic contract system, wherein contract closeout files can be contained in databases and not storage facilities, due to the huge volume of physical files.

Technical Evaluations

- ✚ Goddard Procurement should ensure that technical evaluations provide sufficient analysis of the elements (labor hours, skill mix, material costs, etc.) necessary to meet the requirements and support the Government’s objective position. Further, technical evaluations should provide sufficient rationale for accepting proposed amounts that are higher than the Independent Government Estimate.

Financial Management Reporting

- ✚ Goddard Procurement should ensure that the NF 533M and NF 533Q analysis is adequately documented on a consistent basis across the organization and that waivers are executed when the submission of the NF 533Q is not applicable.
- ✚ Goddard Procurement should revise the GSFC form 210-49 to include: 1) date received; 2) split the overrun and underrun to two separate lines; and 3) indicate the type of analysis (i.e., plan to actual or estimate to actual and is it hours, dollars, etc.). Add an indicator of 533M/533Q being reviewed and an indicator of 533Q required or waived. Add more evaluation items/areas of concern: Document the evaluation or evaluate the requirements requested. Some of the 533s were huge, over several hundred pages. There was no documentation/verification that these pages were reviewed.

Commercial Simplified Acquisitions

- ✚ Goddard Procurement should re-work its GSFC 210-92 template for price reasonableness. If the basis of price reasonableness is based upon the experience of a government source, then those credentials should be noted.

Environmental Issues

- ✚ Goddard Procurement should ensure that compliance with the sustainable acquisition requirements is accurately reflected in FPDS-NG. ***(Repeat finding)***
- ✚ Goddard Procurement should ensure that the NF 1707, Section 2 'Environmental/Sustainable Acquisition' requirements block is appropriately marked for all planned requirements that will include bio-based purchasing contract language.

Construction and Architect and Engineering Services

Construction

- ✚ Goddard Procurement should ensure, upon the receipt of Certified Payroll Records, conducting unscheduled interviews with random contractors at the job site and ask the contractor if the wage listed in the payroll is the correct wage they were paid. Additionally, determine whether or not the labor category reported is the correct labor category.

Architect and Engineering Services

- ✚ For FACETS Contract - Review FAR Part 36 to ensure that the contract is both effective and within the regulation to ensure the basis for the contract is sound.

Cooperative Agreements

- ✚ Goddard Procurement should ensure that training is available to personnel when an action contemplated to be a cooperative agreement, and ensure proof of any training is maintained in the appropriate training tracking system.

RECOMMENDATIONS FOR HEADQUARTERS

Indefinite Delivery/Indefinite Quantity (IDIQ) Contracts

- ✚ Use of Technical Evaluation Template: HQ Procurement Office to review this guidance to ensure interpretation is consistent with the NFS. If so, recommended this same interpretation is provided to all of the other Centers for implementation and to remain consistent across the Agency.

Cooperative Agreements

- ✚ For the Program Operations Division to ensure that the grant and cooperative agreement policy is streamlined and that the website is updated to remove all unnecessary documents.

Information Technology Clauses

- ✚ For the Contract and Grant Policy Team to determine if FAR 52.204-21, Basic Safeguarding of Contractor Information” is or is not in conflict with NFS 1852.204-76.

WEAKNESSES

Justification for Other than Full and Open Competition (JOFOC)

- ✚ Goddard Procurement shall ensure that JOFOCs are made publicly available within 14 days after contract award in accordance with FAR 6.305.

Source Selection Process

- ✚ Goddard Procurement shall ensure that the section of the Source Selection Statement is posted to the Federal Business Opportunities web page no later than 11 calendar days after the final debriefing in accordance with NFS 1815.308.

Award Fee/Incentive Contracts

- ✚ Goddard Procurement shall ensure that the PEP award fee grading Table C.1 descriptions for Satisfactory and Unsatisfactory ratings are revised to eliminate any ambiguity and preclude the possibility of an incorrect rating for that performance factor.

Exercise of Options

- ✚ Goddard Procurement shall ensure that the contractor is properly notified in accordance to the terms and conditions of the contract. In the case that the contractor is not properly notified, Goddard shall ensure that bilateral modifications are completed in accordance with the FAR and NFS.

Blanket Purchase Agreements

- ✚ Goddard Procurement shall ensure that all Blanket Purchase Agreements are reviewed annually in accordance with the applicable requirements of either FAR 8.405-3(e) or FAR 13.303-6 and the review is filed accordingly.

Cooperative Agreements

- ✚ Cooperative agreements, unless with commercial firms and with agreed upon cost sharing, should now contain the terms and conditions found in 2 CFR 200.1800 per GIC 14-2. One cooperative agreement reviewed still had the 14 CFR 1260 terms and conditions and another only partially converted the terms and conditions. These cooperative agreements should be modified in accordance with GIC 14-2.

RESOLVED 2014 PMR WEAKNESSES

Internal Policies and Procedures/Knowledge Sharing

- ✚ Goddard Procurement shall ensure that all internal policies and procedures are reviewed on a regular basis to ensure that they are updated and current.

Source Selection Process

- ✚ Goddard Procurement shall ensure that the section of the Source Selection Statement pertaining to proposed costs for both successful and unsuccessful offerors is compliant with NFS 1815.308(3).

Award/Incentive Fee Contracts

- ✚ Goddard Procurement shall ensure that Fee Determination Official decisions and award fee payment modifications are executed within the time requirements specified in NFS 1816.405-276(c).
- ✚ Goddard Procurement shall ensure that the cost control score and the performance evaluation narrative are consistent with actual cost performance and that actual contract cost performance rather than earned value management data is evaluated.

Subcontract Consent

- ✚ Goddard Procurement shall ensure that the determination outlining consideration of special surveillance for actions above \$1M is completed and documented in the contract file as required by NFS 1844.201(a) (iii). (Repeat Finding)

Exercise of Options

- ✚ Goddard Procurement shall ensure that all option determination elements required by FAR 17.207 and NFS 1817.207 are consistently addressed and documented in the contract file.

Grants and Cooperative Agreements

- ✚ Goddard Procurement shall ensure that a statement of collaboration in Special Condition 1260.51 is incorporated as required by the Grants and Cooperative Agreements Handbook Section 1260.12(d)(3).

Construction and Architect and Engineering Services Contracts

- ✚ Goddard Procurement shall ensure that a detailed independent government cost estimate is completed prior to negotiations on A&E Services basic contract awards as required by the FAR and ensure that the final selection by the selection authority is documented on A&E basic contract awards.