



Procurement Management Review Report

Goddard Space Flight Center

August 4 - 15, 2014

OFFICE OF PROCUREMENT

HEADQUARTERS

WASHINGTON, D.C.

PREFACE

The NASA Headquarters Office of Procurement (Headquarters Procurement) conducted a virtual procurement management review of the Goddard Space Flight Center (Goddard) Procurement Operations Division (Goddard Procurement) under the authority of NASA Policy Directive (NPR) 1000.3D, The NASA Organization and NPD 1210.2, NASA Surveys, Audits, and Reviews Policy. The review was conducted August 4 -15, 2014. The report contains strengths, weaknesses, and recommendations resulting from the review.

An exit briefing was held on August 14, 2014 to discuss the review findings.

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

Yolande B Harden

Yolande Harden
Review Program Manager
Headquarters Office of Procurement
Analysis Division

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SECTION I

EXECUTIVE SUMMARY

Headquarters Procurement conducted a combined on-site and virtual Procurement Management Review (PMR) of the Goddard Procurement August 4 - 15, 2014. Goddard Procurement has personnel in the following locations: Greenbelt, Md., Wallops Flight Facility, Wallops Island, Va., and the Independent Verification and Validation Facility in Fairmont, West Virginia. The virtual PMR portion utilized an electronic platform to upload review documents. The documents were retrieved and reviewed by PMR team members from their home Centers. A concurrent review of the Small Business Programs (Attachment A) was conducted on-site by a representative from the NASA Headquarters Office of Small Business Programs (OSBP). The PMR team conducted interviews with technical, procurement, and legal staff to gauge the effectiveness of the 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 but not limited to the following: Procurement Career Training and Development, Internal Policies and Procedures, Acquisition Planning, Source Selection Process, Contract Closeout Process, Negotiation Documentation, Technical Evaluations, and Cost/Price Analysis. Several findings from the 2011 PMR report were sufficiently addressed, resolved or downgraded from weaknesses to recommendations. A repeat finding (weakness) was identified in the area of Subcontract Consent and five repeat recommendations were identified. Additional areas for improvement are addressed in the report. Three recommendations for Headquarters Procurement were also identified during the review.

Staffing levels within the organization have decreased slightly since the last review. The organization has experienced the loss of several senior individuals primarily due to retirement. A new Procurement Officer was selected since the last PMR. Interviews conducted with procurement personnel generally reflected a positive perspective of the organization with an acknowledgement that workload is heavy but manageable for the majority of individuals. The technical and legal representatives interviewed indicated that working relationships are good; the organization is perceived as very 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 review 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. 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 OSBP. A copy of that review including review findings is attached.

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 between 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. The Deputy Center Director was provided a high level overview of the findings.

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 Officer shall provide a written summary of corrective actions planned or taken to resolve all weaknesses and 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:

Yolande Harden (*on-site*), HQ: Review Manager: Personnel Interviews (procurement and technical personnel), Organizational Structure and Staffing, Simplified/Commercial Acquisitions, and Purchase Card Program

Diane Frazier (*on-site*), HQ: Co-Review Manager: Legal Interviews, Environmental Issues, Subcontract Consent, and Procurement Career Development and Training

Veronica Lansey (*on-site*), HQ: Goddard Center Analyst: Master Buy Plan Actions and Baseline Performance Review, Deviations and Waivers, and Undefined Contract Actions

Craig Bowers (*on-site*), HQ: Exercise of Options and Award/Incentive Fee Contracts

Desiree Sylver-Foust (*on-site*), HQ: Government Property, Contract Closeout Process, and Earned Value Management

Jeannette Albiez (*virtual*), ARC: Negotiation Documentation, Technical Evaluations, and Cost/Price Analysis

Norman Julien (*virtual*), ARC: Construction and A&E Contracts and Source Selection Process

LaShonda Jacobs-Terry (*virtual*), LaRC: Internal Policies and Procedures/Knowledge Management, Self-Assessment Process, DCAA Audit Follow-up and Wide Area Workflow Clause Implementation

Kristi Fryer (*virtual*), JSC: Contractor Safety Requirements, COR Training and Delegations, and Financial Management Reporting

Rob Kolb (*virtual*), JSC: Acquisition Planning, JOFOCs, and IDIQ Contracts

Jamiel Commodore (*virtual*), HQ: Evaluation of Contractor Performance and Interagency Acquisitions

Ben Benvenuti (*virtual*), NSSC: Grants and Cooperative Agreements

David Grove (*on-site*), HQ OSBP: Small Business Programs Review

3. REVIEW SUPPORT:

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

Jim Becker	Goddard Procurement Operations Division
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Geoff Sage	Goddard Procurement Operations Division
Jim Debelius	Goddard Procurement Operations Division
Jonathon Cole	NEACC Support Contractor

SECTION III

ORGANIZATION - MANAGEMENT

1. ORGANIZATION STRUCTURE AND STAFFING

Goddard Procurement is part of the Center's Management Operations Directorate. The Division management is led by the Procurement Officer, the Deputy Procurement Officer, and the Associate Chief for Operations and Business Management. Other direct reports within the Division include the NOAA Geostationary Operational Environmental Satellite – R Series (GOES-R) and Joint Polar Satellite System (JPSS) program offices, the Industry Assistance office, Senior Staff and Policy office, the Division Training Coordinator, and Procurement Systems and Support office. Each functional office within the Division is led by an Associate Chief and two to three Procurement Managers. A new Procurement Officer was selected since the last PMR.

Staffing levels have decreased since the 2011 PMR. There were 194 individuals in the organization at the time of this review. There were 204 reported in the organization during the 2011 PMR. The workforce consists of senior level managers (associate chiefs), immediate supervisors (procurement managers), GS 1102 series Procurement Analysts and Contract Specialists, GS 1105 series purchasing agents, and administrative support positions. The organization lost several individuals with key experience to retirement, including the Procurement Officer, since the last PMR. Other senior level individuals were slated to retire within the next few months, including the Deputy Procurement Officer.

Despite the losses of senior personnel in recent years, 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 a greater insight into the effectiveness of the organization. The majority of the individuals interviewed had less than ten years of tenure at Goddard. Some came from private industry or other federal agencies, others were recent college graduates, and a couple transferred from other NASA Centers. Most individuals perceived that the new Procurement Officer was leading the organization in a positive direction. Morale varies depending the individual's location within the organization, personal experiences with managers, and previous experiences at other agencies or centers, among other things. Morale at Wallops appeared to be much lower than in Greenbelt. This perception is greatly attributed to higher stress levels due to a smaller staff and high workload volume.

The majority of people interviewed perceive workload as heavy but manageable. Again, the Wallops staff feel overwhelmed with workload levels. Those who managed contracts supporting major programs and projects also indicated that the workload volume was extremely heavy. A few individuals indicated that they were not afforded opportunities to manage more challenging workload when requested.

Most individuals indicated that communication and knowledge sharing within the organization was good. Most groups have regular staff meetings and various newsletters and email notifications are utilized to share division wide information. While the vast majority of individuals perceived that knowledge sharing within offices is very good, a few indicated that certain individuals are hesitant to share work related information with colleagues.

Management is viewed as supportive of training and career development and growth. A variety of internal training opportunities are available. Wallops personnel are unable to travel to Greenbelt or other areas for training opportunities due to lack of travel funding. Training opportunities outside of Goddard are limited due to travel funding constraints. Most individuals indicated that they do take advantage of the opportunities on site for both procurement related and other areas such as leadership and employee development. Several individuals indicated that they prefer to take the required contracting courses offered by the Federal Acquisition Institute in the local commuting area rather than take advantage of the courses offered by Headquarters Procurement at Wallops to avoid overnight travel.

Some individuals stated that feedback is good and generally constructive while others indicated that little or no feedback was provided by managers or associates. There is an overwhelming acknowledgement that managers are supportive of the work/life balance. However, there was the perception by some, that managers with families were more flexible than single managers. Some indicated that managers and associates were not always accessible to employees due to either workload constraints or physical location. Those individuals who had opportunities to interact with Headquarters Procurement indicated that Headquarters Procurement personnel are accessible and responsive.

Overall, relationships with the technical organizations and with the legal office were characterized as good to excellent. Some indicated that procurement is still perceived as a hindrance to the mission by some individuals in the technical community. Many technical representatives from Headquarters were not as responsive as their counterparts in Greenbelt. Co-location with the technical organizations seems to foster stronger working relationships. Legal office representatives were perceived as very responsive and willing to help.

Other issues highlighted during the interviews included positive comments regarding the direction of the organization; concerns that not all of the associates are in touch with their teams; concern that in some offices, awarding bridge contracts is the rule rather than the exception; concern that not enough information regarding promotion selections is made available to the employees; and a recommendation that more effort needs to be placed on improving the relationship between procurement and Headquarters technical organizations.

3. TECHNICAL CUSTOMER INTERVIEWS

Interviews were conducted with Contracting Officer's Representatives (CORs) to assess the effectiveness of Goddard Procurement from the technical organizations' perspective. The majority of the individuals interviewed had over 20 years of experience at the Center. Only one was relatively new to the COR responsibilities. The individuals interviewed indicated that the relationships between procurement and the technical organizations are very good. Procurement personnel attend meetings and participate on a regular basis. Overall, support is perceived as excellent, and Contracting Officers provide timely and effective support and advice.

A COR for a major project at the Center, indicated that there was not sufficient procurement personnel to effectively manage the contract, particularly one with multiple concurrent contract change orders. Another indicated that there was a noticeable reduction in the procurement staff at Wallops Flight Facility. Concerns were expressed regarding the heavy workload volume within the organization.

Procurement personnel are perceived as effective and knowledgeable. One COR mentioned that not all Contracting Officers are as responsive as others based on a recent experience where the former Contracting Officer assigned to his contract moved into another position and the replacement does not provide the same level of support in terms of quality of documents, communication, and timeliness.

All of the CORs maintained current Federal Acquisition Certification for Contracting Officer Representatives (FAC-COR) and met the required continuous learning requirements for the most recent certification period. Many commented on the effectiveness and relevance of the basic and refresher training offered to CORs.

Many of the CORs provided recommendations or suggestions related to their individual experiences. More communication prior to changing Contracting Officers and Contract Specialists was requested. One COR indicated that a directed subcontract to NISH cost the government more than using a commercial firm for the same services. Another COR expressed confusion regarding rules for engaging contractors during the furlough and the subsequent disposition of contractor's claims. A suggestion was made to provide more detailed guidance to source selection board evaluators in certain critical areas such as the evaluation of cost proposals and the review of total compensation plans for major source evaluation board activities. Overall, Goddard Procurement is perceived as providing great guidance to the technical community.

4. LEGAL OFFICE INTERVIEWS

Interviews were conducted with attorneys from the Goddard Office of Chief Counsel. The attorneys provide legal counsel and advice to Goddard Procurement, review a full array of procurement documents, and participate as advisors on source evaluation boards. The years of Goddard experience for the attorneys interviewed range from 8 months to 24 years.

The description of the working relationship with Goddard Procurement ranged from good to superb. The relationship between the two offices is described as effective and professional. Questions are answered promptly and in most cases, potential issues are identified long before a problem arises. The relationship with procurement is, "the best it's ever been," according to the most senior attorney interviewed. They indicated that the reorganization of the procurement organization that occurred about four years ago resulted in less fragmentation of responsibility. Communication between the two organizations is perceived as very good, particularly with the senior staff (Procurement Officer and Deputy, Associate Chiefs, SEB Coordinators, Procurement Policy), and senior level Contracting Officers (specifically cited was the Contracting Officer for James Webb Space Telescope).

The attorneys indicated that the quality of work products submitted for legal review varied. 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 or Associate Chiefs. There was a

general opinion that reviews conducted at the Procurement Manager level do not necessarily result in good work products. All three attorneys interviewed indicated that there is a “disconnect” between the review thresholds for procurement actions between the two offices. They 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. One of the attorneys noted that procurement actions in support of Headquarters can be especially sensitive to handle since the rationale for certain actions are heavily influenced by senior management.

STRENGTH:

Goddard Procurement is commended for establishing and maintaining an excellent relationship with the Office of Chief Counsel and for ensuring that significant contract actions are fully vetted and well documented prior to submission for legal review.

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. PROCUREMENT CAREER DEVELOPMENT AND TRAINING

Goddard Procurement continues to manage its training program in an exceptional manner. The Center Procurement Training Coordinator is involved in a variety of activities geared towards managing and promoting career development and training for members of the procurement workforce.

The Training Coordinator surveys the workforce to assess training needs and maintains an Employee Development Experience Matrix to track each employee’s skills and training background. This matrix helps identify areas to benefit the individual employees in the form of new work experiences or training. Training opportunities consist of external and internally developed training. Members of the procurement management team volunteer to develop and teach the internal courses.

The “learning group” forums continue to serve as an integral part of career development and knowledge sharing within the Division. There are several different groups focused on different needs. The forums are modeled on the Academy for Program/Project and Engineering Leadership (APPEL) Masters Forums which promote knowledge sharing in topical areas utilizing small group discussions and case studies or lessons learned.

The Training Coordinator continually monitors and manages workforce training and certification activities. Approximately 98% (up slightly from 97% in 2011) of the procurement workforce has Federal Acquisition Certification in Contracting (FAC-C) at one of the three levels. The Training Coordinator also uses multiple means of communication with the procurement staff to advertise upcoming courses and to remind all those registered for courses to ensure that maximum attendance is achieved.

The Training Coordinator works with the Goddard System for Administration, Training, and Educational Resources for NASA (SATERN) administrator to create training activities in the system to facilitate tracking of continuous learning points (CLPs) in SATERN. Registration for attendance at monthly learning group meetings, procurement forums, and other activities sponsored by Goddard Procurement is made available for registration in SATERN.

The Training Coordinator continues to facilitate credit for courses taken by the procurement workforce with Strayer University, University of Maryland, and Phoenix University to allow individuals to receive academic credit for completed contracting (CON) courses. Additionally, a procurement-related component of the Center's Academic Investment for Mission Success (AIMS) program was developed. The AIMS program is designed to encourage employees to complete college degrees by reimbursing the tuition costs for approved courses.

The Training Coordinator is also involved in the Goddard Procurement "on-boarding" process established in 2010. "On-boarding" is a formal process which outlines activities for mentoring new employees. The process begins prior to the employee's arrival and continues through the employee's first year. A detailed checklist is utilized to track mentoring activities to ensure smooth transition.

STRENGTH:

Goddard Procurement and in particular, the procurement Training Coordinator, are commended for the actions taken to promote the career development and training of its procurement workforce.

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

Contract files were reviewed for compliance with the requirements of NFS 1842-270 Contracting Officer Technical Representative delegations and the presence of surveillance plans as indicated by the delegation and FAR and NFS requirements.

COR delegations were present for the contracts reviewed. All appointed CORs were identified in the Agency-wide database and met the Federal Acquisition Certification for Contracting Officer Representatives (FAC-COR) requirements through September 30, 2013. Many of the COR delegation forms (NF 1634), however, contained errors or were incomplete. One contract had two alternate CORs appointed and no primary COR because the incorrect box was checked on the NF 1634. Other examples of errors found on the NF 1634 delegation forms include; 1) the wrong contract number on the form, 2) incorrectly indicating whether a surveillance plan is or is not required, 3) incorrectly indicating whether the COR currently meets the requirements for FAC-COR, and 4) not including the date on the form.

FAR 7.104(e) stipulates that Contracting Officers designate and authorize CORs as early as practicable in the acquisition process. Many of the delegations were not executed until after award. Rescission letters were not issued when CORs changed and the Federal Procurement Data System was not updated to identify newly appointed CORs.

Generally, surveillance plans were present when required. The need for a surveillance plan was unclear in a few instances. Some of NF 1634s were marked to indicate that a surveillance plan was required, but then it was determined a plan was not required. Other NF 1634s were not marked to indicate the surveillance plan requirement; however, plans were necessary based on FAR and NFS requirements.

The requirement for surveillance plans are addressed in FAR 37 and NFS 1837 for service contracts and in FAR 46 and NFS 1846 for all other contracts. NFS 1837.604 stipulates that quality assurance surveillance plans are required for each contract for services, and also for supplies where higher-level contract quality

requirements are required. NFS 1846.000 stipulates that surveillance must be conducted whether or not the contract effort has been structured as a performance-based acquisition.

Two weaknesses were identified in this area in the 2011 PMR report: 1) ensure that COTR delegations are executed in all contracts (unless deviations are granted) as required by NFS 1842.270. All files reviewed contained COR delegations; therefore this weakness is resolved; 2) ensure that COTRs provide copies of the surveillance plan and surveillance activity updates when those responsibilities are delegated on the NF 1634. The review reveals that significant progress was made in this area; however there were still instances where surveillance plans were either not provided or it was unclear if a plan was required. Based on the results of this review, the weakness has been downgraded and incorporated into a recommendation addressing overall documentation of the NF 1634.

The Goddard COR Training Coordinator was contacted regarding COR training and certification. There are approximately 1000 CORs listed in the agency-wide database for Goddard and Headquarters operations. The COR Training Coordinator works with the NASA Shared Services Center (NSSC) and directorate points of contact at the Center to ensure that all CORs obtain the necessary CLPs to maintain FAC-COR. Examples of spreadsheets were provided that contain detailed tracking information for each COR. COR supervisors are also required to sign the CLP worksheets which verify that training was completed. Goddard conducted three basic COR classes at Greenbelt and one at Wallops this past year. Information regarding procurement related training courses is disseminated to the CORs and Contracting Officers via web communications and procurement forums.

RECOMMENDATION:

Goddard Procurement should ensure that the NF 1634 COR delegation form is accurate and complete, that rescission letters are issued and the Federal Procurement Data System (FPDS) is updated when new CORs are appointed, that the requirement for surveillance plans is appropriately marked, and that the forms are signed and dated in a timely manner.

WEAKNESS:

Goddard Procurement shall ensure that COR delegations for contracts are executed prior to contract award in accordance with FAR 7.104(e) and FAR 1.602-2.

7. SELF-ASSESSMENT PROGRAM/PMR CORRECTIVE ACTION PLAN

The self-assessment program is designed to ensure that the procurement function throughout NASA is operating at a low level of vulnerability and weaknesses and recommendations identified during a NASA PMR are tracked to closure. Each Center procurement organization is required to conduct an annual review of its acquisition processes and procurement actions. Self-assessments also identify and assess potential areas of concern resulting from PMR findings, audit findings, or regulatory change.

Goddard Procurement has conducted three self-assessments, each conforming to the requirements of the NASA Self-Assessment Guide since the June 2011 PMR. The 2011 PMR report identified a weakness regarding the timeliness of self-assessments. Based on the results of this review, it is determined that the weakness is resolved. Each self-assessment addressed weaknesses identified during the prior PMR and/or prior self-assessments, and included a correction action matrix used to track weaknesses and recommendations through resolution.

The files reviewed during the process were randomly selected based on the topics, with consideration given to those files included in the prior self-assessment. The self-assessment lead attempts to balance the number of files reviewed across the division (i.e., from each Procurement office) and the Contract Specialists as much as possible.

A team based approach is utilized to conduct self-assessments. The self-assessment lead identifies topics based on weaknesses identified in the prior PMR and any weaknesses addressed in the previous self-assessment. The lead formulates a schedule for conducting the self-assessment based on the date the document is due to Headquarters Procurement. The management team identifies candidates for participation (*based on the experience level of candidates and topics selected for assessment*) and submits recommendations for team members to the Procurement Officer for selection. Participation on a self-assessment team is also extended to individuals who will benefit from the experience as a training opportunity whenever feasible.

Reviews are typically conducted during a two-week time frame. A self-assessment questionnaire is used to focus the evaluation on specific areas of concern identified in the PMR report and a template is used to collect reviewer input. The final inputs are collected and assembled into a single report by the self-assessment lead. The final self-assessment report is reviewed by the Deputy Procurement Officer. The Procurement Officer is then briefed and the report is distributed to the management team. The results of the self-assessment are briefed to the entire workforce at the next all-hands meeting.

The self-assessments conducted in 2012 and 2014 both included a review of the purchase card program. The 2012 self-assessment focused on verifying that all card holders received a copy of the tax exemption letter and the frequency of internal audits conducted. The 2014 self-assessment focused on the weakness identified in the PMR report related to ensuring purchase orders utilizing the purchase card as a method of payment are documented in writing and contain the information required by FAR 13.302-1.

The most recent self-assessment was conducted in early February 2014. The self-assessment was completed prior to the effective date of the new requirement to validate data entered into the Award Fee Evaluation System (AFES). Discussions with the self-assessment lead revealed that they were not aware of the requirement to conduct a validation of the AFES data during the annual self-assessments, but agreed to include a review in the next self-assessment.

RECOMMENDATION: (for Headquarters)

Headquarters Procurement should update the Self-Assessment Guide to ensure that expectations for this topic area are clearly communicated to the Center procurement offices.

8. INTERNAL POLICIES, PROCEDURES AND KNOWLEDGE MANAGEMENT

The Goddard Procurement web page was reviewed for content and currency of the information posted. The site is very well organized with an extensive amount of relevant information, resources, and tools. Goddard's policies and procedures are generally consistent with the FAR and the NFS, however some of the policy documents from the Controlled Documents List (dated 08/16/13), have expired (e.g., Circulars 96-6, 04-01, 99-1, 03-01).

Center unique provisions and clauses were also reviewed for currency and to ensure they did not duplicate FAR and NFS provisions and clauses. There are currently 78 unique provisions and clauses, in addition to eight clauses specific to Headquarters procurement operations. The Center provisions and clauses primarily address: Center specific requirements (e.g., use of center resources, such as motor pool, center library, and shipping and receiving instructions), Headquarters policy (e.g., GSFC 52.216-103 – Submission of Vouchers for Payment was created as a result of PIC 14-02), and lessons learned (e.g., GSFC 52.243-91 – Launch Delays). Overall, the Center unique provisions and clauses supplement the FAR and NFS provisions and clauses by providing additional guidance or Center specific instructions. Discussions with members of the Senior Staff and Policy Office indicated that none of the Center specific provisions or clauses had a significant effect beyond the internal operating procedures of the Center or Headquarters Operations and therefore did not require approval by Headquarters Procurement.

Goddard Procurement has utilized the “Clause Finder” matrix tool since February 2014 to ensure consistency in the development of solicitations and contracts. Clause Finder includes five functional tools: “Solicitation Review” – used to help review Requests for Proposals(RFPs)/Requests for Quotations (RFQs) to ensure that the proper provisions and clauses are included in the documents; “Search New and Updated” – used to help update RFPs/RFQs after completion of the initial review (e.g. Draft RFP to Final RFP), during discussions, or in the case of a contract extension; “New Work Modification Clause Listing” – used when initiating new work modifications; “Clause/Provision Lookup” – used to search for particular clauses or provisions either by number or title; and “Clause Finder “eGreenbook”” – mirrors the FAR and NFS Matrix and shows all clauses/provisions contained in Clause Finder. The tool also has report generating capability. It is updated regularly by a Procurement Analyst through the most current FAC, PIC, and PN.

Goddard Procurement utilizes various methods to share knowledge within the division, as well as with CORs and technical organizations. The procurement policy web page provides policy, tools, and links to resources to assist procurement personnel in daily operations. Examples of the information posted include links to regulatory guidance (FAR, NFS, GSFC/HQ Circulars and Notices); a “What’s New” section that includes recent updates to policy/clauses/forms/tools/templates; and a “Checklist for Contract Award” section that mirrors the NF1098 and provides guidance and templates for the documentation filed under each tab.

Goddard Procurement uses monthly social working groups to disseminate information across the organization. Current groups include various learning groups, the Small Purchase Acquisition Team (SPAT), the Contract Specialist working group (for GS-12’s and 13’s), and the Senior Contract Specialist working group (for non-supervisory GS-14’s). The Simplified Acquisition web page includes resources/tools for award of small purchases, as well as guidance and information relevant to technical organizations. The Procurement Services web page is another resource for non-procurement acquisition personnel that provides guidance on the purchase card program, information regarding the appointment and training of CORs, and contains a listing of active contracts. A systems newsletter is issued periodically and contains news and information regarding procurement systems and processes affected by those systems. Contract Specialists/Contracting Officers disseminate information to CORs as needed, while the Procurement Managers provide pertinent information to the technical organizations. The Procurement Officer presents information to the technical organizations during weekly Center management meetings, as appropriate.

The information is shared primarily through learning groups and through training conducted by subject matter experts. Subject matter experts provide training to the division in focused areas where concerns have been identified (e.g., JOFOCs, acquisition planning).

The policy web page contains a template for capturing source evaluation board lessons learned. The lessons learned from previous source evaluation board activities are documented in a tab on this webpage. Lessons learned may result in the implementation of new or changes to existing policy, the revision of templates, and/or training forums to disseminate information to the entire division.

A shared drive is used as the repository for samples/templates across the division and is organized by office. Each office has its own folder where samples are stored for others to view.

The Employee Training & Development web page contains policy related to Contracting Officer's warrants, new employee orientation, mentoring and career coaching, and resources for training and development (e.g., FAC-C guidance and course offerings, non-procurement and other training classes, and rotation/detail opportunities). The page also includes training charts for the Fun with the FAR series, focused training courses, webinars, and the all hands meetings.

STRENGTHS:

Goddard Procurement is commended for the extent and quality of information provided via its web site and for efforts related to sharing knowledge and information within the division.

Goddard Procurement is commended for the development, utilization, and maintenance of the Clause Finder tool to ensure appropriate application of clauses and provisions in solicitations and contracts.

WEAKNESS:

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

SECTION IV

PRE-AWARD PROCESSES AND DOCUMENTATION

1. MASTER BUY PLAN ACTIONS

Goddard's Master Buy Plan (MBP) program was reviewed for compliance with NFS 1807.71. The MBP database provides information on planned acquisitions to enable Center management to focus attention on high-dollar value and otherwise sensitive acquisitions. The Baseline Performance Review (BPR) monthly reporting includes aspects of MBP pre-award activities, post-award contracts/activities, and Undefined Contract Actions (UCAs); this information is used to support the Agency's BPR monthly reporting requirement with NASA Senior Management. Goddard Procurement has maintained more MBP records than any other NASA center due to the nature of programs and projects managed at the Center.

Goddard Procurement has maintained as many as twenty (20) MBP records per year. The review revealed that Master Buy Plan records are entered into MBP database for all acquisitions that met the NFS 1807.7101 criteria. Goddard Procurement has consistently updated the MBP and BPR system in a timely manner since the last PMR. New records for upcoming acquisitions are submitted in a timely manner. A central MBP/BPR data entry point of contact is designated. The focal point works closely with the assigned Headquarters Procurement Analyst to ensure the most accurate and complete information is entered into the MBP/BPR system. No discrepancies were noted in the systems and the program is managed exceptionally well.

Acquisition Forecast

Headquarters Procurement develops an annual forecast of anticipated contract opportunities, or classes of contract opportunities, for each fiscal year. The forecast includes anticipated procurements in excess of the simplified acquisition threshold from each Center. It is designed to provide industry with advanced knowledge of NASA requirements and enhance competition. The forecast is updated on a semi-annual basis.

Goddard Procurement's submission to the Acquisition Forecast included the appropriate data. The information was accurately prepared for classes of contracting opportunities and posted to the NAIS in accordance with NFS 1807.72. A new format was developed by the Office of Small Business Programs in conjunction with the Headquarters Procurement, Procurement Operations Division. The new format allows small businesses to clearly identify opportunities set-aside for small business. The recommendation contained in the 2011 PMR report regarding the color coding of actions no longer applies in the new format.

STRENGTH:

Goddard Procurement is commended for appointing a Master Buy Plan/Baseline Performance review focal point to ensure timeliness, accuracy, and consistency in meeting Headquarters Procurement reporting requirements.

2. DEVIATIONS AND WAIVERS

Deviation requests were reviewed for compliance with FAR 1.4 and NFS 1801.4. Goddard Procurement submitted numerous deviation requests to Headquarters Procurement for review and approval since the 2011 PMR. The Assistant Administrator for Procurement approved post award requests to extend the period of performance beyond the five-year FAR limitation, pre-award actions for authorization to award a contract with a period of performance that exceeded the five-year FAR limitation, and requests related to Source Evaluation Board restrictions.

The deviation requests were well written in all instances. The documents provided clear and concise information to justify the need for the deviation. The required approval from the Procurement Officer and concurrence from Goddard Chief Counsel were obtained prior to submission of the deviation request packages to Headquarters Procurement for approval.

Waivers

No requests for waivers were submitted to Headquarters Procurement for approval since the 2011 PMR. The review confirmed that the recommendation identified in the previous PMR to ensure that the appropriate Center concurrences were obtained and documented in the file for incremental funding waivers granted in accordance with NFS 1832.702-70 was adequately addressed.

STRENGTH:

Goddard Procurement is commended for submitting well documented and timely deviation requests to Headquarters Procurement for review and approval.

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

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 \$634K to \$49M. 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 6.302-3 "Industry Mobilization, engineering, developmental, or research capability; or expert services" as the authority for the sole source action. One other action included a detailed memorandum to the file to explain the action taken. The effort was not considered new work but rather a transfer of management responsibility. Contract effort conducted by a subcontractor under the prime contract was de-scoped and became a new prime contract. The work did not change. The file documentation provided very good rationale and was reviewed and approved at the required levels including the Legal office.

All JOFOCs reviewed were very well documented, regardless of dollar value. The documentation included excellent background information and provided sound reasoning for using the authority cited in the JOFOC. All JOFOCs cited the proper authority and were reviewed and approved by the appropriate officials. Post award notifications were not issued for some of the JOFOCs. One file did not contain a post award synopsis, another did not contain the required public announcement, and yet another file did not contain either the post award synopsis or the required public announcement.

STRENGTH:

Goddard Procurement is commended for developing consistently very well written and detailed JOFOCs that provide sound rationale for using other than full and open competition, and include relevant, detailed background information on the planned procurement.

RECOMMENDATION:

Goddard Procurement should ensure that post award synopses and Headquarters public announcements are issued consistently on all required contracts and that the file is documented accordingly.

4. ACQUISITION PLANNING

Acquisition planning and requirements definition documents were reviewed for compliance with FAR 7 and 11 and NFS 1807 and 1811. The contracts reviewed ranged in dollar value from \$900K to \$43M. Some of the items reviewed included acquisition plans, Procurement Strategy Meeting (PSM) charts, PSM minutes, resolution of minutes, market research documents, Purchase Requisitions, NF 1707s. The documentation of the excluded parties list was checked for verification with the System for Award Management database. The acquisition planning documents including the PSM documents for larger dollar acquisitions were very well prepared and the files contained all necessary documents, reviews, and approvals. Two larger dollar contracts reviewed contained excellent file documentation. PSM charts covered all of the required acquisition planning areas and the PSM minutes and resolution of issues was well documented. Market research documentation was very well written.

The files reviewed in the area of acquisition planning with dollar values under \$5M represented a variety of acquisition types. They included a Small Business Innovative Research Phase III award, a sole source 8(a) award, an 8(a) award after capabilities presentations, a concept study report resulting from an Announcement of Opportunity, and contracts resulting from Broad Agency Announcements. All of the necessary steps to satisfy acquisition planning requirements and provide the appropriate file documentation were taken. Sole source awards included the appropriate documentation in the file planning rationale or authority for sole source action.

STRENGTH:

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

5. SOURCE SELECTION PROCESS

The Goddard Procurement source selection processes are very well documented. The designation of two Source Evaluation Board (SEB) coordinators and additional Cost/Price Analyst support appears to be beneficial to the organization. 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.

Many actions such as the competitive range determinations, discussions, and responsibility determinations were well documented and consistent across SEB activities. Some other areas that were also well documented, but contained inconsistencies or errors across SEB activities included the Source Selection Authority (SSA) presentation slides and the cost section of the Source Selection Statement (SSS). NFS 1815.308(3) stipulates that the source selection statement shall not disclose the proposed or overall evaluated cost or price for unsuccessful offerors, but rather describe the overall proposed and probable cost or price of unsuccessful offerors in relative terms of comparison to the successful offeror's cost or price. One SSS reviewed contained the proposed or overall evaluated costs of all unsuccessful offerors; another SSS contained only percentages and no proposed cost information for any of the offerors including the successful offeror; and yet another did not contain either percentages or cost information.

The technical evaluation findings contained in the SSA presentation slides did not always include references to Section M 'Basis of Evaluation' to ensure that evaluations for each area were consistent with the solicitation language. Slides for some contracts reviewed documented the correlation between the findings and the Section M language while others did not. This reflects inconsistent practices across the organization.

STRENGTH:

Goddard Procurement is commended for the exceptional quality and detailed documentation for Source Evaluation Board actions and the well documented basis for the establishment of the competitive range decisions.

WEAKNESS:

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).

6. CONTRACTOR SAFETY REQUIREMENTS

Contract files were reviewed for compliance with the safety and health requirements specified in NFS 1823.7001. The focus of the review was to verify that the appropriate safety and health provisions and clauses were included in solicitations and contracts that required safety and health plans; that Safety and Mission Assurance Directorate review and concurrence was received on relevant solicitations, contracts, and safety and health plans; and that approved safety and health plans were incorporated into contracts.

Many of the files reviewed contained the Goddard Initiator's Acquisition Checklist (GSFC Form 23-59), which was reviewed and approved by the Safety and Health Official. The use of the GSFC Form 23-59 helps procurement personnel identify any unique aspects of the requirement and provides early input from the Safety and Health Official.

All contracts reviewed except one, contained either the required clause NFS 1852.223-70, "Safety and Health" or NFS 1852.223-72, "Safety and Health (Short Form)". The one exception contained only the Center unique clause HQ 52.223-91, "Additional Safety and Health Requirements". Evidence of the Safety and Health Official final review and concurrence was not present for many of the safety and health plans received prior to incorporation into the contract.

STRENGTH:

Goddard Procurement is commended for the use of the GSFC Form 23-59, "Goddard Initiator's Acquisition Checklist", to ensure that the safety and health officials review the requirements and provide recommendations for the incorporation of relevant safety clauses in the initial stages of the acquisition process.

RECOMMENDATION:

Goddard Procurement should ensure that the safety and health officials review and approve the final Safety and Health Plan prior to incorporation into the contract. Further, Goddard Procurement should develop a process to ensure that the Safety Office reviews and approves Safety and Health Plans prior to incorporation into contracts.

7. GOVERNMENT PROPERTY

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 for the management of government property, property delegation, and government property lists. Most of the contract files reviewed were compliant with the applicable FAR and NFS requirements relative to providing government property to contractors.

All of the government property best interest determinations and property delegations reviewed were well written and properly addressed the criteria and considerations required to provide government property to the contractor. One file did not contain the best interest determination for providing government property. All files reviewed contained documentation of the IPO solicitation review prior to the issuance of the solicitations. IPO or Property Administrator assistance was requested when necessary to evaluate the contractor's proposed systems, standards, and practices. All solicitations/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. Unique-item identifiers and 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.

STRENGTH:

Goddard Procurement is commended for the excellent quality documentation in the area of government property. The thorough documentation demonstrates a clear understanding of the requirements.

RECOMMENDATION:

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.

SECTION V

POST-AWARD PROCESSES AND DOCUMENTATION

1. AWARD/INCENTIVE FEE CONTRACTS

Files were reviewed for compliance with FAR 16.4 and NFS 1816.4, Incentive Contracts. Both award fee and incentive fee contracts were reviewed. There were no weaknesses identified in this area during the 2011 PMR, however, a weakness was identified in the "Evaluation of Contractor Performance" section regarding the failure to post reports in the Award Fee Evaluation System (AFES). The review revealed that award fee information is now entered into AFES in the majority of cases. Only one file reviewed did not have any information entered in AFES. The information provided in AFES does not consistently contain sufficient detail, particularly in the performance description. The weakness is resolved, however Goddard Procurement should ensure that sufficient detail is provided in the performance description area.

NFS 1816.405-276(c) stipulates that award fee determinations are made within 45 days of the period completion and that award fee payment modifications are executed within 60 days of the period completion. All award fee contracts reviewed missed at least one of these deadlines during the last two award fee periods. The award fee amounts were properly calculated and implemented through contract modification.

The technical and management rationale was consistent with the scores awarded. All of the contracts reviewed provided a weight of 25% or greater for cost control as required by the regulations. The supporting documentation for cost control for several contracts reviewed did not provide sufficient rationale to justify the cost scores. Several contracts contained poorly supported cost control scores. One contract relied exclusively on earned value management statistics to determine cost control performance and another used earned value management as the primary cost control measurement tool. Contracts that experienced overruns during a performance period were rated "excellent" in cost control with no mitigating rationale provided to warrant the high rating. One contract was awarded a high cost score for a performance period with an overrun situation but received a lower cost score for another performance period with an underrun situation. Another contract reviewed issued a cost control incentive even though the contract was overrunning by approximately 39%. One contract measured cost control based completely on the contractor's ability to meet the estimated task cost, regardless of actual costs. The rating in this instance provided no discussion on the overall contractor cost performance relative to the contract's (combined value of the task orders issued) estimated cost.

The majority of the incentive fee payments were implemented in accordance with the incentive fee plan contained in the contracts. There was one exception. The incentive contracts combined cost control and objective technical measurements to determine the amount of target profit earned. The contract clauses clearly described cost and technical performance measures and the manner in which the target profit was earned. The target cost/profit adjustments were generally well implemented; however the contract target fee adjustment was not executed on one contract reviewed because the technical standards were never issued with the task orders. A settlement was made with the contractor for the period's final cost and profit but there was no documentation of the actual cost performance in the file.

RECOMMENDATION:

Goddard Procurement should ensure that information is consistently entered into the Award Fee Evaluation System (AFES) for all applicable contracts and that more detailed and specific documentation is provided to describe the effort and contract performance.

WEAKNESSES:

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.

2. EVALUATION OF CONTRACTOR PERFORMANCE

The Contractor Performance Assessment Reporting System (CPARS) and the Past Performance Information Retrieval System (PPIRS) were reviewed to ensure compliance with the requirements of FAR 42.15 and NFS 1842.15. Contract awards were reviewed from the list of the files requested. The assessment reports were reviewed to determine compliance with FAR 42.15 and NFS 1842.15. The review of evaluation of contractor performance shows continued improvement in conducting past performance evaluations. All of the awards reviewed except one entered current, complete, and thorough evaluations in the system on an annual basis. One of the evaluations was untimely and has a current evaluation due. Approximately one third of the contracts reviewed have current evaluations due within the next sixty (60) days. The 2011 PMR report identified a weakness that addressed the lack of consistent entry of performance evaluation information into the system as required and the necessity to enter information into AFES as required. Based on the results of this review the weakness is resolved. Additional detail regarding the entry of information into AFES is addressed in the Award/Incentive Fee Contracts section of this report.

Goddard Procurement has a total compliance rate of 72.2% for evaluations in PPIRS. Past performance data should be timely, accurate, and include sufficient detail to enable a source selection team to use the assessment report alone to evaluate past performance for purposes of award. The Office of Federal Procurement Policy is working to improve the collection and use of contractor performance data because it is critical to ensuring that the government builds supplier relationships with responsible business partners.

RECOMMENDATION:

Goddard Procurement should ensure that Contracting Officers complete contractor performance evaluations not later than 120 days after the end of the period of performance on contracts having a period of performance exceeding one year in accordance with the FAR and NFS.

3. UNDEFINITIZED CONTRACT ACTIONS (UCAS)

The review focused on Undefinitized Contract Action (UCA) compliance with NFS 1843.70, monthly reporting to Headquarters Procurement, and validating the information contained in the monthly report. UCAs and letter contracts were reviewed. The UCAs were issued in compliance with NFS 1843.70.

Prudent justification and file documentation was present and cost estimates were received prior to issuing each UCA. All of the UCAs exceeded \$100K and received approval from the Head of the Contracting Activity (HCA). The letter contracts were both below the \$50M Master Buy Plan threshold and contained approval by the Procurement Officer pursuant to NFS 1816.603. The UCAs were issued as bilateral agreements with "not to exceed" ceilings. The NASA goal is to definitize UCAs within 180 days from date of issuance. Most of the UCAs were definitized within 180 days. The remaining UCAs exceeded 180 days but reported contributing factors.

A review of the BPR system indicated that there were six open UCAs and two letter contracts at the time of the review. All of the current UCAs and the letter contracts were associated with the Science Mission Directorate's Joint Polar Satellite System (JPSS) Program. The complexities and scheduling issues associated with the JPSS Program are beyond NASA's control and are contributing factors to exceeding the 180-day NASA definitization goal.

Goddard Procurement is actively tracking and reporting its UCAs to Headquarters Procurement through the BPR System. UCA data is entered into the system on a monthly basis. The age (number of days) of the UCA or letter contract is automatically updated in the BPR based on the date of issuance. The Headquarters Procurement Analyst and the Goddard Procurement Analyst actively work together to ensure that UCA and letter contract information is accurate, complete, and current.

4. CONTRACT CLOSEOUT PROCESS AND UNLIQUIDATED OBLIGATIONS

The contract close-out process was reviewed for compliance with FAR 4.804 and NFS 1804.804. 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 437 physically complete actions (i.e., contracts, grants, interagency acquisitions) that should be ready to transfer to the closeout contractor for processing at the time of the review. The closeout contractor's most recent monthly status report reflected that 292 physically complete actions were transferred for closeout processing.

Monthly meetings are held between the closeout contractor and the Goddard Procurement closeout point of contact to discuss major issues related to delays in the closeout of physically complete actions. The closeout point of contact also works closely with the Procurement Officer to create solutions to address the backlog in the transfer of physically completed actions. Each office has a designated closeout point of contact who works closely with the organization closeout point of contact to address issues related to contract closeout.

There is no uniform process for transferring physically complete actions across the organization. A variety of practices are utilized across the offices regarding the type of instruments transferred for closeout, the timing of transfers, and the physical location of the transferred files. Procurement personnel in some offices are processing contract closeout rather than transferring to the closeout contractor. Most purchase orders across the organization and the majority of the physically complete actions in the Headquarters operations office are not transferred to the closeout contractor for processing.

The closeout point of contact indicated that storage constraints limit the ability for the transfer of the entire physically complete file to the closeout contractor. Only the basic contract and the first and last contract

modifications are forwarded to begin processing. The closeout contractor does not have access to information on outstanding unliquidated obligations. Reconciliation of all unliquidated funds does not occur until contracts are ready for final close out. This reconciliation may not occur for several months or years depending upon the type of contract. There appears to be confusion regarding the roles and responsibilities of the closeout contractor.

STRENGTH:

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 ensure that all physically complete instruments are transferred to the closeout contractor utilizing a standard approach across the division in a timely manner. Further, Goddard Procurement should ensure that all closeout points of contact are trained and utilize a uniform approach to transferring files; identifying instruments for quick closeout procedures; and monitoring closeout progress.

Goddard Procurement should ensure that the entire contract file is transferred to the closeout contractor including all modifications, etc. to facilitate the timely reconciliation of funds.

Goddard Procurement should utilize FAR 42.708 quick closeout procedures, when appropriate, to help reduce the backlog of physically complete contracts awaiting closeout.

5. NEGOTIATION DOCUMENTATION

Pre-negotiation Position Memoranda (PPM) and Price Negotiation Memoranda (PNM) were reviewed for compliance with FAR 15.406, NFS 1815.406, and relevant Procurement Information Circulars. The majority of the PPMs and PNMs reviewed fully complied with the FAR and NFS requirements. "Stand-alone" PNMs contained a separate memorandum documenting the rationale for not preparing a PPM. Files did not always contain the required request and approval to prepare a "stand-alone" PNM. Utilization of the Goddard Form 210-90, "Pre-negotiation Position Memorandum" and Goddard Form 210-92, "Price Negotiation Memorandum Summary" templates was clearly evident. The utilization of the templates helped to ensure that the FAR requirements were consistently addressed, in most cases. Goddard Procurement developed a presentation for procurement personnel on the establishment of 'Pre-negotiation Position and Price Negotiation Memorandums' dated December 2004. This presentation contains useful information for procurement personnel including helpful negotiating time saving tips. Some files reviewed for lower dollar value procurements did not provide supporting narrative rationale.

A weakness was identified in the previous PMR report regarding the lack of adequate negotiation documentation for lower dollar value awards and modifications. Noticeable improvement was made in this area but the weakness is not completely resolved. Based on the results of this review, the weakness is downgraded to a recommendation.

STRENGTH:

Goddard Procurement is commended for the development and utilization of PPM and PNM templates and supplemental presentation charts on 'Pre-negotiation Position and Price Negotiation Memorandums' to

ensure that all applicable FAR, NFS, and PIC requirements are adequately addressed. Negotiation memoranda for high dollar value contract actions consistently contain thorough analysis and supporting rationale.

RECOMMENDATION:

Goddard Procurement should continue to provide guidance to procurement personnel to ensure that adequate negotiation documentation and rationale is included in lower dollar value actions. The documentation should contain the appropriate level of cost/price analysis and rationale to support, as applicable, the reasonableness of each element of cost and the overall price reasonableness determination in accordance with FAR Part 15.4 and NFS 1815.4. Additionally, standalone PNM documentation should include the rationale for utilizing that approach with the appropriate review and approvals.

6. SUBCONTRACT CONSENT

Files were reviewed for compliance with consent to subcontract procedures. The proper contract clauses were found in all contracts reviewed. However, the quality of the subcontract consent packages reviewed varied.

Special Surveillance Clause

The need for special surveillance requirements contained in FAR 52.244-2 and NFS 1844.201 (a) (iii) regarding special surveillance for actions above \$1 million, was addressed in three of the five contracts to which it pertained. This represents improvement from the last PMR, but the requirement was not addressed in two contracts that contained a significant amount of subcontract consent activity. Many of the subcontracts placed under these contracts were sole sourced actions. The incorporation of special surveillance provisions into these subcontracts would ensure that greater emphasis was placed on pricing data and competition. Based on the results of this review, the weakness previously identified for special surveillance is retained to ensure that continued emphasis is placed on the use of special surveillance clauses related to subcontract consent.

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. Three of the cost reimbursement contracts reviewed contained several subcontracts that met the FAR threshold for conducting CPSRs. However, 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.

Consent packages

Consent packages reviewed for one contract contained a significant number of sole source actions. These packages contained very little information to support the basis for the sole source. 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. Several of the sole source actions contained a note in the file that the action was "hot".

A former Contracting Officer assigned to the contract indicated that all subcontract consent requests under this contract were approved. Another Contracting Officer assigned to the contract stated that packages are returned to the contractor for rework and some packages were not approved, but the documentation for these iterative actions was not maintained in the contract file. The subcontract consent documentation reviewed contained errors on the checklist sheet, some packages did not contain a description of the product or services being acquired, and there was insufficient or a lack of rationale for some sole source requirements. Some actions appeared more appropriate for purchase under direct NASA contracts rather than as a subcontract action.

RECOMMENDATION:

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 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.

WEAKNESS:

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)

7. 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, exceptions to fair opportunity, price memorandums, and technical evaluations. The files reviewed ranged in dollar value from \$355K to \$306M. Some of the files were delivery order files under the simplified acquisition threshold. These files contained the appropriate file documentation and used the exception to the fair opportunity clause where required. The larger dollar files reviewed contained very good file documentation and met all necessary requirements.

The 2011 PMR report identified a weakness regarding a SEWP contract clause A.123 titled "Fair Opportunity". Discussions were held with the Goddard Procurement policy analyst regarding actions taken and processes utilized to award delivery orders and document single source awards to 8(a) firms. Based on this information, it is determined that the weakness is resolved.

Overall, Goddard Procurement is compliant with the regulations regarding IDIQ contracts and task orders under those contracts. Only one issue mentioned above regarding the documentation of a single award was found, however nothing systemic was found in this area.

8. EXERCISE OF OPTIONS

Files were reviewed for compliance with FAR 17.207 and NFS 1817.207 for the exercise of options. The 2011 PMR contained a weakness with various findings in this area. The findings included the lack timely advance notices, unilateral exercise of the options prior to contract expiration, execution of bilateral agreement when the terms of the option clause were not met, absence of the EPLS verification for suspended and debarred contractors, and the absence of an informal analysis of prices or examination of the market to determine that use of the option was in the best interest of the Government.

The review revealed that some improvements were made since the previous PMR. Generally, the options were executed in a timely manner in accordance with the applicable option clause in the contract. The modifications referenced the correct dollar values and contract line items. Option determinations were well written and addressed the required items specified in FAR 17.207 and NFS 1817.207.

The documentation in several of the files reviewed did not address the requirement at FAR 17.207(c)(6) to determine "The contractor's past performance evaluations on other contract actions have been considered". The determinations reviewed addressed contractor performance on the current contract in accordance with FAR 17.207(c)(7), but did not address performance on other contract actions. Several of the files did not contain verification of the System for Award Management Exclusions in accordance with FAR 17.207(c)(5). One option memo stated that the system was checked but did not include verification.

The advance notices in some files reviewed were issued after the time frames established in the contracts. However, concurrence from the contractor was obtained for the short notice period in all but one case. All other options reviewed were issued unilaterally unless other contract changes were included in the modification.

RECOMMENDATION:

Goddard Procurement should ensure that preliminary notices are issued in accordance with the requirements contained in the contract clause.

WEAKNESS:

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.

9. INTERAGENCY ACQUISITIONS

Interagency acquisitions were reviewed for compliance with FAR 17.5 and NFS 1817.5. Most 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 description of responsibility for management and administration. The previous PMR report identified a weakness regarding the submission of deviation requests to exceed the five year period of performance requirement for non-competitive follow-on activity. Based on the results of this review, it is determined that the weakness is resolved.

RECOMMENDATION:

Goddard Procurement should ensure that the signed acceptance of the interagency agreement by the servicing agency is received within 30 days after receipt of the agreement and is maintained in the agreement file.

10. EARNED VALUE MANAGEMENT

Contract files were reviewed for compliance with NFS 1834.201. The NFS requires Earned Value Management (EVM) for cost or fixed-price incentive contracts and subcontracts for development or production work, including development or production work for flight and ground support systems and components, prototypes, and institutional investments (facilities, IT infrastructure, etc.). The dollar thresholds for EVM coverage for contracts and subcontracts are \$50M or greater; and between \$50M and \$20M as determined by the cognizant contracting officer. EVM coverage for contracts less than \$20M is an optional, risk-based decision. Three contracts were reviewed which included the EVM Plan, EVM Data Requirements Descriptions, Integrated Baseline Reviews, and Regular Reporting. The contractors of the three files reviewed maintained an EVM system determined to be in compliance with the guidelines in the American National Standards Institute/Electronic Industries Alliance Standard 748 for EVM systems. The review revealed that Goddard Procurement has a full understanding and awareness of EVM. Goddard Procurement has an assigned EVM functional expert.

The functional expert and other procurement representatives are intimately involved with EVM. The procurement staff works with the program and contractor personnel to perform a number EVM related tasks. The EVM specialist provides forecasts of the Estimate at Completion (EAC) based on EVM trends and EAC forecasting models. The data is used to establish the government objective for negotiations. The Contracting Officer for one file reviewed communicates regularly with the Defense Contract Management Administration (DCMA) regarding the adequacy of the EVM system audits. To date, there have been no negative EVM system audit findings.

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 and NFS requirements. The review included technical evaluations for modifications ranging in dollar value from \$223K to \$19M.

NFS 1815.404-1 requires the use of the NASA Technical Evaluation Report Template to document the results of all technical evaluations derived from sole source contractor proposals. The requirement became effective July 20, 2010. All of the contracts reviewed resulted from sole source contractor proposals and contained a technical evaluation performed after July 20, 2010. A review of the files demonstrated that the NASA Technical Evaluation Report Template was utilized in all cases except one. The file that did not contain a technical evaluation developed with the template included a statement that an increase was acceptable because, the contractor was underrunning. No evaluation of new work proposed was provided. Another file reviewed contained a statement that the COR reviewed the proposal and found the hours and skill mix acceptable; however, there was no corresponding analysis. Overall, technical evaluations for large dollar value actions were extremely thorough and detailed. The lower dollar value actions contained the omissions addressed above.

STRENGTH:

Goddard Procurement is commended for working with the technical organizations to ensure that technical evaluations for high dollar value actions are extremely thorough, detailed, and well documented.

RECOMMENDATION:

Goddard Procurement should continue to provide guidance to contracting and technical personnel for lower dollar value contract modifications and actions to ensure that technical evaluations are completed in accordance with NFS 1815.404-1, contain thorough analysis, and provide a basis for the reasonableness and acceptance of relevant elements of cost. **(Repeat Finding)**

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

Contract files were reviewed to ensure compliance with FAR Part 15.4 and NFS 1815.4 for the execution of cost/price analyses and structured fee approach. Task order files were also reviewed as part of this effort. Cost or pricing data was submitted by the contractor when required. Certificates of Current Cost and Pricing Data were properly executed. A review of the cost/price analyses revealed that sufficient documentation and rationale to support the Government's objective position were contained in the files for high dollar value contract actions. All proposed cost elements for these actions were analyzed and were compared using market research, technical evaluations, historical data, similar work tasks, and DCAA recommendations (where applicable). Sound price analysis techniques were utilized when appropriate.

The review revealed inadequate cost/price analysis performed on several awards for lower dollar value actions. Heavy reliance was placed on the technical evaluators to determine the reasonableness of hours and costs when the technical evaluations often contained minimal support for determining hours and cost reasonableness. Little evidence was found to support the reasonableness determination of some cost elements and prices. Refer to the "Technical Evaluation" and the "Negotiation Documentation" sections of this report for the related recommendation findings regarding lower dollar value actions. Some files reviewed executed NASA Form (NF) 634 when appropriate or referenced the applicable exception.

STRENGTH:

Goddard Procurement is commended for its thorough and detailed technical cost/price analyses on high dollar contract modifications and actions. All elements are exceptionally well analyzed and provide a sound basis for the reasonableness and acceptance of cost elements. **(Repeat Finding)**

RECOMMENDATION:

Goddard Procurement should continue to provide guidance to contracting personnel to ensure that cost/price analyses on lower dollar actions contain sufficient analysis to provide a basis for the reasonableness and acceptance of relevant elements of cost. **(Repeat Finding)**

3. DCAA AUDIT FOLLOW-UP/WIDE AREA WORKFLOW CLAUSES

The Audit and Assurance Information Reporting System (AAIRS) was reviewed for reportable DCAA audits. No reportable audits have been entered or updated in AAIRS for Goddard Procurement, since 2009.

Discussions with the Goddard Procurement point of contact for DCAA Audit follow-up activities revealed that individuals within the Division are not familiar with the AAIRS system and do not enter or track open audit activity in the system. Individuals within the Quality Assurance section of the Center's Regional Finance Office were responsible for entering Center specific information into AAIRS. Discussions revealed that audit information (General Accountability Office and Office of the Inspector General) is now tracked via an internal system and DCAA audit information is not tracked by that office in either AAIRS or the Center's internal system. There was confusion within Goddard Procurement and the Regional Finance Office regarding whose responsibility it is to enter and maintain DCAA audit information in AAIRS.

Goddard Procurement maintains a manual log of the DCAA audits received, which includes the audit number, vendor name, type of audit and date. NFS 1842.73(d)(1) requires the tracking of reportable DCAA audits for which NASA has resolution and disposition responsibility in the agency audit tracking system. It is noted that the system identified in the NFS is longer utilized and was replaced several years ago by the AAIRS. The 2011 PMR report contained evidence that a process was in place, managed by the Center's Audit Liaison Representative, to track open audit requests and maintain the information in AAIRS. Based on discussions during this review, it appears that this process was discontinued in the intervening time.

WIDE AREA WORKFLOW (WAWF) PAYMENT CLAUSE

PIC 14-02 dated March 2014, required Contracting Officers to modify the payment clause in current cost reimbursement contracts to direct contractors to submit all interim vouchers (except classified vouchers) via the DOD WAWF system. Applicable contracts were reviewed for compliance with PIC 14-02.

Approximately half of the contracts reviewed incorporated the modified payment clause. The majority of the contracts with the modified clause contained file documentation confirming submission of the vouchers to the WAWF.

The Contracting Officers/Contract Specialists for several of the contracts that were not modified to incorporate the revised payment clause indicated that the clause was not applicable to contracts where contract administration was not delegated to DCAA. This decision was based on guidance received from the Goddard Procurement Policy Office. The Contract Specialists for two files admitted to an oversight of the requirement.

A follow-up conversation was conducted with the Procurement Analysts within Headquarters Procurement who are responsible for policy issues in this area regarding the Goddard Procurement interpretation of the applicability for PIC 14-02. Procurement organizations at some of the other Centers have a different interpretation of the PIC. The Procurement Analysts indicated that the intent of the PIC was to ensure that cost-reimbursement contracts (with contract administration delegated to DCAA) were updated to reflect the WAWF requirements. They further indicated that the expectation is eventually have all vouchers submitted through WAWF.

RECOMMENDATIONS: (for Headquarters)

Headquarters Procurement should clarify the requirement for DCAA audit tracking in AAIRS to identify the personnel responsible for updating the information and the circumstances under which the exception cited at NFS 1842.73 (d)(1) is applicable to facilitate Center implementation of the requirements of NFS 1842.73.

Headquarters Procurement should clarify the applicability of PIC 14-02 “Class Deviation to NFS 1842.803(b)(1)(D) – Defense Contract Audit Agency (DCAA) Policy and Procedure for Submission and Audit of Contractor Interim Vouchers” to ensure that Center implementation is consistent with the guidance.

4. FINANCIAL MANAGEMENT REPORTING (NF 533)

Contract files were reviewed for compliance with NFS 1842.7201(a) requiring Contracting Officers to monitor contractor cost reports for cost type, price redetermination, and fixed-price incentive contracts on a regular basis to ensure that reported cost data is accurate and timely. Follow-up is also required for adverse trends and discrepancies and whenever cost performance threatens contract performance.

NFS 1842.7201 establishes specific dollar thresholds and period of performance requirements for NF 533 reporting. Files reviewed contained the appropriate NFS 1852.242-73, NASA Contractor Financial Management Reporting clause. Generally, NF 533M and NF 533Q forms were submitted in a timely manner. 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. Two contracts reviewed provided a more in-depth analysis of the specific factors driving the costs on those contracts. A few contracts reviewed did not contain the required NF 533Q reports or waiver.

The 2011 PMR included a repeat weakness regarding the lack of documented analysis on the NF 533M and NF 533Q reports as required. Significant improvement was made in this areas since the last review. There were still some contracts reviewed that did not contain adequate documentation of analysis on a regular basis. The improvement made in this area warrants the downgrading of the weakness into a recommendation to ensure diligence in the regular analysis of financial management reports.

RECOMMENDATION:

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.

SECTION VII

OTHER REVIEW AREAS

1. GRANTS AND COOPERATIVE AGREEMENTS

Grant and cooperative agreement basic awards and supplements were reviewed to assess whether the awards and associated supplements were made in accordance with the NASA Grant and Cooperative Agreement Handbook (NASA Grants Handbook), relevant Grant Notices, and Grant Information Circulars (GICs). Although some of the basic actions were awarded prior to June 2011, they were included in this review since a review of Grants and Cooperative Agreements was not included in the 2011 PMR. The last PMR review to include Grants and Cooperative Agreements was the 2007 PMR. All basic actions reviewed were awarded prior to the effective date of GIC 11-04 Center Retention of Authority to Award and Administer Certain Cooperative Agreement Actions (December 21, 2011). Headquarters Procurement approvals for the Center to retain the actions were not applicable. Headquarters Procurement approval required by Section 1260.13(a)(2) of the NASA Grants Handbook to exceed five years and five million dollars in value was received when required. Compliance with GIC 12-01A Class Deviation Implementing NASA Restrictions on Funding Activities with The People's Republic of China (PRC) was documented in grant supplements incorporating the appropriate Provision to the award documents. The appropriate entries were made into the Federal Procurement Data System for all reviewed actions.

Many of the cooperative agreements reviewed contained a Summary of Amendments spreadsheet that provided the supplement number, date, description, funding amount and cumulative funding amount. This spreadsheet provides a quick view of the supplement history which is beneficial in the efficient administration of the award. Special Condition 1260.51 in the files reviewed did not clearly define the nature of the collaboration as required by Section 1260.12(d)(3) of the NASA Grants Handbook. Instead, the Special Condition referenced the proposal.

The 2007 PMR report identified a weakness regarding the lack of analysis of the proposed costs. Files reviewed contained either a source selection statement or a source evaluation report with varying levels of budget analysis. However, the files did not contain a memorandum with evidence of a detailed analysis of the proposed costs. The weakness has been downgraded to a recommendation.

All of the cooperative agreements reviewed included both provision 1260.26 and Special Condition 1260.69. The provision addresses advance payments through a letter of credit with the Department of Health and Human Services Payment Management System while the special condition provides information about electronic funds transfer payments of invoices.

Documents reviewed contained provisions included in full text instead of being incorporated by reference as required by Section 1260.20 of the NASA Grant Handbook. The NASA Grant Handbook specifically states that some provisions may not be revised, the review revealed that some of these provisions were altered while others were not included in the award documents as required.

The "Required Publications and Reports" form (Exhibit G to subpart A of the NASA Grant Handbook) was not used as required by Section 1260.75(c) of the NASA Grant Handbook. The award documents did incorporate reporting requirements in a different format as an attachment. Multiple supplements for the same award were issued using SF30, "Amendment of Solicitation/Modification of Contract", instead of NF 1687, "NASA Grant and Cooperative Agreement".

Various administrative errors were found in the NF 1687 in both the basic awards and the supplements. Examples include the omission of the Principle Investigator's telephone number in Block 9, the type of document selected for the cooperative agreement, and Special Conditions in Block 18 left unchecked although Special Conditions were included in the award documents. Some supplements reviewed, checked in Box 16 of the 1687 indicating that both 14 CFR Part 1274 and 14 CFR 1260 were applicable, the "Payments" in Block 15 was blank, the China provision was added but Box 17 was checked indicating that 'no change was made to existing provisions', and "Provisions" in Box 18 was not checked.

Except for the NF 1687, the award documents did not appear to be generated from CMM. One supplement reviewed was issued in part to add FAR clause 52.232.99.

STRENGTH:

Goddard Procurement is commended for the development and utilization of the "Summary of Amendments" spreadsheet that provides a quick view of the supplement history that aids in the efficient administration of the award.

RECOMMENDATIONS:

Goddard Procurement should develop a uniform memorandum in the file for the sole purpose of documenting a detailed analysis of the proposed costs.

Goddard Procurement should ensure that the appropriate special condition is utilized for grants and cooperative agreements containing a letter of credit. Additionally, Goddard Procurement should ensure that the appropriate provisions are incorporated by reference when and that provisions are not revised without authorization.

Goddard Procurement should ensure that the Exhibit G "Required Publications and Reports" form is utilized in the award documents as required by Section 1260.75(c) of the NASA Grant Handbook. Further, Goddard Procurement should ensure that the NF1687 is utilized to award grants and cooperative agreements.

WEAKNESS:

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).

2. SIMPLIFIED ACQUISITIONS

Files were reviewed for compliance with FAR 13, "Simplified Acquisitions" and applicable FAR 12, "Commercial Item Acquisitions" 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 demonstrated marked improvements since the 2009 and 2011 PMRs.

The majority of files reviewed contained adequate to excellent file documentation. Many files included detailed sole source justifications, file memoranda, and/or memoranda from the technical representatives which described the nature of the requirements that sufficiently addressed the need for utilizing a single source. Additionally, several files included either copies of previous purchase orders or good background to support the price reasonableness determinations.

A few files reviewed contained excellent file documentation that thoroughly addressed all of the necessary requirements. Two examples utilized FAR 13 requirements and two examples utilized FAR 12 – Commercial Item Test Program requirements.

The vast majority of 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. The appropriate clauses were present in the purchase order documents. Most purchase orders included a self-explanatory description of the services to be provided or included a statement of work when necessary. However, some documents did not contain a sufficient description of the services and either did not include a corresponding statement of work or a statement of work was present in the supporting file documentation but was not included as part of the purchase order.

There were however, files reviewed that did not contain sufficient sole source justification or adequate price reasonableness determinations. These files contained template language but did not adequately address the requirements. Some files contained various inconsistencies and/or omissions. Again, these issues occurred in a small percentage of the files reviewed. Based on the results of the review, the weakness identified in the 2011 PMR report is downgraded to a recommendation since there are still files with insufficient sole source justifications, inadequate price reasonableness determinations, and/or other inconsistencies and omissions.

Three files reviewed contained verbatim price reasonableness determination language; the only exception was the vendor name. Price reasonableness was based on the technical representative’s knowledge of historical or industry prices and a statement that the technical representative found the proposed price consistent with the historical or industry standard. Two of the three files did contain sole source justifications that included prices for the services. However, there was no other file documentation to provide further price reasonableness rationale. A third file contained both a sole source justification and a statement of work, but neither addressed price nor was there additional discussion regarding price reasonableness.

Some files reviewed contained adequate sole source or price reasonableness language but did not remove the template language from the document. The template language was generally ‘italicized’ or in ‘bold’; and is meant to serve as a guide for users and is not meant to remain in the final document. The presence of the template language in some documents was misleading at times. The price reasonableness determination template contains a sentence regarding the presence of supporting data which refers to the technical evaluation and abstract of offers. A discussion with the buyer for one file reviewed, clarified that either one or the other document was necessary depending on the circumstances. Annotation of the final document that either highlights the applicable reference or removes the reference that does not apply would provide more clarity.

RECOMMENDATION:

Goddard Procurement should ensure that simplified acquisition files consistently contain sufficient sole source justifications and adequate price reasonableness determination language. The documentation should be consistent with the requirements and the appropriate rationale utilized. Further, template language should be customized to address the relevant details of the requirement and guidance or instructional language should be removed from the final document.

3. PURCHASE CARD PROGRAM

Goddard Procurement is responsible for purchase card activity for at Greenbelt, Wallops Flight Facility, and Headquarters Operations. The review focused on internal controls, training, card holders and approving officials, monthly reconciliations and audits, delegations, violations, and limits (individual and monthly) placed on individual cardholders.

Information relating to the purchase card program is posted on the Goddard Procurement internal website and includes a "Purchase Credit Card Program Policy/Guidance Document" that serves as a handbook for cardholders and approving officials. The handbook is comprehensive and addresses all areas related to using the purchase card, including, procedures, policies, and regulations. The website also contains the purchase card application with instructions.

The purchase card program is managed and administered by a team of four individuals. The team lead serves as the Center/Agency Program Coordinator (CAPC) and has managed the program since the late 1990s. The three team members assist the CAPC in the day-to-day administration of the program for Greenbelt, Headquarters Operations, and Wallops Flight Facility respectively. The program is staffed to address potential vulnerabilities.

There are approximately 675 cardholders overall. Greenbelt has 570; Headquarters has 60; and Wallops has 45. A waiver is required for approving officials to have responsibility for more than six cardholders. Monthly transactions range between 2200 and 2700 per month with a dollar value between \$1M and \$2M. There was \$16M in purchase card expenditures in fiscal year 2013.

There are four cardholders at the Center with the authority to issue convenience checks. Three of these individuals are members of Goddard Procurement. The fourth person is not a member of the procurement workforce and primarily uses the convenience checks to acquire permits and licenses needed to support the Center. The convenience check purchase limit is \$3000 per transaction for all four individuals.

Desk audits are conducted on 100% of the transactions which occurred since the last audit of the individual cardholders. These audits are conducted on a three year cycle and consist of a detailed review of supporting file documentation. Additionally, desk audits are conducted for new cardholders who received cards during the review period. This process originated in response to an Office of the Inspector General (OIG) audit finding several years ago. The 100% review process was initiated as part of the corrective action plan. The detailed review of the supporting documentation helps the team to identify inappropriate purchasing practices. The CAPC also conducts a scan on 2% of the files on the monthly reconciliations based on data extracted from 'Intellilink'. Cardholder activity is reviewed for frequency of use to ensure that purchase card authority is still warranted. The Procurement Manager noted that the Center has not

received any OIG findings regarding file documentation since they implemented the 100% desk audit process.

All cardholders and approving officials currently meet all of the training requirements. Notices are forwarded to cardholders and approving officials 60 days prior to training deadlines as a reminder to complete the training requirements. Cardholder privileges are withdrawn immediately if training is not completed within the required timeframe. The CAPC is currently in the process of updating the Goddard unique portion of the agency cardholder training to incorporate new requirements, i.e. ELMT purchase requirements, etc.

The Agency Purchase Card Coordinator indicated that the Goddard CAPC is extremely knowledgeable and always meets deadlines and responds promptly to data calls. The CAPC also provides good input during the agency monthly purchase card telecoms and shares that knowledge with other CAPCs across the agency.

STRENGTH:

The Goddard Procurement Center Purchase Card coordinator group is commended for an outstanding job managing the Center's Purchase Card Program.

4. ENVIRONMENTAL ISSUES

Contract files were reviewed for compliance with FAR 23 and NFS 1823. All but one file reviewed contained the appropriate FAR clauses. Some files reviewed contained NF1707 documentation that was not approved or documented appropriately. Other files contained a comprehensive site specific environmental analysis. The Center achieved its OMB Green Scorecard goal submitted for FY13, 3rd and 4th quarter reports.

5. CONSTRUCTION AND ARCHITECT AND ENGINEERING (A&E) SERVICES CONTRACTS

Overall, the construction acquisitions reviewed were well documented and thorough with exception of the independent government cost estimate and Selection Authority documentation under A&E actions. There was no documentation of the Selection Authority's final selection required by FAR 36.602-4(b) in any of the A&E contract actions reviewed. However, the Technical Evaluation Board reports were very thorough and detailed and contained very impressive documentation.

FAR 36.605 requires the development of a Government Cost Estimate for A&E Services contracts based on a detailed analysis of the required work. The actions reviewed contained only a one page cost document that consisted of general cost guidance.

Files reviewed contained pay roll records or evidence of compliance checks, pre-construction conference documentation, bonding requirements, etc. Documentation for two construction contract files, NNG14WA43C and NNG14WA46C, contained exceptional and noteworthy documentation.

STRENGTH:

Goddard Procurement is commended for the very detailed and comprehensive pre-award and technical evaluation board documentation in the construction and Architect and Engineering Services contracts.

WEAKNESS:

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.

ATTACHMENT A

SMALL BUSINESS PROGRAM

SMALL BUSINESS PROGRAM

I. OVERVIEW

1. Scope of Review

The purpose for the Office of Small Business Programs (OSBP) 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; and (2) comply with FAR Part 19, NFS Part 1819, NPD 1000.3, NPD 5000.2, 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, metric analysis, and covers market research, procurement planning, subcontract reporting, and award fee evaluation plans and determinations.

Much of this review was conducted “virtually,” or remotely, from the reviewer’s desk at NASA HQ. However, interviews and follow-up work were conducted on-site at GSFC. Some files and documents were uploaded to NASA’s Virtual Procurement Office website (VPO), others were emailed directly to the reviewer, and for other documents, hard copies were provided in person.

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 four 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’ appointment certificate, which was provided to the reviewer hangs on the SBS’ wall. The SBS reports directly to the Procurement Officer as required by NFS 1819.201 (e).

Since the last PMR, the IAO has relocated to Building 22 Suite 226A. The new space offers better parking for visitors, more room 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.

3. Small Business Specialist Responsibilities

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, Contract Specialist GS-13 and a Student Trainee (Procurement) GS-9.

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. This is a repeat finding.

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

On March 27, 2007, the NASA Acting Assistant Administrator for Procurement issued a memorandum that recommends that for GS-1102 personnel, a statement be included as an Employee Performance Communication System (EPCS) performance element which reads substantially as follows:

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

The GSFC's Office of Human Capital and the Procurement Officer confirmed to the reviewer that the Associate Administrator (AA)/OSBP's comments were included in the SBS's annual performance review, as per NPD 1000.3 Section 4.11.2.6.2.1 (c). Using a new reporting system, SPACE, the comments were included in the Procurement Officer's section vice the preferred invitational method. The performance review was for the period ending April 30, 2014.

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. The table below indicates GSFC's Center goals and actuals for year-end FY 2012, FY 2013, and mid-year through FY 2014.

GSFC also does all the Headquarter procurements. The chart below is a combination of both buying activities. The mix of the types of buys can be quite different but it has been NASA policy to give both buying activities the same goals based on the different mixes. The FY 2012 and FY2013 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 34% in FY 2012 and 27% in FY 2013 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.

The FY 2014 numbers represent the midway progress during an atypical year. FY 2014 included a government shut down and full implementation of sequestration. The result of these two budget issues could explain the slow start of the small business statistics.

(Center) Prime Statistics

	FY-12 Final Actuals	FY-13 Final Actuals	FY-14 Actuals as of 3/31/2014
Total SBE* Dollars	\$2,948,370,873	\$2,912,181,437	\$1,336,823,858
Small Business %	30.7%	25.9%	20.7%
Goal	22.0%	22.1%	22.1%
Dollars	\$904,356,708	\$755,364,514	\$276,412,964
SDB %	16.4%	15.9%	16.7%
Goal	14.0%	14.0%	14.0%
Dollars	\$483,783,027	\$462,676,596	\$222,739,660
HUBZone %	-0.0%	0.2%	0.0%
Goal	0.2%	0.2%	0.3%
Dollars	(\$589,660)	\$5,163,238	\$535,907
WOSB %	3.0%	2.6%	1.4%
Goal	3.1%	3.1%	3.1%
Dollars	\$89,285,897	\$75,970,018	\$18,935,125
SDVOSB %	2.5%	1.8%	0.2%
Goal	2.1%	2.1%	2.1%
Dollars	\$73,019,061	\$53,490,503	\$2,519,897

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 2012 through mid-year FY 2014.

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 Metrics appear in the table below.

ISR Processing Metrics

FY 2012 – FY 2014	FY 2012	FY 2013	FY 2014
Number of Active Subcontracting Plans during reporting period	112	113	114
Number of ISR's Submitted (most recent 6-month period only)	111	111	112
Number of ISR's Accepted	104	106	109
	Number of TCV* Goals met (or on track to be met) versus total number of goals for the category		
Number of SB Goals Met/Total Number of SB Goals	82/103	81/105	93/109
SB Calculated Percentage	79%	77%	85%
SDB	59/89	63/94	61/98
SDB Calculated Percentage	66%	67%	62%
WOSB	68/97	67/94	81/100
WOSB Calculated Percentage	70%	71%	81%
HBCU	/	5/21	5/26
HBCU Calculated Percentage	%	23%	19%
HUBZone	27/57	23/58	22/53
HUBZone Calculated Percentage	57%	39%	41%
VOSB	55/81	54/78	61/80
VOSB Calculated Percentage	67%	69%	76%
SDVOSB	21/48	26/48	21/52
SDVOSB Calculated Percentage	43%	54%	40%

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.

Category:	FY 2012	FY 2013	FY 2014
Number of NF-1787 forms processed	100	491	137
HUBZone Set-Asides (Competitive)	0	0	0
HUBZone Set-Asides (Sole Source)	0	0	0
8(a) Competitive	3	5	3
8(a) Sole Source	9	10	6
Service-Disabled Set Asides - Competitive	0	0	0
Service-Disabled Set Asides - Sole Source	0	0	0
Woman-Owned Set Asides	0	1	0
Economically Disadvantaged Woman Owned Set Asides	0	0	0
Small Business Set-Asides	5	11	4
Small Business - Sole Source	9	18	0
Full and Open Competition	37	31	6
Orders against GSA/FSS/Multiple Award Contracts - not set aside	18	11	3
Simplified Acquisitions - not Set-Aside	0	377	110
Sole Source - Other than Small	19	22	5
Other	0	5	0

III. PROGRAM MANAGEMENT

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 semi-annual update, as required by the Business Opportunity Development Reform Act of 1988. In addition, the Forecast should include contract opportunities that small business concerns, including those owned and controlled by socially and economically disadvantaged individuals.

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. The acquisition forecast contains 110 requirements for GSFC, 38 for HQ, 3 for Independent Validation & Verification facility in Fremont WV, and 10 for Wallops

Flight Facility, Wallops Island, VA for a total of 161 requirements. This represents 23% of the agency 682 requirements.

b. Set Aside Recommendation Reviews / Coordination

Set-asides are a tool to promote small businesses, and when used in the correct way, can build the industrial base. The data in section II (3) above is based on the set-aside forms which GSFC provided for the PMR, thus facilitating the review.

A total of ten contracts were reviewed for coordination sheets, six under the virtual procurement office and four from contract folders. The majority of the contract folders had the coordination sheet (8), however, on four of the sheets the contracting officer (CO) did not sign. Although the GSFC process would indicate that CO initiated the document.

c. Methodology for Determining Small Business Subcontracting Goals:

The methodology for determining small business subcontracting goals is provided in NPD 5000.2C for those solicitations over \$50 million. Since subcontracting plans by other than small business companies are used on proposals across NASA centers, the methodology provides the same or similar feedback to these companies regardless of the Center issuing the solicitation.

More than any other Center, GSFC set eight subcontracting goals using this methodology in FY 2013 and four in FY 2014. 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:

Subcontracting plans are required for those acquisitions over \$650,000 (\$1 million for construction) on proposals provided by other than small business companies. The plans are reviewed in accordance with FAR 19.704 and 52.219-9. During this PMR, subcontracting plans are reviewed for deficiencies. The typical deficiencies include failure to meet one of the eleven elements required by the FAR. The contracting officer is required under FAR 19.705-4 along with Procurement Information Circular 11-01 to ensure that the subcontracting plan requirements are evaluated.

A review of ten contracts with subcontracting plans, indicated the plans contained the required elements and provided subcontracting goals.

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 for Award Fee contracts are required to evaluate performance against the subcontracting plan, and the evaluation weight should be significant (up to 15%), as delineated in NFS 1816.405-274 (g).

A review of five award fee contracts found four contracts with low evaluation weight or combined the small business evaluation with that of business management. The contractor should not be rewarded for not meeting the small business subcontracting goals. When combining the small business category with business management, performance awards can still be made based solely on business management success reducing the intended incentives. The SBS did demonstrate a new award fee template that will correct or at least mitigate low evaluation weights.

b. Subcontract Reporting:

In those contracts that require subcontracting plans, FAR 52-219-9 requires individual subcontracting reports (ISR) and summary subcontracting reports (SSR) be submitted semi-annually into the Electronic Subcontracting Reporting System (eSRS). These reports are then accepted, rejected, reopened, revised or held in a pending status.

On the older contracts, some of the ISRs did not properly report both contract value and subcontract value goals. This has been documented in the past and will take time to work through the system. See discussion of “Individual Subcontracting Report (ISR)” in the “Metrics” section above.

c. Annual Performance Evaluations (PPIRS)

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.

A review of four contracts with subcontracting plans all had socio economic performance documented in Contractor Performance Assessment Reporting System (CPARS) which feeds into PPIRS. Three of the four 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.

NNG07HW00C – August 2011 CPARS report indicated “Exceptional” grade for small business yet contractor failed to achieve the Small Disadvantage Business and Veteran Owned Small Business subcategory goals.

3. Coordination

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

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. In addition, FAR 19.705-4 (d) (7) requires that the CO should obtain advice and recommendations from the SBA PCR and Agency SBS.

The SBA PCR assigned to GSFC is Mr. Bernard Durham, who has an office on-site in Building 22, the same building the IAO is located. The PCR has been in this position for over nine 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. Mr. Durham is available on site at GSFC upon request.

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. The PCR has not processed any SBA Form 70's (non-concurrences with set-aside decisions) during the review period.

b. Center Small Business Technical Advisor (SBTA):

The Small Business Technical Advisor (SBTA) plays a critical role in the Small business Program. He/she is the primary consultant to the SBA PCR and Small Business Specialists in determining the extent to which a small business can perform the technical requirements of an RFP. The duties of the SBTA are found in FAR 19.201 (d) (8)

GSFC Small Business Technical Advisor, Mr. William Niemeyer, works with the Industry Assistance Office and provides technical assistance on the frontend of the acquisition process. He is familiar with all the duties outlined in FAR 19.201 (d) (8). Mr. Niemeyer is Chief of the Mechanical Systems Division, and is well qualified, technically trained, and familiar with the supplies and services contracted by GSFC. He assists in planning, competition/set-asides, assists the COR in the administration of the contract, reviews the infrastructure and manufacturing capability of the small businesses, and assists in setting small business subcontracting goals.

c. Center Small Business Technical Coordinator (SBTC):

The Small Business Technical Coordinator (SBTC) plays a critical role in the Small business Program. He/she is the primary consultant to the Small Businesses and Small Business Specialists in answering technical questions that small business may have for that Office/Program/Project.

GSFC has fourteen SBTC in all the program and mission support offices. One remarkable aspect of the GSFC is how senior the coordinators are. Most are director or deputy director of their divisions. An interview was conducted with Mr. Raymond Rubilotta, Deputy Director of Code 200, he is well qualified and had a complete understanding of his roles and responsibilities. Mr. Rubilotta had attended SBTC Technical Training class put on by OSBP and attends outreach events. Mr. Rubilotta's understanding of work done, not only in his division but all of GSFC, makes him an

outstanding advocate for the GSFC small business program and is a demonstrated strength for GSFC.

IV. SUMMARY OF FINDINGS

STRENGTHS:

1. 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.
2. The Small Business Technical Coordinator program is one of the best in the agency. Although a new program, SBTC like Mr. Ray Rubilotta, create a welcoming atmosphere for small businesses.
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. 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.

CONSIDERATIONS:

1. Although not required by FAR 19.502-2, electronic signatures on the Small Business coordination sheet, NF 1787, greatly increase efficiency and reduce process time.

RECOMMENDATIONS:

None recommended

WEAKNESSES:

1. GSFC did not provide a Position Description (PD) for the Small Business Specialist as requested by OSBP for the review. Additionally, 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. REPEAT

V. FOLLOW-UP OF FINDINGS FROM PREVIOUS PMR:

WEAKNESSES:

The Position Description findings is a repeat Finding.

ATTACHMENT B

SUMMARY OF REVIEW FINDINGS

STRENGTHS

Legal Office Interviews

- ✚ Goddard Procurement is commended for establishing and maintaining an excellent relationship with the Office of Chief Counsel and for ensuring that significant contract actions are fully vetted and well documented prior to submission for legal review.

Procurement Career Development and Training

- ✚ Goddard Procurement and in particular, the procurement Training Coordinator, are commended for the actions taken to promote the career development and training of its procurement workforce.

Internal Policies and Procedures and Knowledge Management

- ✚ Goddard Procurement is commended for the extent and quality of information provided via its web site and for efforts related to sharing knowledge and information within the division.
- ✚ Goddard Procurement is commended for the development, utilization, and maintenance of the Clause Finder tool to ensure appropriate application of clauses and provisions in solicitations and contracts.

Master Buy Plan/Baseline Performance Review

- ✚ Goddard Procurement is commended for appointing a Master Buy Plan/Baseline Performance review focal point to ensure timeliness, accuracy, and consistency in meeting the Headquarters Procurement reporting requirements.

Deviations and Waivers

- ✚ Goddard Procurement is commended for submitting well documented and timely deviation requests to Headquarters Procurement for review and approval.

Justification for Other than Full and Open Competition

- ✚ Goddard Procurement is commended for developing consistently very well written and detailed JOFOCs that provide sound rationale for using other than full and open competition, and include relevant, detailed background information on the planned procurement.

Acquisition Planning

- ✚ Goddard Procurement is commended for their Procurement Strategy Meeting (PSM) processes and documentation and resolution of PSM issues for large dollar procurements. The acquisition planning documentation, including PSM charts,

addressed all acquisition planning issues. Additionally, files included detailed documentation addressing the PSM, the results of the PSM and the manner in which PSM issues were resolved.

Source Selection Process

✚ Goddard Procurement is commended for the exceptional quality and detailed documentation for Source Evaluation Board actions and the well documented basis for the establishment of the competitive range decisions.

Contractor Safety Requirements

✚ Goddard Procurement is commended for the use of the GSFC Form 23-59, “Goddard Initiator’s Acquisition Checklist”, to ensure that the safety and health officials review the requirements and provide recommendations for the incorporation of relevant safety clauses in the initial stages of the acquisition process.

Government Property

✚ Goddard Procurement is commended for the excellent quality documentation in the area of government property. The thorough documentation demonstrates a clear understanding of the requirements.

Contract Closeout and Unliquidated Obligations

✚ 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.

Negotiation Documentation

✚ Goddard Procurement is commended for the development and utilization of PPM and PNM templates and supplemental presentation charts on ‘Pre-negotiation Position and Price Negotiation Memorandums’ to ensure that all applicable FAR, NFS, and PIC requirements are adequately addressed. Negotiation memoranda for high dollar value contract actions consistently contain thorough analysis and supporting rationale.

Technical Evaluations

✚ Goddard Procurement is commended for working with the technical organizations to ensure that technical evaluations for high dollar value actions are extremely thorough, detailed, and well documented.

Cost/Price Analysis

- ✚ Goddard Procurement is commended for its thorough and detailed technical cost/price analyses on high dollar contract modifications and actions. All elements are exceptionally well analyzed and provide a sound basis for the reasonableness and acceptance of cost elements. (Repeat Finding)

Grants and Cooperative Agreements

- ✚ Goddard Procurement is commended for the development and utilization of the “Summary of Amendments” spreadsheet that provides a quick view of the supplement history that aids in the efficient administration of the award.

Purchase Card Program

- ✚ The Goddard Procurement Center Purchase Card coordinator group is commended for an outstanding job managing the Center’s Purchase Card Program.

Construction and Architect and Engineering Services (A&E) Contracts

- ✚ Goddard Procurement is commended for the very detailed and comprehensive pre-award and technical evaluation board documentation in the construction and Architect and Engineering Services contracts

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 Representatives (COR) Training and Delegations

- ✚ Goddard Procurement should ensure that the NF 1634 COR delegation form is accurate and complete, that rescission letters are issued and the Federal Procurement Data System (FPDS) is updated when new CORs are appointed, that the requirement for surveillance plans is appropriately marked, and that the forms are signed and dated in a timely manner.

Justifications for Other than Full and Open Competition (JOFOCs)

- ✚ Goddard Procurement should ensure that post award synopses and Headquarters public announcements are issued consistently on all required contracts and that the file is documented accordingly.

Contractor Safety Requirements

- ✚ Goddard Procurement should ensure that the safety and health officials review and approve the final Safety and Health Plan prior to incorporation into the contract. Further, Goddard Procurement should develop a process to ensure that the Safety Office reviews and approves Safety and Health Plans prior to incorporation into contracts.

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.

Award/Incentive Fee Contracts

- ✚ Goddard Procurement should ensure that information is entered into the Award Fee Evaluation System (AFES) for all applicable contracts and that more detailed and specific documentation is provided to describe the effort and contract performance.

Evaluation of Contractor Performance

- ✚ Goddard Procurement should ensure that Contracting Officers complete contractor performance evaluations not later than 120 days after the end of the period of performance on contracts having a period of performance exceeding one year in accordance with the FAR and NFS.

Contract Closeout Process and Unliquidated Obligations

- ✚ Goddard Procurement should ensure that all physically complete instruments are transferred to the closeout contractor utilizing a standard approach across the division in a timely manner. Further, Goddard Procurement should ensure that all closeout points of contact are trained and utilize a uniform approach to transferring files; identifying instruments for quick closeout procedures; and monitoring closeout progress.
- ✚ Goddard Procurement should ensure that the entire contract file is transferred to the closeout contractor including all modifications, etc. to facilitate the timely reconciliation of funds.
- ✚ Goddard Procurement should utilize FAR 42.708 quick closeout procedures, when appropriate, to help reduce the backlog of physically complete contracts awaiting closeout.

Negotiation Documentation

- ✚ Goddard Procurement should continue to provide guidance to procurement personnel to ensure that adequate negotiation documentation and rationale is included in lower dollar value actions. The documentation should contain the appropriate level of cost/price analysis and rationale to support, as applicable, the reasonableness of each element of cost and the overall price reasonableness determination in accordance with FAR Part 15.4 and NFS 1815.4. Additionally, standalone PNM documentation should include the rationale for using that approach with the appropriate review and approvals.

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 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.

Exercise of Options

- ✚ Goddard Procurement should ensure that preliminary notices are issued in accordance with the requirements contained in the contract clause.

Interagency Acquisitions

- ✚ Goddard Procurement should ensure that the signed acceptance of the interagency agreement by the servicing agency is received within 30 days after receipt of the agreement and is maintained in the agreement file.

Technical Evaluations

- ✚ Goddard Procurement should continue to provide guidance to contracting and technical personnel for lower dollar value contract modifications and actions to ensure that technical evaluations are completed in accordance with NFS 1815.404-1, contain thorough analysis, and provide a basis for the reasonableness and acceptance of relevant elements of cost. (Repeat Finding)

Cost/Price Analysis

- ✚ Goddard Procurement should continue to provide guidance to contracting personnel to ensure that cost/price analyses on lower dollar actions contain sufficient analysis to provide a basis for the reasonableness and acceptance of relevant elements of cost. (Repeat Finding)

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.

Grants and Cooperative Agreements

- ✚ Goddard Procurement should develop a uniform memorandum in the file for the sole purpose of documenting a detailed analysis of the proposed costs.
- ✚ Goddard Procurement should ensure that the appropriate special condition is utilized for grants and cooperative agreements containing a letter of credit. Additionally, Goddard Procurement should ensure that the appropriate provisions are incorporated by reference when and that provisions are not revised without authorization.
- ✚ Goddard Procurement should ensure that the Exhibit G “Required Publications and Reports” form is utilized in the award documents as required by Section 1260.75(c)

of the NASA Grant Handbook. Further, Goddard Procurement should ensure that the NF1687 is utilized to award grants and cooperative agreements.

Simplified Acquisitions

- ✚ Goddard Procurement should ensure that simplified acquisition files consistently contain sufficient sole source justifications and adequate price reasonableness determination language. The documentation should be consistent with the requirements and the appropriate rationale utilized. Further, template language should be customized to address the relevant details of the requirement and guidance or instructional language should be removed from the final document.

HEADQUARTERS RECOMMENDATIONS

Self-Assessments Program/PMR Corrective Action Plan

- Headquarters Procurement should provide additional guidance regarding the review of AFES input the requirement to document the findings in the Center self-assessment reports. Additionally, Headquarters Procurement should update the Self-Assessment Guide to ensure that expectations for this topic area are clearly communicated to the Center procurement offices.

DCAA Audit Follow-Up/Wide Area Workflow Clauses

- Headquarters Procurement should clarify the requirement for DCAA audit tracking in AAIRS to identify the personnel responsible for updating the information and the circumstances under which the exception cited at NFS 1842.73 (d)(1) is applicable to facilitate Center implementation of the requirements of NFS 1842.73.
- Headquarters Procurement should clarify the applicability of PIC 14-02 “Class Deviation to NFS 1842.803(b)(1)(D) – Defense Contract Audit Agency (DCAA) Policy and Procedure for Submission and Audit of Contractor Interim Vouchers” to ensure that Center implementation is consistent with the guidance..

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.

RESOLVED 2011 PMR WEAKNESSES

Contracting Officer's Representative Training and Delegations

- ✚ The Goddard Procurement Division shall ensure that COTR delegations are executed in all contracts (unless deviations are granted) as required by NFS 1842.270.
- ✚ The Goddard Procurement Division shall ensure that COTRs provide copies of the surveillance plan and surveillance activity updates when those responsibilities are delegated on the NF 1634. (Second Repeat Finding) (*the weakness was downgraded and incorporated into a recommendation addressing overall documentation of the NF 1634*)

Self-Assessment Program

- ✚ The Goddard Procurement Division shall ensure that self-assessments are conducted on a semi-annual basis and ensure that weaknesses identified in the most recent PMR report are reviewed during self-assessments in accordance with the NASA Self-Assessment Guide. The self-assessment review of PMR weaknesses may be spread out over the course of self-assessments conducted prior to the next PMR.

Negotiation Documentation

- ✚ The Goddard Procurement Division should provide guidance to contracting personnel to ensure that adequate file documentation is included in lower dollar value basic awards and modification files. The PPM and PNM checklist form or any other documentation used should contain the appropriate level of cost/price analysis and rationale to support, as applicable, the reasonableness of each element of cost and the overall price reasonableness determination in accordance with FAR Part 15.4 and NFS 1815.4. (Repeat Finding) (*this weakness was downgraded to a recommendation*)

Evaluation of Contractor Performance

- ✚ The Goddard Procurement Division shall ensure that Contracting Officers comply with the FAR and NFS requirements for executing contractor performance evaluations in both written and electronic formats, to include completing the evaluations within 60 days of the annual contract award anniversary, providing substantive narratives to justify ratings, and completing AFES data fields as required by PIC 10-12. (Repeat Finding)

Indefinite Quantity/Indefinite Delivery Contracts

- ✚ The Goddard Procurement Division should modify SEWP contract clause A.1.23 titled "Fair Opportunity" to cite FAR 16.505(b)(2)(i)(E) exception to fair opportunity, cite the statutory authority the exception is based on, and revise the wording of the clause to meet the FAR 16.505 (b)(2)(ii) requirement for a justification for an

exception to fair opportunity to be in writing as specified in paragraphs (b)(2)(ii)(A) or (B) of the FAR section.

Interagency Acquisitions

- ✚ The Goddard Procurement Division should ensure that a request for deviation to the five-year limitation for non-competitive follow-on IAAs with the same servicing agency for the same products or services that exceed five years is executed in accordance with NFS 1817.7001.

Financial Management Reporting

- ✚ The Goddard Procurement Division shall ensure that analysis is conducted on the monthly NF-533M and quarterly NF-533Q reports as necessary. (Repeat Finding) *(this finding was downgraded to a recommendation)*

Simplified/Commercial Acquisitions

- ✚ The Goddard Procurement Division shall ensure that its simplified acquisition workforce is adequately trained at all levels to properly execute and provide oversight of simplified acquisition procedures, including the test program for commercial items, in accordance with FAR Part 13. Goddard must take the necessary corrective measures to ensure that the numerous findings contained in this section of the report, particularly those pertaining to inadequate pricing support, are adequately addressed. (Repeat Finding) *(this finding was downgraded to a recommendation)*

Contract Management Module Implementation – *(this area was not reviewed as a separate topic during the 2014 PMR but rather incorporated into the review of relevant topics)*

- ✚ The Goddard Procurement Division should ensure that solicitations are generated in CMM/PRISM in accordance with NFS 1804.171 and that the documents generated in CMM/PRISM match the documents posted to NAIS EPS.
- ✚ The Goddard Procurement Division should ensure that purchase orders utilizing the purchase card as the method of payment are in written format and contain the information specified at FAR 13.302-1.
- ✚ The Goddard Procurement Division should ensure that task and delivery orders are generated in CMM/PRISM in accordance with NFS 1804.171.