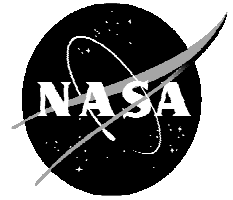


NATIONAL AERONAUTICS AND SPACE ADMINISTRATION



Procurement Management Survey Report

GODDARD SPACE FLIGHT CENTER

March 23 – April 3, 2009

OFFICE OF PROCUREMENT

HEADQUARTERS

WASHINGTON, D.C.

PREFACE

The NASA Headquarters Office of Procurement conducted the procurement management survey at the Goddard Space Flight Center (Goddard) under the authority of NASA Procedures and Guidelines 1000.3, The NASA Organization. The survey was conducted from March 23 – April 3, 2009. The report contains the survey strengths, weaknesses, and considerations.

An exit briefing was held on April 2, 2009, to discuss the survey findings.

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



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Section I

OVERVIEW

The Goddard Procurement Operations Division (Goddard Procurement) is providing meaningful support to their technical and program customers.

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

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

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

The exit conference at the conclusion of the survey typically consists of a direct exchange of observations and ideas between the participants. Center ownership of the resolution of any identified weaknesses or considerations is emphasized through the survey follow-up process. This process focuses on actions or initiatives undertaken by the Center to address survey findings. The Goddard Procurement Officer shall provide a summary of the actions taken to resolve all weaknesses and considerations in this report in writing to the AA for Procurement and survey manager. The summary will be included in the semi-annual Center Self Assessment report approximately six months after the issuance of this report. Updates on efforts to address survey findings are also included in subsequent Center Self Assessments. The Procurement Management Review manager will coordinate with the Center's Headquarters Procurement Analyst to issue written closure of weaknesses identified in the review after the Center completes all corrective actions.

1. Survey Team Membership:

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

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

Jerry Edmond, HQ: Justifications for Other than Full and Open Competition, Deviations and Waivers, Undefinitized Contract Actions, and Award and Incentive Fee Contracts

Don Moses, HQ: Internal Policies and Procedures, Master Buy Plan Actions, Contract Safety Requirements, and Financial Management Reporting

Octavia Hicks, LaRC: Self Assessment Process, Negotiation Documentation, Interagency Agreements, and SBIR/STTR Awards

Pamela White, MSFC: Metrics Review and Documentation, COTR Training and Delegations, DCAA Audit Follow-Up, and Simplified/Commercial Acquisitions

Gerald Norris, SSC: Technical Evaluations, Construction and A&E Services Contracts, Environmental Issues, and Contract Management Module Implementation

Suzanne Honeycutt, NSSC: Acquisition Planning, Contract Closeout Process and Unliquidated Obligations (ULO), Clerical and Administrative Support Contracts, and Purchase Card Program

Leahmarie Stervagi, GRC: Evaluation of Contractor Performance, Exercise of Options, Subcontract Consent, and Competition under Multiple Award and IDIQ Contracts

Daniel Rodriguez, GRC: 1102 Career Development and Training, Government Furnished Property, Cost/Price Analysis, and Source Selection Process

Small Business Representatives

David Grove, OSBP and **Lupe Velasquez**, ARC: Small Business Programs

2. Survey Support:

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

Jim Becker	Goddard Point of Contact
Wanda Behnke	Goddard Point of Contact

SECTION II

ORGANIZATION - MANAGEMENT

1. Organization Structure and Staffing

The Goddard Procurement organizational structure remains substantially unchanged from previous procurement management surveys. It is a part of the Management Operations Directorate.

Goddard Procurement consists of five offices managed by an Associate Chief and two Procurement Managers and one office supporting the GOES R Program managed by an Associate Chief. The Procurement Officer, Deputy, Senior Staff, Procurement Support Services Team, Industry Assistance Office, Organizational Development Specialist, Administrative Support Staff, and Associate Chiefs all reside in the Center's main administrative building. The Procurement Managers and the remainder of the procurement personnel are distributed throughout the Center and are either co-located or in buildings in close proximity to the technical organizations that they support.

Goddard Procurement is comprised of personnel with various skill sets and positions. A small number of contract administrators and purchasing agents remain in the organization. The Goddard Procurement workforce is currently 188 including GS 1102 series, GS 1105 series, and GS 301 series personnel. Fiscal Year 2008 was the first time in many years where Goddard Procurement acquired more personnel gains than losses. This change of events is partially attributed to the Center's ability to hire more individuals at higher grades.

2. Procurement Staff Interviews

Interviews were conducted with several members of the Goddard Procurement workforce to gain a greater insight into the effectiveness of the procurement organization. Interviews were conducted with a wide range of individuals varying from the most junior levels to senior personnel with more than 30 years procurement experience. The majority of people interviewed were relatively new to the Center with less than ten years at Goddard. However, many in this group had previous experience with other federal agencies.

The overall response from procurement personnel regarding the status of Goddard Procurement was very positive. Many noted positive progress over the last few years and most were very happy with their particular jobs and the organization as well. People were able to discuss the environment within their individual organizations but did not have an appreciation for the environment within other organizations or the organization as a whole. This fact is a result of the co-location of the procurement offices across the Center.

Most people interviewed perceived morale as good (particularly in their respective areas) and improved over the past. Few felt that morale fluctuates and is dependent upon the levels of stress perceived by individuals within the organizations. Generally, workload levels are perceived as high and at times almost unmanageable. However, most felt that high workload levels were manageable and the most stressful periods were relatively short lived. Most people interviewed felt challenged with their workload assignments.

There was some indication that workload assignments were not always equitably distributed within the offices. Some individuals expressed the concern that some of the 'senior' recent hires seem to need an adjustment and/or mentoring period prior to assuming workload responsibilities commensurate with the grade levels.

The relationships with both the technical and legal communities seem to be strong. Procurement personnel have open lines of communication and are kept informed of technical requirements. Interaction with the legal office is mixed. Most people have a good working relationship and receive valuable input and advice from legal counsel. A few people had more strained relationships with the legal community and felt that some advice provided, particularly regarding a recent protest, resulted in more difficulties and problems with the Government Accountability Office.

Goddard Procurement management is perceived as effective and supportive in the areas of communications, management feedback, accessibility, and flexibility. The monthly learning group meetings for junior contract specialists and senior contracting officers are well received and perceived as useful to the respective communities.

Training opportunities are available for Headquarters-sponsored courses and courses sponsored by the Center. There is marked improvement since the last survey in the number of Goddard Procurement personnel attending the Headquarters-sponsored contracting courses. Many people take advantage of the Center-sponsored leadership courses as well.

The majority of people interviewed expressed their ability to communicate with the Headquarters Office of Procurement when necessary. Others, however, indicated that the nature of their workload did not require the need to communicate with the Office of Procurement.

STRENGTH:

The Goddard Procurement management team is commended for establishing the learning groups for the junior contract specialists and senior contracting officers. The monthly meetings provide opportunities for the participants to share relevant experiences and information among peers. These learning groups bring together the dispersed procurement community to discuss common issues. *The practice of conducting regular meetings with distinct segments of the procurement community to share information is identified as a best practice for larger centers. (Best Practice)*

3. Technical Customer Interviews

Representatives from a variety of technical organizations were interviewed regarding the effectiveness of Goddard Procurement and their level of satisfaction. Individuals interviewed represented various programs and projects at Goddard, Wallops, and Headquarters. The Contracting Officers Technical Representatives (COTRs) interviewed had NASA experience that ranged from four to forty years. Many also had experience with other government agencies while some joined NASA from the private sector. All COTRs met the current training requirements and had active delegations on contracts. The level of COTR involvement on contracts ranged from ten percent to full time responsibilities.

The majority interviewed indicated that the relationship with the procurement organization was good to excellent. Many stated that representatives from procurement were included in their staff, organization, and

strategic planning meetings. The level of interaction with procurement varied depending upon the size and complexity of the contracts.

Overall, from the viewpoint of the technical organizations, Goddard Procurement is doing an effective job to support their respective organizations and the quality of procurement products is good. Procurement personnel are perceived as knowledgeable, supportive, and responsive. Many COTRs indicated that the knowledge and level of support from the Procurement Managers and contracting officers were very high. The perception of the quality of support received from the less senior personnel was mixed. A few COTRs stated that some contract specialists and buyers provided excellent support. Others provided good support but were still 'green' and needed a lot of guidance. Still others were perceived as not supportive or knowledgeable. One COTR indicated that procurement personnel should be willing to work with the technical organization to find an approach that works rather than providing roadblocks or excuses, the former approach produced far more successful results than the latter. Another area for improvement noted by several COTRs involved communication regarding the status of actions. Some COTRs indicated that when actions take longer than anticipated, updates or status information would be helpful.

In general, technical organizations are receiving the appropriate level of support, advice, and counseling from procurement. A few expressed concerns that the contracting officers assigned to contracts change too frequently. One COTR for a large contract indicated that just as the contracting officer becomes familiar with the contract requirements and develops a strong working relationship with the technical and contractor counterparts, they are reassigned. The constant need to reacquaint procurement personnel with the nuances of complex contracts is somewhat frustrating for the technical community.

CONSIDERATION:

Goddard Procurement shall ensure that the status of actions is communicated to the technical community, particularly when actions take longer than anticipated.

4. Legal Office Interviews

An interview was conducted with the Goddard Deputy Chief Counsel. The Deputy Counsel reviews procurement documents, reviews Source Evaluation Board documentation and provides advice, handles protest actions, and oversees document reviews conducted by other attorneys within the Office of Chief Counsel.

The relationship between procurement and the legal office is perceived as solid. The relationship with procurement senior staff is very professional, and the interaction is good particularly since the senior managers are located on the same floor as the Chief Counsel's office. The strong point for Goddard Procurement is the source selection process; some areas of contract administration are weaker. The quality of the documentation varied across procurement offices. Documents from some offices were very thorough with little need for revisions while others require numerous changes. Typically documents for smaller, less complex actions require more attention.

Similar sentiments as expressed by the technical community were offered by the Deputy Chief Counsel with regard to proficiency levels of the contract specialists. Some are very knowledgeable and proficient; others are inexperienced and need additional guidance, and others are not as competent. There continues to be a concern regarding the amount of lead time required for legal reviews. Documents are frequently submitted

for legal review with a request for shorter than the agreed upon three-day lead time. Legal reviews are conducted at the appropriate dollar thresholds.

CONSIDERATION:

Goddard Procurement shall ensure that sufficient time is provided to the Office of Chief Counsel for document review to the maximum extent possible. **(REPEAT FINDING)**

5. Metrics Review and Documentation

Goddard Procurement collects an array of management reports to ensure that the organization as a whole is functioning at a low level of risk. The organization grades itself on the reported data using red, yellow, and green indicators as an objective way to define organizational performance. The organization also collects metrics on workload for major acquisitions and other actions to ensure schedules are met. The metrics data that are collected are reported to the Management Operations Board of Directors and to the Goddard Management Council. The following metrics are collected: procurement schedules for major acquisitions, Undefined Contract Actions (UCAs), workforce stability numbers, other actions (which include modifications on major programs), schedule information on Performance Evaluation Boards, and contract closeout status.

The Unliquidated Obligations (ULO) Analysis Tool is fully implemented. This tool was discussed in previous survey reports during the development stages. The tool is used by Goddard, NASA Headquarters and the NASA Management Office. The purpose of the tool is to analyze transactions that are over six months old and to status, correct, de-obligate, or disburse the obligations, as necessary. The tool can also generate 14 reports; including reports by Directorate, Top 20 Oldest, and Top 20 Dollar Value. The report also contains a field to incorporate comments.

Goddard Procurement recently received access to the Enhanced Procurement Data Warehouse Procurement Reporting System. This system produces various standard reports based on the data in CMM/PRISM, SAP, and FPDS-NG systems.

6. Procurement Career Development and Training

The Goddard Procurement Training Coordinator and the Procurement Culture Change Representative (an employee within the Goddard Human Resources Office detailed to Goddard Procurement) provide outstanding support to the 1102 Career Development and Training Program. Due to Goddard's location in the Washington, DC metropolitan area, the Center has a high turnover rate, and many new hires. The training coordinator meets individually with each new hire to assess competency and training status and to establish a learning plan. A summary of this plan is incorporated into Individual Development Plans (IDPs) which are highly encouraged for all division employees.

Goddard Procurement supports the formal Goddard center mentoring programs as well as an informal division mentoring program that pairs new employees with other division employees. Coaching is a relatively new career development initiative implemented by Goddard Procurement.

Rotations are supported by management but greater focus is placed on providing employees with a range of procurement experience. The experience and training status of each division employee is discussed during

Quarterly Management Tag-up meetings. These meetings are attended by division management, the training coordinator, and the Culture Change Representative. Decisions are made during these meetings to provide employees with an opportunity to gain experience in different types of procurements (i.e. contract type, contract size/value) based on factors such as need and skill levels.

Goddard Procurement has 76 individuals with Federal Acquisition Certification in Contracting (FAC-C) at one of the three levels; four applications are currently in the review cycle, and others are pending completion of required courses. Overall approximately 40% of the organization's 191 employees have FAC-C certifications. FAC-C status is verified when issuing contracting officer warrants. The training coordinator maintains a master list of warrants issued at the Center. The training coordinator maintains records of employees' FAC-C applications and supporting documentation.

Applications are verified to ensure that employees meet the acquisition competencies listed in the 'NASA Procurement Career Development and Training Policy' for the different FAC-C levels. The division maintains a list of performance plan competencies (accessible via the division website). The Culture Change Representative initiated the development of a 'Career Roadmap' which will contain information on competencies needed to advance within the procurement GS levels (i.e. GS-7 to GS-9).

Academic courses are reimbursed by the Center subject to justifications, relation to Goddard's mission, and Center funding availability. The training coordinator and Culture Change Representative are currently developing a program which would permit reimbursement for courses required to obtain an academic degree but that are not directly related to procurement or business fields. This more flexible reimbursement policy may encourage more division employees to obtain degrees required for advancement past the GS-12 level.

Goddard Procurement has representation in the local National Contract Management Association Chapter and supports other professional organizations. Participation in these organizations merits Continuous Learning Points (CLPs). Other division training activities that merit CLPs include: participation in Leadership Training and Agency Programs, NASA Headquarters-led courses (i.e. Cost & Pricing), Division Training Forums, Contract Specialist Forums (topics specific to Contract Specialists), Simplified Acquisition Learning Groups, Brown Bag Sessions, and a Non-Supervisory GS-14 Working Group. In addition, the Goddard Procurement Officer conducts a 'Learning Group' session open to all division employees. CLPs for division-sponsored courses are tracked in an extensive filing system and electronic spreadsheet. Individuals are encouraged to track personal course completion, which may also include non-division led courses.

The Goddard Procurement website contains training presentations and provides easy access to procurement information for division employees. The website contains information on a variety of topics and links to other sources of information. Some of the presentations on the website were outdated (i.e. superseded by FAR changes, recent PICs, etc.) and a few of the links were no longer operational.

STRENGTHS:

1. Goddard Procurement is commended for having Quarterly Management Tag-ups where the development of each division employee is discussed. *The utilization of the Quarterly Management Tag-up Meetings attended by division management, the training coordinator, and Culture Change Representative to discuss individual employee training and development status, and identify opportunities to broaden the individuals' experience base is identified as an agency best practice. (Agency Best Practice)*

2. Goddard Procurement is commended for maintaining a full time training coordinator who receives support from the Culture Change Representative to manage the career development and training of the division staff. Full time attention is essential for such a large staff.

CONSIDERATIONS:

1. Goddard Procurement shall verify that the 'NASA Procurement Career Development and Training Policy' is utilized as a guide to develop Performance Plan and Career Roadmap documents.
2. Goddard Procurement shall develop a process of incorporating continuous learning point data into the SATERN database rather than maintaining an extensive filing system and electronic spreadsheet.
3. Goddard Procurement shall consider reviewing its website to ensure that information is current and that outdated information and presentations are removed from the website or placed in an archive section of the website.

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

COTR Delegation Forms (NF 1634) were reviewed to ensure accurate completion in a timely manner. The contracts files were also checked for incorporation of surveillance plans, when required. All delegations reviewed were completed in a timely manner in accordance with NFS 1842.270. However, no surveillance plans or corresponding on-site surveillance documentation was included in the files provided. Some surveillance plans were available, however, the documentation was not included with the files provided.

Goddard Procurement developed and utilizes a Small Purchase Technical Representative Delegation Form for simplified acquisitions. The form was used in the majority of simplified acquisitions reviewed. The Small Purchase Technical Representative is a liaison between the Government and the contractor. This individual (civil servant) monitors performance and expenditures on simplified acquisition awards. They are technical subject matter experts for the respective requirements. These individuals are not COTRs and there are no formal training requirements.

The active Goddard COTRs and the Headquarters qualified COTR listings were reviewed and compared to the NASA COTR List. The NASA COTR List is a comprehensive list of all individuals with Federal Acquisition Certification for Contracting Officer's Technical Representatives (FAC-COTR). The COTRs listed on the Goddard and Headquarters listings are FAC-COTR certified.

STRENGTH:

Goddard Procurement is commended for the development of a Small Purchase Technical Representative Delegation Form. *The Small Purchase Technical Representative Delegation Form utilized in simplified acquisitions to describe the roles and responsibilities of the technical subject matter expert, is identified as an agency best practice. (Agency Best Practice)*

WEAKNESS:

Goddard Procurement shall ensure that contract files include surveillance plans and evidence of contractor surveillance when required by the COTR delegations (NF 1634). If surveillance plans are not required for the contract, COTR delegations shall be modified accordingly. **(REPEAT FINDING)**

8. Self-Assessment Program

The self-assessment program is designed to ensure that the procurement function throughout NASA is operating at a low level of vulnerability and that weaknesses identified in NASA Headquarters procurement management surveys are tracked to closure. Self-assessments should focus on the implementation of corrective action plans developed to remedy weaknesses and considerations identified during the latest procurement management survey.

A procurement management survey was conducted of Goddard Procurement February 25-March 7, 2007. Goddard Procurement has not completed timely self-assessments since the last survey and only recently submitted the 2008 second quarter self-assessment report to the Headquarters Office of Procurement. Goddard Procurement divided the findings into more manageable segments in an effort to address each area of concern identified in the report.

The self-assessment leader selects a mix of volunteers from procurement personnel based on experience and level of expertise. Self assessment team membership is also extended to individuals who will benefit from the experience as a targeted training opportunity. Goddard Procurement files are reviewed by the assessment leader including files from Wallops Flight Facility and Headquarters. The team leader schedules a kick-off meeting, assigns topics and files for review, and establishes assessment timelines. Corrective action plans are discussed individually in meetings with senior staff and managers. A self-assessment questionnaire is used to focus the evaluation on specific areas of concern identified in the 2007 survey report.

The actions selected for review were not chosen in a completely random manner. The self-assessment team leader attempts to balance the number of files reviewed across contract specialists. The goal is to avoid reviewing a disproportionate number of actions from any particular contract specialist or contracting officer rather than making a random selection of actions regardless of the file owner. The self-assessment reports contain a summary of the findings and recommendations, a comparison of the current self-assessment, the last self-assessment, and the most recent Headquarters survey report. Recurring issues were identified and corrective actions were monitored for effectiveness. Where corrective actions were not effective, additional corrective actions were recommended.

Goddard Procurement Circular 03-01, dated July 23, 2003, contains additional guidance on performing self-assessments. The Circular requires reviewing team members to furnish a copy of the summary and findings for each contract action reviewed to the contract specialist at the conclusion of the file review. Additionally, the contract specialists are required to provide a written response to any final review findings where a need for corrective action is identified. The Procurement Manager must concur in the response and corrective action plan.

STRENGTHS:

1. Goddard Procurement is commended for incorporating an exceptional feedback mechanism to ensure individual accountability and management oversight into its self-assessment process.
2. Goddard Procurement is commended for implementing a procurement policy to address the weaknesses and considerations identified as follow-up and corrective actions.
3. Goddard Procurement is commended for the utilization of a self-assessment questionnaire to address each specific problem area identified to provide focused review for team members.

CONSIDERATION:

Goddard Procurement shall institute a more random process to select actions for review during the self-assessment. The current approach utilized to select actions for review during the self-assessment does not accurately capture potential systemic problems throughout the entire organization.

WEAKNESS:

Goddard Procurement shall conduct more timely self-assessments to ensure that the organization is consistently identifying and addressing areas of concern.

9. Internal Policies and Procedures

The Goddard Procurement policy webpage is maintained on the internal procurement library website. The webpage contains internal policy and procedures, a link to the NASA Procurement Library, as well as links to other procurement policy and procedures internal and external to Goddard. Goddard's policies and procedures are generally comprehensive and consistent with the FAR and the NFS. They do not unnecessarily duplicate FAR or NFS language and are accessible to the Goddard procurement workforce via the Intranet. Goddard policies and procedures trace back to NASA and Federal policies and procedures and are formulated based on the level of importance of the document (e.g., acquisition plans, JOFOCs, etc.) that implements those policies to ensure consistency. The webpage also contains briefs and weekly policy postings. Goddard's internal policies and procedures provide its procurement workforce with knowledge management and information to properly execute procurements and related tasks.

An Air Force source document is posted on the policy webpage that provides information regarding the preparation of quality technical evaluations. The guidance is focused strictly on the evaluation of sole source proposals and appears to be tailored for Air Force procurements. The previous survey report contained a consideration to include a hyper link to the Programs and Project Management Office guidance on developing and writing technical evaluations on its policy page. That guidance appears more relevant than the Air Force guidance and includes NASA technical evaluations as examples. The Programs and Project Management Office website also provides access to a technical evaluation tool called 'Turbo Tech'.

Goddard Procurement included a direct link to Turbo Tech on its policy web page in response to the consideration. The Goddard Procurement policy point of contact agreed to work with information technology support personnel to develop a link on the policy page to access the technical evaluation guidance (including Turbo Tech) located on the Programs and Project Management Office website.

The previous survey report noted that the contracting officer warrant policy conflicted with NASA Agency level policy and identified the inconsistency as a weakness. The policy in question granted individuals with Level II certification, contracting officer warrants with authority for actions \$50M or greater. The Agency policy grants individuals with Level II certification, contracting officer warrants with authority up to \$10M for Commercial and Non-Commercial Items and unlimited warrant threshold authority for incremental funding actions. The questioned policy was subsequently lowered to \$10M and is now consistent with Agency policy.

Goddard Procurement issues guidance and policy reminders on its website such as postings/updates, Goddard Procurement Circulars, "Did you Knows," "Becker's Briefs", and Policy online Weekly's to promote knowledge sharing across the organization. The Procurement Operations Division Board of Directors meets weekly to generally discuss acquisition and personnel matters. Goddard Procurement has learning groups that conduct knowledge management forums targeted to contract specialists new to the profession, new to Goddard, and for those promoted from buyer to contract specialist. Employee open forums with the Procurement Officer are also held. General employee questions and concerns are addressed during these forums.

A few documents and terminology reviewed require updating (e.g., the "BoA MasterCard Procedures" refers to Bank of America should now reflect the new card provider JP Morgan Chase). Some documents, such as the "533 record of analysis and review" template and Goddard Procurement work instructions were somewhat difficult to navigate and find on the website.

CONSIDERATIONS:

1. Goddard Procurement shall incorporate a web hyper link on its policy page to the Programs and Project Management Office guidance on developing and writing technical evaluations. **(REPEAT FINDING)**
2. Goddard Procurement shall review the Air Force technical evaluation guidance currently posted on its policy web page for applicability to NASA technical evaluations and usefulness to the NASA technical community.
3. Goddard Procurement shall consider moving the link for the work instructions to the first page of policy website for greater visibility and access.

SECTION III

PRE-AWARD PROCESSES AND DOCUMENTATION

1. Master Buy Plan Records

The Master Buy Plan (MBP) program database was reviewed for compliance with NFS 1807.71. The Master Buy Plan provides information on planned acquisitions to enable management to focus its attention on a representative selection of high-dollar-value and otherwise sensitive acquisitions. The NFS requires Centers to submit their MBP input by July 15 of every year, and include data for the fiscal year that follows and prior year plans for uncompleted acquisitions selected for Headquarters review and approval. Additional reporting requirements were established for high-dollar-value acquisitions as a result of increased Headquarters senior management review. The Office of the Administrator requires the Headquarters Office of Procurement to provide an annual MBP report of all MBP records submitted by the Centers. All Centers are advised to institute more diligence regarding the quality, level of detail, accuracy, completeness, timeliness, and consistency of data entered into the MBP database and the Baseline Performance Review (BPR) Acquisition Spreadsheet. A new MBP system which will interface with the BPR information is currently under development at Headquarters.

The following results were noted after review of the Goddard Procurement MBP submissions and updates:

Annual Submission: The July 15, 2008 MBP annual submission was timely and accurate.

Descriptions: The quality and level of detail of MBP descriptions vastly improved since the previous survey and Goddard Procurement is encouraged to continue this practice.

Status Schedule: The status schedule field should contain planned and actual dates for critical milestones. When practicable, "To be determined" status entries should be avoided or if entered, replaced with a milestone date before a MBP record is approved.

Periodic Updates: Goddard Procurement has not consistently updated the status schedule when schedule changes occur or within a reasonable time when schedule changes are known.

Remarks: Details regarding progress, problems, changes, or significant issues associated with each MBP record should be recorded as they occur under the "Remarks" section.

BPR Documentation

MBP data is included in the Acquisition Spreadsheet used for the BPR. The spreadsheet is sent from Headquarters to Centers as a monthly data call. The information reported by the Centers is presented and discussed during the monthly BPR, which is a subset of the Program Management Council. The data is also reported to Congress by the Office of Program Analysis and Evaluation. The data reported by Goddard Procurement to Headquarters was inaccurate, inconsistent, and untimely on several occasions. All future BPR acquisition spreadsheet data submissions must be accurate, timely, consistent, and complete due to the necessity, high visibility, and high levels of oversight of the data.

Acquisition Forecast

NASA Centers are required to prepare an annual acquisition forecast for public access on or before October 1 and update it semi-annually by April 15 for anticipated contract opportunities or classes of contract opportunities in accordance with NFS 1807.7200. Where appropriate, the information reflected in the acquisition forecast should correlate with the MBP database. The information provided in the Goddard Procurement's acquisition forecast was detailed. The forecast information does not, however, make a distinction between awarded and deleted actions. Both actions utilize the same color coding, blue.

The acquisition forecast has generally been posted and updated in a timely manner since the previous survey. Goddard Procurement is currently gathering and formulating data in preparation of the April 15, 2009, semi-annual update.

CONSIDERATIONS:

1. Goddard Procurement shall ensure that the MBP system is updated to reflect any changes to acquisitions (e.g., change in contracting officer, status schedule, etc.) in a timely manner. Goddard Procurement shall also ensure that information copies of procurement documents requested by Headquarters are submitted to the Headquarters analyst in a timely manner.
2. Goddard Procurement shall ensure that the BPR acquisition spreadsheet data contains accurate, consistent, and complete documentation and is reported to Headquarters in a timely manner.

2. Justifications for Other than Full and Open Competition (JOFOCs)

Non-competitive contract files were reviewed for compliance with FAR 6.3 and NFS 1806.3 regarding other than full and open competition. Dollar values on the files reviewed ranged from \$1M to \$37M. Statutory authorities included (c) (1) - only one responsible source and (c) (3) – maintain an essential scientific or engineering capability. Most of the JOFOCs were well-documented and contained sufficient rationale to support the sole source. All cited the appropriate authority and most were reviewed and approved at the appropriate level. Goddard Procurement policy for all JOFOCs with a value of \$550K and above requires the Procurement Officer's concurrence and Competition Advocate approval. The Center Deputy Director is the Competition Advocate. JOFOCs greater than \$1M require legal office concurrence. The requirement for legal review during the previous survey was \$750K. Although the legal review threshold was raised, most JOFOCs reviewed were well above the new legal review requirement. Goddard Procurement also uses an internal Procurement Circular, issued in 1997, as an effective tool for ensuring that all of the FAR and NFS requirements are addressed in the documentation. This Circular is periodically updated to include current requirements and includes a JOFOC template.

Two JOFOC files from contracts NNG08HZ07C and NNG08HZ04C are highly commended for being exceptionally well documented and well written.

3. Deviations and Waivers

Deviation requests were reviewed for compliance with FAR Subpart 1.4 and NFS Subpart 1801.4. All Goddard Procurement submissions met the requirements of the FAR and NFS and for the most part were well-documented. Additional data or clarification was needed on only a few occasions. Goddard Procurement responded quickly and in an appropriate manner to provide any additional data.

The previous survey contained a consideration for the Goddard Procurement policy senior staff to develop and maintain a central file of all approved deviations. That recommendation was subsequently implemented.

4. Acquisition Planning

The majority of contract files reviewed contained the required documentation for acquisition planning, such as: market research, sources sought synopses, estimated cost and estimating methodology, special delivery or performance period requirements, identification of project or program risks, Consolidated Contract Initiative (CCI) consideration sheet, and if applicable, Procurement Strategy Meeting Minutes and Briefing Charts.

One file reviewed contained a market research analysis report dated and signed in late September 2007 which stated that market research was performed by the contracting officer in December 2004. This contract was awarded May 29, 2008. Either the market research statement used was conducted for the original contract or the market research statement was not accurately written.

One file in particular stood out from the rest. The requirements were fully identified and justification was provided for a single award. The CCI statement was in the file, along with a memorandum requesting approval to use an award fee contract that provided detailed justification such as using award fee to provide incentive for meeting critical launch integration and test schedules. The memo was signed by the contracting officer and the Procurement Officer. The acquisition approach was consistent with performance based contracting. Overall, the file was well organized and properly tabbed.

CONSIDERATION:

Goddard Procurement shall ensure that market research statements are current and clearly written to avoid confusion.

5. Source Selection Process

Evaluations & Selection

Large-dollar, high-visibility procurements where source selection presentations were involved contained very thorough evaluation documentation and thorough selection rationale. This information was summarized in well written final evaluation reports and in the source selection presentation charts. Appropriate summary information of the evaluations, suitable for public release, was inserted in Source Selection Statements.

Recent Section 8(a) set-aside awards contained the appropriate Small Business Association determinations in the contract files but did not list evaluation criteria in the solicitation or document the evaluations.

The non-competitive awards reviewed contained appropriate JOFOCs in the contract file. However, technical evaluation criteria were not provided with the solicitations. While the files contained a technical evaluation of the proposals, one focused on technical analysis of resources and cost and did not include an analysis of the technical proposal itself.

Two competitive awards where only one response was received were also reviewed. These awards did not contain adequate evaluation documentation.

Discussions

Goddard Procurement awarded the vast majority of their procurements without discussions in accordance with FAR Clause 52.215-1(f)(4). The files of two procurements awarded after conducting discussions were reviewed. Both were for large-dollar, high-visibility procurements that included source selection presentations. Proper notification of the establishment of the competitive range was provided to offerors prior to discussions and documentation of the offerors' respective proposal weaknesses was provided accordingly. Both files contained excellent and thorough documentation of the discussions.

Lessons Learned from Protests

The source evaluation board (SEB) coordinator was interviewed and indicated that protests of Goddard procurements resulting in a decision in the contractor's favor was a recent phenomenon with two such actions occurring within the last year. Prior to these decisions, protests of Goddard procurements resulted in decisions in the Government's favor. There was also one fairly recent case where Goddard Procurement acknowledged the protest and took corrective action. Both decisions in the contractor's favor pertained to the utilization of past performance information from smaller procurements in the Government's evaluation of past performance on the much larger-sized procurements.

As a result of the recent protests, Goddard Procurement initiated measures to ensure that lessons learned from protests are implemented in future procurements. The results of these measures cannot yet be obtained since the protests were fairly recent. Measures taken include: a modification to the standardized SEB training document (utilized by the SEB Coordinator to train SEB members prior to the commencement of SEB activities), discussion of protests at bi-weekly management staff meetings, modification to standardized solicitation template data, an update to the e-Greenbook (which contains Goddard specific clauses), SEB Coordinator involvement in all procurements over \$5M, and modification of the Division's 'Solicitation and Contractual Action, Review & Approval Record'. Additionally, the SEB Coordinator plans to disseminate information pertaining to these measures at the 'Brown Bag Lunch' and the 'Monthly Training Forum'. The SEB Coordinator also stated that individual meetings were conducted with Contract Specialists.

STRENGTH:

Goddard Procurement is commended for its thorough source selection process and documentation of large-dollar, high-visibility procurements.

CONSIDERATIONS:

1. Goddard Procurement shall consider improving its evaluations and evaluation documentation for Section 8(a) set-asides, non-competitive procurements, and procurements where only one response is received to ensure quality of contract performance.

2. Goddard Procurement shall implement the guidance contained in the recently issued Procurement Information Circular 08-11, entitled “Encourage Discussions with Offerors Determined to be in the Competitive Range” dated December 5, 2008.

6. Pre and Post Negotiation Documentation

A broad range of contract files and contract types (grants, firm fixed price, cost plus incentive fee, cost plus fixed fee, etc.) were reviewed to determine the adequacy of pre-negotiation position memorandums (PPM) and price-negotiation memorandums (PNM). Goddard Procurement utilizes the standard format prescribed in Goddard Procurement Circular 02-01, “Pre-negotiation Position and Price Negotiation Memorandums”. All eleven areas specified in FAR 15.406-3 and NFS 1815.406-170 are addressed consistently.

A review of PPM and PNM documentation found that Goddard Procurement has appropriately addressed the findings from previous survey reports regarding the use of “stand-alone” PNMs. When a “stand-alone” PNM was used, a separate memorandum documenting the sound rationale for not preparing a PPM and requesting permission to prepare a “stand-alone” PNM was present.

The utilization of Goddard Procurement forms/checklists (Goddard Forms 210-90 – “Pre-negotiation Position Memorandum” and 210-92 – “Price Negotiation Memorandum Summary”) is helpful since the forms include a comprehensive list of areas to address that are consistent with the FAR requirements; however, contract specialists and contracting officers appear to rely too much on the form/checklist alone and do not always include the supporting narrative rationale.

CONSIDERATIONS:

1. Goddard Procurement shall ensure that more detailed rationale is included in the PPM and PNM to support the requirement. Note: Marshall Procurement utilizes a combination document that includes both narrative rationale as well as checked box format to ensure that all areas of the FAR and NFS are addressed and that sufficient narrative discussion is provided to support the requirements.

2. Goddard Procurement shall ensure that post-it notes with miscellaneous or preliminary information are removed from the files.

WEAKNESSES:

Goddard Procurement shall ensure that adequate file documentation is included on the smaller dollar value basic awards or modification files. The files should contain the appropriate back-up documentation and Memorandum for Records to support modification actions.

7. Technical Evaluations

Technical evaluations were reviewed to determine whether the appropriate level of assessment was used to ensure compliance with FAR and NFS 15.404. The review included technical evaluations for contracts and contract changes. Some evaluations reviewed contained excellent analysis and documentation while others lacked detailed analysis and focused more on price reasonableness than the proposed elements of cost.

Several technical evaluations reviewed addressed price fairness and reasonableness by comparing the government estimate to the contractor's proposal without providing detailed analysis of material quantities, labor hours, or skill mix. The technical evaluations appeared to emphasize price more than the technical issues. The evaluations also provided more insight into contractors' past performance than technical capability. Contract specialists do not appear to consistently follow up with the technical evaluators to revise inadequate evaluations.

Contract files from two particular offices (Headquarters Procurement and Institutional Procurement) contained very thorough technical evaluations. The analyses in these files addressed labor categories and rates. The technical evaluations explained labor hour differences between the contractor's proposal and the government estimates. The analyses addressed labor categories and rates, material quantities, and cost and reasonableness of technical approaches. The coordination and communication between procurement and the technical professionals is outstanding. The correspondence in the contract/modification files reflected open lines of communication between procurement professionals and technical professionals.

CONSIDERATION:

Goddard Procurement shall provide sufficient guidance to contracting officers and technical evaluators to ensure that technical evaluations address the relevant elements of costs and proper analysis and ensure that proper follow up is conducted to clarify unresolved issues.

8. Contractor Safety Requirements

Contracts were reviewed to verify compliance with NFS Clause 1852.223-73 Safety and Health Plan, the proper evaluation of Safety and Health Plans in the source evaluation and performance evaluation processes, and the review and approval of the plans by a Safety and Mission Assurance (S&MA) official for non-source board procurements. The Safety and Health (Short Form) was included as required in all applicable contracts that did not require a formal Safety and Health Plan. All other files included the appropriate safety and health clauses and most included incorporation of the plan in the contract. Several of the files contained approval of the plan from the S&MA official. However, the review revealed that a large number of files did not contain evidence of S&MA concurrence of the plan.

WEAKNESS:

Goddard Procurement shall ensure that the contracting workforce obtains S&MA concurrence of the safety and health plan for all applicable procurements before the plan is incorporated in a contract as required by NFS 1823.7001(c) and includes the necessary documentation in the contract file.

9. Government Furnished Property

Files that contained either Government Furnished Property and/or Contractor-Acquired Property were reviewed. The files reviewed contained the proper clauses in accordance with the FAR and NFS requirements and included the appropriate Goddard Procurement Center-Specific clauses. Newer contracts contained the proper NFS Deviation Clauses in accordance with PIC 07-09 dated September 2007, "Class Deviation to Provide Interim NASA Government Property Solicitation Provisions and Contract Clauses." The Goddard Industrial Property Office (IPO) was involved in the solicitation phases, and Government property

was discussed in acquisition plans where applicable. Government property lists containing NFS 1852.245-76 and/or 1852.245-77 descriptions were also attached to the original contacts.

Conversations held with members of the Goddard IPO revealed that Goddard Procurement maintains a great relationship with that office. Procurement personnel are receptive to IPO feedback and incorporate suggested changes into their contracts. Goddard Procurement posts IPO information on the internal procurement website and the IPO website is utilized by procurement personnel. The IPO members participate in training sessions and management meetings conducted by Goddard Procurement.

The review identified several activities that are performed inconsistently across the organization. These inconsistencies were confirmed by the Goddard IPO. The activities include: completion of the 'List of Government-Furnished Property and Approvals (NF-1098 Tab 20)'; memorandums, completion and distribution of DCMA Property Delegations; and distribution of contracts/modifications involving Government property to the Goddard IPO. Additionally, while the Goddard Form 20-4 shipping documents (the center's version of the DD1149) were in contract files, the Government property shipped to contractors was not always listed in or added via contractual documents (i.e. contracts, modifications, task orders).

The Goddard IPO requested improved training for new employees due to the high turnover rate at the center and access to current contract contact information. The Goddard IPO indicated that not all solicitations/contracts requiring Government property clauses or information concerning offeror's proposed Property Management Standards and Practices are submitted to the office for review in accordance with the NFS and PIC 07-09.

STRENGTH:

Goddard Procurement is commended for the strong relationship developed and maintained with the IPO.
(REPEAT FINDING)

CONSIDERATIONS:

1. Goddard Procurement shall ensure that current contract contact information (contract specialist and COTR) is updated and provided to the Goddard IPO.
2. Goddard Procurement shall ensure that the Goddard IPO is provided an opportunity to review solicitations and evaluate "Offerors' Property Management Standards and Practices" as required by PIC 07-09.

WEAKNESSES:

1. Goddard Procurement shall ensure that the appropriate 'List of Government-Furnished Property and Approvals' documentation is included in contract/modification files.
2. Goddard Procurement shall ensure that the following activities are performed consistently across the organization: completion of the 'List of Government-Furnished Property and Approvals' documentation, completion and distribution of DCMA Property Delegations, maintenance of current and accurate Government property lists, and distribution of contracts/modifications involving Government property to the Goddard IPO.

SECTION IV

POST-AWARD PROCESSES AND DOCUMENTATION

1. Evaluation of Contractor Performance

A number of contract files were reviewed for compliance with FAR 42.15 and NFS 1842.15. Many of the files contained the required NF 1680 "Evaluation of Performance" forms. Most files reviewed contained either posted copies of the Past Performance Database (PPDB) entries or a paper copy of the NF 1680, but not both as required by PIC 02-08 "Contractor Performance Information and Past Performance Database" dated June 2001. A significant number of entries in PPDB are incomplete and are listed on the PPDB delinquency report.

A large number of "draft" PPDB entries for Goddard Procurement contracts have remained in the "draft" queue for significant periods of time. Some entries date back to 2002. These "draft" entries do not appear on the delinquency report. However, the PPDB entries are not official until finalized or completed in the system. Contracting officers receive system notifications regarding "draft" or incomplete evaluations, delinquent evaluations, and notification of upcoming due dates for evaluations 30 days in advance. Incomplete or "draft" files cannot be transferred to the government-wide Past Performance Information Retrieval System (PPIRS). PPIRS is the government-wide repository for contractor performance information. *(Note: An April 2009 Government Accountability Office report indicated that there were contractor performance assessments for only about 29% of NASA contracts in PPIRS.)*

A majority of the entries/NF1680s completed showed a significant amount of comprehensive analysis, communication with the contractors, and clear support of the adjectival ratings. A majority of the completed final/interim evaluations were substantial and contained a clear and concise history of the entire contract performance. Existing NF1680 contract files also contained substantial documentation of communication with the technical community as necessary. All past performance evaluations that existed for award fee contracts incorporated the appropriate award fee evaluation results in accordance with PIC 01-12.

STRENGTH:

Goddard Procurement is commended for the excellent comprehensive performance documentation. There is a strong integration of feedback from the technical community as well as documented award fee results for applicable contracts.

CONSIDERATIONS:

1. Goddard Procurement shall ensure that contracting officers comply with the FAR and NFS interim evaluation requirements regarding contractor performance evaluations in both written and electronic formats. **(REPEAT FINDING)**

2. Goddard Procurement shall consider utilizing the Center’s NAIS “Super User” to remind procurement personnel about ‘draft’ and delinquent PPDB entries and authorize the Super User to finalize or delete actions if responses aren’t received from the cognizant procurement personnel within designated timelines.

WEAKNESS:

Goddard Procurement shall ensure that past performance data for all applicable contracts is entered into the PPDB, saved as permanent records, and does not continue to remain in draft form. Permanent records from PPDB are required in order to integrate into the government-wide Past Performance Information Retrieval System (PPIRS). **(REPEAT FINDING)**

2. Undefined Contract Actions (UCAs)

The majority of the UCAs identified in the February 2009 UCA report submitted to the Headquarters Office of Procurement were reviewed during this survey. The file review focused on age, dollar value, appropriate approval level, justification, and file documentation in accordance with NFS 1843.70. Goddard Procurement incorporates prudent justification and file documentation prior to the issuance of UCAs. UCAs that resulted from modifications to existing contracts were all over \$100K, and all were approved by the Center Director prior to issuance. However, three letter contracts were issued since the previous survey. All were over the \$100K threshold for approval by the Center Director, but none were approved at that level.

Documentation to definitize UCAs was also reviewed. All modifications were well documented and contained the appropriate cost/price analysis to determine fair and reasonable pricing. Two UCAs were over the 180-day age requirement for definitization. One was definitized after 223 days and the other after 294 days.

CONSIDERATIONS:

1. Goddard Procurement shall consider updating Goddard Procurement Circular 98-7 “Approval of Undefined Contract Actions (UCAs)” to emphasize that letter contracts are considered UCAs and require the appropriate approvals when valued over \$100K.
2. Goddard Procurement shall take measures to ensure that UCAs are definitized within the required 180-day timeframe.

3. Competition under Multiple Award Task and Delivery Order Contracts

Solutions for Enterprise-Wide Procurement (SEWP) contracts are awarded and maintained by Goddard Procurement. Both multiple award Blanket Purchase Agreements (BPAs) and corresponding SEWP orders were individually reviewed during this survey. Goddard Procurement does not have any active non-SEWP multiple award contracts.

The SEWP BPAs contained either, the required FAR, NFS, Goddard clauses, or the NASA Headquarters-approved equivalents based on the specific nature of the orders. Most of the SEWP task orders reviewed contained the current version of the SEWP memorandum for the record. The file documentation reflected that the vendors within each category were provided a fair opportunity to compete. Two isolated incidents

were found with incomplete or inconsistent file documentation. One order reviewed justified selection based on lowest price technical acceptability, but two other vendors submitted offers with significantly lower pricing. The file contained no documentation indicating that the two lower offers were technically unacceptable. The other order unilaterally added a contract line item post-award for additional cost. The file contained a signed memo stating that the item was added to the order as a cost savings to conducting a subsequent SEWP competition. However, the file contained no price analysis to support the rationale.

The single-award IDIQ contracts reviewed identified minimums and maximums and properly included FAR clauses 52.216-18, 52.216-19, 52.216-22, NFS 1852.216-80, and Goddard Clause 52.216-90. The tasks associated with these IDIQ single-award contracts were placed in accordance with the clauses specified above. Single award IDIQ contract files were reviewed for and found fully compliant with FAR 16.505 and NFS 1816.505. The files also contained comprehensive "Determination to Make a Single Award" statements in accordance with FAR 16.504(c)(1).

CONSIDERATION:

Goddard Procurement shall reconsider the multiple award preference in accordance with FAR 16.504(c)(1)(i) when planning the follow-on activities.

4. Contract Closeout Process and Unliquidated Obligations

The Team Lead and the Contract Closeout Coordinator of the contract closeout process were interviewed during the survey to gain insight to the overall process. Goddard Procurement created a Contract Closeout Plan in November 2008 and developed a website to specifically address this initiative. The initiative focuses on closeout for all contract vehicles except grants.

A total of 8,812 various contractual vehicles are awaiting closeout including contracts, purchase orders, interagency agreements, and outside procurements for both Goddard and Headquarters operations. The Contract Closeout Plan fully addresses the Goddard Procurement approach to eliminate the backlog of contracts requiring closeout by the end of 2009. A closeout point of contact is established for each office and a specific contracting officer is assigned responsibility for working all closeout activities within the respective offices. The closeout contractor, Legacy, is an integral part of the closeout process. Goddard Procurement continues to hold "Closeout Days" where only contract closeout activities are performed.

Goddard Procurement maintains a "DRAFT" Work Instruction (210-WI-5104.0.1) entitled "Contract Closeout Procedures" on its internal website. The document, issued November 21, 2005, is still in draft form. The website also contains an outdated "Contract Closeout Data Entry Sheet for FPDS-NG/AMS" (08/05 version).

The files reviewed contained the majority of the required documentation such as the Contract Closeout Checklist (NF 1612), various memos or letters signed by the contracting officer and the COTR advising the contract was complete, and inspection and acceptance documents. The closeout contractor, Legacy, prepared the required documents.

One file reviewed was a purchase order with a total dollar value of \$105. There was no documentation in the file to indicate that the vendor did not accept the Government purchase card for such a small dollar value

item. The review revealed that purchase orders constitute 61% of the total number of awards awaiting closeout.

Discussions were held with representatives from the Goddard Financial Systems Office as part of the review of unliquidated obligations (ULOs). This office is responsible for processing ULOs. A ULO Analysis System was developed by the finance office. This system is an application tool that tracks ULOs on a monthly basis. The focus is to analyze contracts that are over six months old and to provide status and comments, de-obligate funds, or disburse the obligations.

Currently, the tool contains data for three Centers (Goddard, Headquarters, and NASA Management Office.) This data is generated from Business Warehouse. The Financial Systems Office prioritizes their closeout actions by addressing contracts with expiring funds first.

CONSIDERATIONS:

1. Goddard Procurement shall ensure that the “draft version” of the Contract Closeout Procedures Work Instruction is finalized.
2. Goddard Procurement shall remind procurement personnel to use the purchase cards or convenience checks for items procured under the micro purchase threshold to the maximum extent practicable. These procurement methods are the quickest and most efficient method for procuring low dollar items and save money and time with closeout.
3. Goddard Procurement shall consider sharing the ULO Analysis System with other Centers to assist the entire agency in tracking ULOs and promptly closing contracts. *Utilization of the ULO Analysis System to track ULOs is considered an agency best practice. (Agency Best Practice)*

5. Award/Incentive Fee Contract Evaluation

Contract files were reviewed for compliance with FAR 16.4 and NFS 1816.405. Both pre- and post-award documentation was reviewed with a focus on award/incentive fee pre-award and administrative actions executed since the previous survey.

Award fee contracts initiated since the previous survey were reviewed to verify inclusion of the ‘Determination to use an Award Fee Contract’ approved by the Procurement Officer. All the files reviewed included the Procurement Officer’s determination. This is an improvement from the previous survey. Files were also reviewed to determine whether a cost benefit analysis to use an award fee contract was conducted. All of the files included a cost benefit analysis as required. The previous survey report noted that the cost benefit analysis did not address the cost of full-time project employees. All of the files initiated since the previous survey addressed the cost of full time project employees in the cost benefit analysis.

Goddard Procurement continues to monitor Performance Evaluation Board (PEB) activities closely for success, including timely execution of PEB assessments and timely issuance of Fee Determination Officer (FDO) letters. Upcoming PEB’s are reported to procurement managers for planning purposes, and completed PEBs are monitored to identify trends. Goddard Procurement monitors timeliness; specific mission areas are examined to determine the source of any delays, and corrective action is taken when necessary. PEB metrics are reported to Center Management during Goddard’s Monthly Status Reviews.

STRENGTH:

Goddard Procurement is commended for the significant improvement in documenting the Procurement Officer's determination to use an award fee contract and for doing proper cost benefit analyses.

6. Exercise of Options

Option modifications were reviewed to determine whether any extensions to the periods of performance were supported with the documentation required by FAR 17.207, NFS 1817.207, and NFS 1817.207-70. The option determinations reviewed did not address the NFS 1817.207-70(b)(2) regarding identification of any technical, engineering, or scientific advances that offer programmatic benefits or performance improvements beyond those that are contractually available under the option to be exercised. Some of the determinations provided limited information regarding any potential changes in scope as required by NFS 1817.207(c)(2).

Two of the option modifications did not provide advance notice to the contractor. Both contracts required a 30-day preliminary notice to the contractor prior to the exercise of the option. The option modifications were issued after the expiration of the contract periods of performance. The modifications were executed bilaterally.

Technical options for additional deliverables were also reviewed for both construction and flight hardware contracts. These options reflected exceptional forethought and included comprehensive option determinations to fully support all FAR and NFS regulations. These option modifications and preliminary notifications were issued timely, unilaterally, and included in-depth analysis of the technical need, current performance, and available resources with only one exception.

STRENGTH:

Goddard Procurement is commended for the thorough and comprehensive technical option determinations for additional deliverables. Strong cross-functional partnership among the procurement, technical, and resource communities for analysis is evident. The documentation well exceeded regulatory requirements and reflected well evaluated, organized, and strategic planning for technical options. *The cross-functional partnerships among the procurement, technical, and resource communities to analyze, evaluate, and document technical options is identified as an agency best practice. (Agency Best Practice)*

CONSIDERATION:

Goddard Procurement shall create and maintain an Option Exercise Determination template or use the available Virtual Procurement Office template to ensure regulatory compliance regarding Options to Extend the period of performance.

WEAKNESS:

Goddard Procurement shall ensure that contracting officers document the analysis supporting the determination to exercise the option to extend the period of performance prior to providing notice to the contractor. Goddard Procurement shall also ensure that contracting officers execute option modifications prior to the expiration of the contract period of performance. **(REPEAT FINDING)**

7. Subcontract Consent

Contracts were reviewed for compliance with FAR 44, 52.244-2, and NFS 1844.2. Three contracts were identified that required subcontract consent, one incorporated the FAR 52.244-2 (JUN 2007) clause, and two cited the 1998 version although the one contract was awarded in 2006 and required the new clause. All three contracts contained multiple subcontract consent packages. The contracts reviewed either cited the Alternate I version of the FAR 52.244-2 clause in these packages or directly incorporated it in full text into the contracts. The Alternate I version of this clause does not apply to NASA contracts.

Some of the packages reviewed contained consent requests, the subcontract proposals, and letters authorizing consent. The consent authorization letters, when present, were well written and emphasized the purpose and limitations of the consent. However there was no evidence of any analysis of the areas addressed in the FAR and NFS other than verification that the proposed subcontractor was not on the Excluded Parties List. The amount of analysis conducted was very limited when present.

Files were also reviewed for “special surveillance” requirements over \$1M (or change orders over the cost and pricing threshold) as identified in NFS 1844.201. There was no documentation of analysis of the consent requirements specified by the NFS.

CONSIDERATION:

Goddard Procurement shall delete the obsolete Goddard Document 98-4 “Did You Know” from the Virtual Procurement Office. The template provided by Langley Research Center on the Virtual Procurement Office is a useful reference for reviewing and documenting subcontract consent packages.

WEAKNESS:

Goddard Procurement shall ensure that contracting officers perform complete reviews of contractors’ supporting data for subcontract consent in accordance with the requirements of FAR 44.202-2 and FAR 44.202-3. Additionally, Goddard Procurement shall ensure that contracting officers address the elements required by 1844.201-1(a)(iii) during document review as applicable.

8. Interagency Agreements

A review of Interagency Acquisitions was conducted with an emphasis on ensuring compliance with the requirements in FAR 17.5 and NFS 1817.70. The review verified whether the proper determination and findings was completed for each action justifying that the use of an Interagency Agreement is in the best interest of the Government and justifying that the supplies or services could not be obtained as conveniently or economically by contracting directly for the same or similar supplies or services. Additional emphasis was

placed on NFS requirements for proper legal review of these actions, the inclusion of appropriate terms and conditions, and the level of price/cost analysis conducted to support each Interagency Agreement.

All files reviewed contained the proper determination and findings and completed the action to justify the use of an Interagency Agreement. However, the standard determination and findings format appeared to focus on a “de facto” completion of the document in other aspects rather than an individual assessment of the action.

The files contained no evidence of a cost-breakdown for the effort completed. Generally, there was no evidence that the determination and findings requirement stated in NFS 1817.7002 (b) “to determine whether current market prices, recent acquisition prices, or prices obtained by informational submissions as provided in FAR 15.201 ...” was completed. The lack of details offers no confidence that a price reasonableness analysis was conducted. The justification for the utilization of the Interagency Agreement rather than an outside award action was generally lacking. The technical consideration requiring the need to contract with the agency was the primary rationale provided in many instances.

Many files reviewed did not contain the required legal office review as specified by NFS 1817.7002(g) and PIC 99-3. Several files reviewed did not contain a copy of the proposal from the agency providing the supplies or services. Therefore, no technical evaluations of the proposed costs were included in the files. Additionally, statements of work and/or the standard terms and conditions were not attached to the award documents.

CONSIDERATIONS:

1. Goddard Procurement shall ensure that each Statement of Work as well as standard terms and conditions are attached to each Interagency Agreement award document.
2. Goddard Procurement shall consider adding a signature block for legal review to the determination and findings document to ensure appropriate reviews by that office.

WEAKNESSES:

1. Goddard Procurement shall ensure that proposals to perform the required effort are included in the Interagency Agreement files. Further, copies of the technical evaluations that address the proposed hours, skill mix, travel costs, and material costs shall be included in the files.
2. Goddard Procurement shall ensure that the appropriate cost/price analysis is conducted to determine price reasonableness. **(REPEAT FINDING)**
3. Goddard Procurement shall ensure that legal review is conducted In accordance with NFS 1817.7002 (g). **(REPEAT FINDING)**
4. Goddard Procurement shall ensure that the information regarding “Business Rules for Interagency Agreement Transactions” mandated by OMB Memo 07-03 is addressed and included in the files.

9. Administrative and Clerical Support Contracts

Goddard Procurement has two contracts that fall into this category. A contract for Administrative Services to Goddard and Wallops Flight Facility was awarded via sole source (by set aside to a National Institute for Severely Handicapped contractor) for a period of performance of five years with a task order value not to exceed \$7M. The file contains a memo for record for non-personal services signed by both the contracting officer and the contract specialist. COTR delegations (NF 1634) are included the file, and it is easily noticed that any changes in the COTR delegations are maintained. The file also contains a quality assurance surveillance plan that addresses separation of duties.

The other file reviewed was a Blanket Purchase Agreement (BPA) awarded under a GSA Schedule for Secretary and Clerical Services to support the Human Resources Division at Headquarters. The BPA provides clerical support to managers and supervisors throughout the entire Headquarters organization. This is a firm fixed price BPA using fixed labor rates from the GSA Schedule. The ordering period is five years from the date of award, and only one office is authorized to place orders under the contract. The 'not to exceed' value of the contract is \$1.3M. The BPA provides for short-term requirements (60-120 days) and services are specified on each task order.

Modifications are issued to add specific tasks and the associated funding rather than task orders under this BPA. Only one task order was issued under this BPA, and it was modified 15 times to provide temporary clerical services for various Headquarters offices. The task order identifies the COTR within the statement of work, but the file does not contain the required COTR Delegation Form (NF 1634.)

CONSIDERATIONS:

1. Goddard Procurement shall ensure that COTR delegations are issued after contract award in a timely manner and that copies are maintained in the file.
2. Goddard Procurement shall ensure that the task ordering process aligns with the processes specified in the basic order (e.g. if basic states that individual task orders will be placed, then task orders and not modifications should be issued.)

SECTION V

PRICING/FINANCIAL/AUDITS

1. Cost/Price Analysis and Profit/Fee Determination

Large-dollar high-visibility procurements utilizing formal source selection procedures contained very thorough cost/price analysis and probable cost documentation. The information was summarized in well written Final Evaluation Reports and in the Source Selection Presentations. Appropriate summary information of the evaluations, suitable for public release, was included in Source Selection Statements.

Procurements that contained an Independent Government Cost Estimate (referred to by Goddard Procurement as an 'In-House' estimate) also contained details of the Government's basis of estimate or estimate rationale. The awarded contract value on several IDIQ contracts and on at least one contract modification where offerors' proposed costs were based on representative task orders exceeded both the Government's Cost Estimate and the offerors' proposed representative task order value. The files contained no justification for awarding the contracts at the higher values. The contract award value was significantly higher than either the Government Cost Estimate or the representative task order value in one case.

The review revealed that there was inadequate cost/price analysis performed on the majority of awards for lower dollar/less visible procurements. Heavy reliance is placed on the technical evaluators (i.e. COTRs, Task Managers) to determine the reasonableness of hours and costs. Little evidence was found to support verification of rates, formulas, values, and price/cost elements not reviewed by technical evaluators (i.e. indirect rates). The majority of the files reviewed did not contain cost/price analysis memoranda. Some incorporated selected cost/price analysis elements into other documents such as price negotiation memoranda or selection documents but did not provide evidence that a thorough cost/price analysis was performed.

Review of contract files also revealed: 1) ceiling rates (fully-burdened labor or direct labor, indirect, and fee rates) are consistently incorporated into contracts as attachments or incorporated into contract clauses, 2) DCAA Audit support is obtained when thorough cost/price analysis is performed, and 3) NF-634 'Structured Profit/Fee Approach' forms are completed inconsistently.

STRENGTH:

Goddard Procurement is commended for its thorough cost/price analysis and probable cost documentation for large dollar, high-visibility procurements.

WEAKNESSES:

1. Goddard Procurement shall ensure that justification is provided for contracts awarded at values higher than the Independent Government Cost Estimates and/or the offerors' proposed costs.

2. Goddard Procurement shall ensure that proper cost/price analysis is performed and that proper cost/price analysis memorandums are included in the contract file for lower dollar, less visible procurements.

2. DCAA/OIG Audit Follow-Up

Goddard Procurement currently has seven outstanding DCAA audits in the Corrective Action Tracking System (CATS II). An interview with the Goddard Audit Liaison Representative (ALR) indicates that none of these audits are currently open. The audits are old, but the system has not been recently updated to reflect the current status. The ALR indicated that the system will be updated to accurately reflect the status of the audits.

The last procurement survey revealed that Goddard Procurement was not monitoring the DCAA system level audits in the CATS II System and recommended the implementation of a process to track and monitor system level audits on a quarterly or semi-annual basis. The ALR stated that a spreadsheet is currently used to track and monitor system level audits on an annual basis. The ALR notifies the contracting officer when an action on an audit is received from DCAA.

3. Financial Management Reporting

The review focused on compliance with NFS 1842.72 regarding NASA Contractor Financial Management Reporting and the NPR 9501.2D "NASA Financial Management Reporting" requirements. All files reviewed contained the required clauses and provisions. Financial management reports were generally submitted in a timely manner. However, most files did not contain the required analysis of those reports. Most files contained a copy of the Goddard internal "analysis and record of actions taken" template. The templates are annotated to indicate under runs, overruns, or "costs are as planned", however, no analysis is provided. Goddard Procurement was commended on the previous survey for utilizing this template to better ensure that analysis was performed. The files reviewed during this survey revealed that the template is not used effectively to conduct analysis.

Some files reviewed clearly revealed the presence of overruns or under runs and the template was annotated to reflect costs "are as planned". The contractor did not provide comments/remarks on cost variances or changes to estimated costs in all but one file reviewed. Some files reviewed did not contain the baseline Financial Management Quarterly Report (533Q) when required or a subsequent waiver. One contract reported continuous contractor understaffing for eight consecutive months; however, no corrective actions were taken, nor was the contract re-baselined.

One file reviewed included a contractor generated contract value reconciliation, cost and schedule performance narrative, and notes explaining any adjustments, variance, and other changes with financial impact. This file provides a good example of information that should be provided by the contractor to assist the contract specialist in conducting the analysis of the financial management reports.

CONSIDERATIONS:

1. Goddard Procurement shall ensure that procurement personnel are aware of the NPR 9501.2D requirements contained in clause NFS 1852.242-73 regarding contractor narratives and analysis of the financial management reports.

2. Goddard Procurement shall consider creating a work instruction or other guidance to address analysis of financial management reports.

WEAKNESS:

1. Goddard Procurement shall ensure that any necessary analysis is conducted on the monthly and quarterly financial management reports and ensure that contractors consistently submit the baseline quarterly and subsequent reports as required.

SECTION VI

OTHER ISSUES

1. Simplified/Commercial Acquisitions

Several simplified acquisition and commercial item contract files were reviewed for compliance with the FAR, NFS, and Goddard Procurement's Work Instructions regarding simplified acquisition and commercial item procurement. The sole source documentation for several actions reviewed was inadequate and contained poor rationale for the justification. Some files contained sole source documentation that was not reviewed in accordance with the Goddard Work Instructions prior to approval and some were not signed by the contracting officer.

Price analysis for noncompetitive awards did not contain evidence of published price lists, commercial catalogs, etc. Additionally, the NF 1707 "Certification and Special Approvals for IFM Purchase Requisitions," often contained only one page; the second page was missing.

Many files reviewed appeared to contain evidence of "creative contracting" techniques on simplified acquisitions that are not necessarily consistent with the FAR and NFS regulations. The use of these "creative" techniques raises the question of whether contract specialists receive the appropriate level of training/oversight. Examples of errors or omissions found in the files include: 1) options exercised after the commencement of the period of performance, 2) one file containing evidence that requirements were changed after proposals were received and that the only vendor notified of the changes was the one awarded the purchase order, 3) combined synopsis/solicitation documents with only synopsis language and no solicitation information (clauses or item description), 4) several files not containing the contractor's representations and certifications, and 5) the value increased after award on numerous files reviewed with no memo in the file containing the rationale for the increase.

STRENGTH:

1. Goddard Procurement is commended for the utilization of a "Checklist for Simplified Acquisition File Content" (Goddard Form 210-150) that contains the listing of the required documentation based on the dollar value of the award and the maintenance of the Simplified Acquisition Home Page.

CONSIDERATION:

Goddard Procurement shall consider initiating a peer review system to review files for required file documentation, supporting documentation, and substance.

WEAKNESSES:

1. Goddard Procurement shall ensure that steps are taken to improve the overall quality of the simplified acquisition files, specifically in the areas of sole source justifications and price analysis. Additionally,

Goddard Procurement shall ensure that procurement personnel receive the necessary training and oversight regarding file documentation and analysis. **(REPEAT FINDING)**

2. Goddard Procurement shall ensure that current and legible forms are utilized for the award of simplified acquisition and commercial item procurements. Many files reviewed contained forms that were photocopied numerous times and were almost illegible.

2. Small Business Innovative Research (SBIR) Awards

The review focused on implementation of SBIR/STTR processes and policies. Awards are evaluated and selected by personnel outside of Goddard Procurement. The policy guidance outlining SBIR/STTR procedures for evaluation, selection, and debriefing policies resides at the NASA Shared Services Center. The SBIRs/STTRs reviewed complied with the applicable policies and procedures.

3. Purchase Card Program

The purchase card programs at Goddard, Headquarters, and Wallops Flight Facility were reviewed. The review focused on internal controls, training, number of card holders and approving officials, monthly reconciliations, delegations, violations, and limits (individual/monthly) placed on individual cardholders. The new Conference Cost Tracking process was also reviewed

Goddard

The Goddard Center Coordinator has managed the purchase card program since 1998. The Goddard program has a total of 513 cardholders, 163 approving officials, and five convenience check accounts. The number of cardholders was reduced by 131 accounts from the last survey as a result of account cleanup in preparation for the bankcard transition from Bank of America to the new bank contractor, JPMorgan Chase.

All but one of the five convenience check accounts are located within Goddard Procurement. The non-procurement check writer is assigned to the Environment Division, and the account is only used to purchase environmental permits.

Information relating to the purchase card program is posted on the Goddard internal homepage 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. Also posted on the homepage is the purchase card application form accompanied by a one page information sheet for Non-Procurement cardholders.

The homepage also contains a Work Instruction entitled, "BoA MasterCard Credit Card Procurement Cardholder Procedures" that refers to Bank of America. The instruction was not updated to reflect NASA's new bankcard contractor, JPMorgan Chase.

A physical review of cardholder files maintained by the Center Coordinator reflected that the majority of files contained the letter of delegation issued by the Procurement Officer. Goddard's center policy requires the cardholder must complete an OF347 "Order for Supplies or Services" to reflect that the supplies or services were obtained with a purchase card and that the items procured need property tagging. The Goddard Property Office will not tag and deliver the items without the signed OF 347 from the cardholder.

Goddard Procurement personnel assigned purchase cards are not formally audited. Additionally, there is no formal process to audit convenience check accounts. A report of convenience check activity since January 1, 2009, reflected that a total of eight checks were written within Goddard Procurement and one non-procurement check was written during that same time period.

Purchase card transactions within the 'P-Card Solution' system were reviewed. The records revealed that several purchases were made for information technology (IT) components and equipment such as notebooks, software, licenses, memory sticks, etc. These items were procured from vendors such as the Apple on-line store, Amazon.com, Staples Direct, and WalMart. The purchases described conflict with center and agency policy which require utilization of the Outsourcing Desktop Initiative (ODIN) contract or the Solutions for Enterprise-Wide Procurement (SEWP) contract, if appropriate. Taxes were paid on several purchase card transactions reviewed. Purchase card transactions are tax exempt. Cardholders are not utilizing the "Comments" section of the 'P-Card Solution' system to provide additional information such as ODIN waivers or CIO approval to use other methods to acquire IT components and equipment.

Goddard Procurement conducts detailed audits on 100% of the cardholders. The process takes two years to complete. Past audit reports identified several discrepancies such as the payment of taxes on purchase cardholder transactions, inappropriate or insufficient file documentation, absence of key documents such as delivery confirmations, order logs, invoices, or waivers for procuring non-ODIN IT components. These discrepancies appeared repeatedly in audit reports across the Center.

The long duration of the audit cycle may not be the best use of resources and does not provide "real time" analyses. Reviewing transactions that occurred over a two-year time frame poses an overwhelming responsibility for the auditor. Policies change, cardholders retire, resign, or transfer within a two-year period. The time lag of the current audit cycle prevents immediate identification and correction of deficiencies. It also impedes prompt feedback to cardholders to prevent future discrepancies.

The majority of cardholders have not completed the mandatory refresher training required every three years. The Coordinator stated that training charts are being updated, and cardholders will be notified to complete the training by June 30, 2009.

The new process for tracking conference costs was also reviewed. A few of the Goddard and Headquarters cardholders have not followed the new procedures to obtain the conference reference number from the conference database. The reference numbers were not entered into the purchase card order log.

STRENGTH:

The Goddard Purchase Card Coordinator is commended for an outstanding job successfully managing a program of this magnitude. This fact is especially noted in light of the recent transition to the new bank contractor; the Coordinator excelled in maintaining the integrity of the purchase card program. The Coordinator provides invaluable assistance to the overall agencywide purchase card program as well as provides guidance and assistance to other Center Coordinators.

CONSIDERATIONS:

1. Goddard Procurement shall ensure that the Work Instruction on the Goddard homepage is updated to reflect the current bank contractor.
2. Goddard Procurement shall ensure that all cardholders receive another copy of the tax exemption letter to serve as a reminder that purchase card transactions are tax exempt. Cardholders should use alternate vendors if a chosen vendor does not agree to defer the taxes.
3. Goddard Procurement shall consider revisiting the audit process. Conducting random audits on a more frequent basis in lieu of the 100% detailed audits may offer a more effective solution. Goddard Procurement shall also consider providing additional training to the auditor and granting "auditor" role access in VISA's Intellilink System and JPMorgan's PaymentNet System to assist in monitoring transactions.
4. Goddard Procurement shall ensure that an audit is conducted to specifically focus on the purchase of IT components including hardware, software, licenses, and related items to ensure that center policy followed. Goddard Procurement shall establish a process to control/monitor IT-related purchase card transactions at the Center by reducing the number of non-procurement cardholders, designating certain individuals to procure IT components, or utilizing some other control mechanism.

WEAKNESS:

Goddard Procurement shall ensure that findings and associated corrective actions from the transaction reviews during the monthly reconciliations are included in the formal audit report. The reports should include a statement that no transactions were posted during the audit, if appropriate, to verify that these areas were reviewed.

Headquarters

Headquarters has 71 cardholders, 41 approving officials, and four convenience check accounts. The Coordinator provides classroom training twice a year and on an as-requested basis to supplement the required SATERN training courses.

Audits of Headquarters purchase card transactions are conducted via desk audits, system spot checks ('P-Card Solutions' and bank system), and reviews during reconciliation. The Coordinator is on target for a 100% goal of reviewing all cardholders over the past four years.

Six recently completed audit reports were reviewed. The one discrepancy found involved a cardholder's failure to enter the conference reference number in the purchase card order log as required in PIC 09-01 "Limitations on Conference Related Expenditures".

The Headquarters Coordinator does not have an appointment letter from the Procurement Officer to manage the purchase card program. Copies of the transactions approved for approving officials are not retained in accordance with the Internal Control and Audit Guide.

STRENGTHS:

1. The Goddard Procurement 'Headquarters' Coordinator is commended for an outstanding job implementing the bankcard transition to the new bank contractor. The Headquarters Coordinator provides invaluable assistance to the overall agency-wide purchase card program.
2. The Goddard Procurement 'Headquarters' Coordinator is commended for implementing an audit finding notification process to cardholders and approving officials. The notifications provide information regarding recent audit findings within two months of the completion of the audits. *The process of forwarding audit finding notifications to purchase cardholders and approving officials within two months of the completion of the audits is recognized as an agency best practice. (Agency Best Practice)*

CONSIDERATIONS:

1. The Goddard Procurement Officer shall issue a letter appointing the 'Headquarters' Coordinator to manage the Headquarters purchase card program.
2. Goddard Procurement shall ensure that the 'Headquarters' Coordinator consistently maintains copies of any transactions approved on behalf of approving officials.

Wallops Flight Facility

Goddard's Wallops Flight Facility has a dedicated purchase card Coordinator who manages 50 cardholders and 21 approving officials. Wallops Flight Facility does not utilize convenience checks. The Wallops Coordinator sends email reminders one month prior to the training due date to ensure that cardholders and approving officials complete the refresher training in a timely manner.

Audits are performed during the monthly reconciliation process. Face-to-face audits are conducted for 50% of the cardholder population per year. Audits are documented on an audit form, and the results are forwarded via email to the cardholders and approving officials. Copies of the results are maintained in the individual cardholder files.

The Wallops Coordinator forwarded new delegation letters to all cardholders including the appropriate spending limits when NASA transitioned to JPMorgan Chase. The Wallops Coordinator does not have a letter of appointment from the Procurement Officer to manage the purchase card program.

STRENGTH:

The Goddard Procurement 'Wallops Coordinator is commended for an outstanding job implementing the bankcard transition to the new bank contractor. The Wallops Coordinator provides invaluable assistance to the overall agency-wide purchase card program.

CONSIDERATION:

The Goddard Procurement Officer shall issue a letter appointing the Wallops Coordinator to manage the Wallops purchase card program.

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

Construction

Contract files were reviewed for compliance with the FAR and NFS requirements. Some files reviewed contained extensive penciled in changes and corrections on the original contract file. There was no evidence that Davis Bacon employee labor interviews were conducted as part of compliance checks. The files included the contractor payrolls, however, the files did not include completed labor interview forms. Some files reviewed were particularly well documented. Modifications reflected excellent coordination between the contracting officer, Andrea McClendon, and the COTR. Supporting documentation in these files such as negotiation documentation and technical evaluations were thorough and complete. The contract files reflected a keen attention to detail and sound business acumen on behalf of the contracting officer.

CONSIDERATIONS:

1. Goddard Procurement shall ensure that only official file documents and annotations are maintained in the contract files.
2. Goddard Procurement shall ensure that the appropriate employee labor interviews are conducted in accordance with FAR and NFS requirements.

Architect and Engineer (A&E) Services

Purchase orders reviewed for A&E services were awarded on the SF 1449 "Solicitation/Contract/Order for Commercial Items" form. Contracts for A&E services should be awarded on the SF 252 "Architect-Engineer Contract" form, in accordance with FAR 36.702(a). The SF 330 "Architect-Engineer Qualifications" forms were not used as required by FAR 36-702(b). Additionally, NFS 1836.602-4 states that the selection of A&E firms should be made by the selection authority in accordance with installation procedures. There is no indication that Goddard Procurement has written procedures for the establishment of A&E selection boards, board membership or selection authority appointment.

CONSIDERATION:

Goddard Procurement shall ensure that appropriate forms are used on awards for A&E services. Further, Goddard Procurement shall ensure that procedures for the establishment of A&E selection boards and appointment of the A&E selection authority are documented and available for reference in accordance with NFS 1836.602-4.

5. Environmental Issues

Contract files were reviewed for compliance with FAR Part 23, NPR 8530.1A, "Affirmative Procurement Program and Plan for Environmentally Preferable Products" and PIC 01-27, "Applicability of Affirmative Procurement". All files reviewed contained the appropriate FAR clauses. The NF 1707 "Certification and Special Approvals for IFM Purchase Requisitions" was included as required in all but one file reviewed. Various accuracy errors were identified with the NF 1707. Services were incorrectly identified as Advisory and Assistance Services on two forms. One form indicated that the requirement included Electronic and Information Technology (EIT), however, the required EIT non-availability determination was not included in the contract file. Several forms were only partially completed.

The Goddard "Initiator's Acquisition Checklist" (GSFC 23-59) is not consistently routed through the Safety & Environmental Branch for review and signature as required on the form. Only one of the files reviewed was properly routed to Safety & Environmental Branch.

CONSIDERATIONS:

1. Goddard Procurement shall ensure that the appropriate reviews are conducted by the Safety and Environment Branch and properly documented on the GSFC 23-59 form.
1. Goddard Procurement shall ensure that the NF 1707 is completed accurately and accompanied by the appropriate documentation.

7. Contract Management Module (CMM) Implementation

Several contract files were reviewed to measure the extent of CMM implementation. The files reviewed revealed evidence that solicitations, awards and modifications are completed in CMM. It appears that the procurement professionals are familiar with the use and operation of CMM. The files reviewed did not contain final copies of FPDS documents.

ATTACHMENT I
SMALL BUSINESS PROGRAM

SMALL BUSINESS PROGRAM

OVERVIEW

1. Scope of Review

The purpose for the Office of Small Business Programs (OSBP) participation in the Procurement Management Survey 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 meet the goals established by NASA and GSFC. The review also identifies any issues that may prevent a Center Small Business Office from accomplishing their mission. The review consists of interviews, contract file reviews, metric analysis and covers socio-economic goals, procurement planning, subcontracting, award fees, reporting, outreach programs, and training programs. The review pays particular attention to the various categories of small businesses (small businesses (SB), small disadvantaged businesses (SDB), woman-owned small businesses (WOSB), veteran-owned (VOSB) and service-disabled veteran-owned small businesses (SDVOSB), Historically Underutilized Business Zone small businesses (HUBZone), and minority serving institutions(MSI).

2. Organizational Structure and Staffing:

The GSFC Small Business Office / Industry Assistance Office (IAO) organization is an integral part of the Centers business activities. This office consists of four positions. It is headed by the Small Business Specialist who is aligned to the Procurement Officer's Office. This position is assisted by three people: All three positions make up the Industry Assistance Office.

Currently, the Industry Assistance Office has two long term details to replace losses from transfers. These contract specialists are familiar with the acquisition process, motivated by a new job, and will return with small business skills to the acquisition workforce. Using detailees to fill open positions is a great way to fill unexpected losses that can take months to fill with full time small business specialists and it also gives individuals experience in doing the job before they decide to apply for the position.

One of the important tools the IAO has is a written set of Standard Operating Procedures (SOP). The SOPs allow the small business specialist to ensure that each process is carried out correctly. As SOPs change the book is updated to reflect those changes. The current SOP is out of date and in need of revision.

3. Small Business Specialist(s) Responsibilities:

The Industry Assistance Office is charged with implementing and managing all aspects of the Small Business Program, in accordance with the FAR, NFS, and as directed by the Assistant Administrator for NASA's Office of Small Business Programs (OSBP). Programmatic priorities include (1) counseling both large and small firms wanting to do business with GSFC and providing advice regarding the importance of teaming relationships; (2) engaging in acquisition planning, analyzing statements of work, and providing guidance on small business participation; (3)

monitoring periodic progress and annual results of NASA and prime contractors' achievement of negotiated socioeconomic business goals; (4) providing oversight of prime contractors' subcontracting programs, to ensure compliance; and (5) participating in a broad range of outreach activities.

METRICS

1. Center Prime Contractor Small Business Goals and Actuals:

In FY 2008, GSFC increased the total acquisition dollars by \$500 million from \$2.4B in FY07 to \$2.9B in FY08 and the small business dollars also increased by over \$125 million from \$631M to \$756M. GSFC achieved only one of five NASA assigned targets but achieved three of five congressionally mandated targets. GSFC achieved a small business target of 26.5% in FY2008 exceeding the congressionally mandated goal of 23%. Of particular note, GSFC achieved a 17.88% awards to Small Disadvantage Businesses exceeding the congressionally mandated goal of 5%.

GSFC		FY-07		FY-08		FY-09
		Final		Actuals		Actuals
Prime Metrics		Actuals		as of 12/31/08		as of 12/31/08
Small Business %		27.11%		25.86%		25.12%
Goal		31.90%		26.50%		23.00%
Dollars		\$ 630,502,845		\$ 755,678,820		\$ 73,756,297
SDB %		16.24%		17.88%		21.61%
Goal		8.60%		14.00%		14.00%
Dollars		\$ 377,758,213		\$ 522,597,854		\$ 63,453,808
8(a) %		9.00%		N/A		N/A
Goal		10.40%		N/A		N/A
Dollars		\$ 209,503,227		\$ 252,280,925		\$ 28,094,025
HUBZone %		0.13%		0.15%		0.14%
Goal		0.20%		0.14%		0.17%
Dollars		\$ 3,001,576		\$ 4,332,572		\$ 403,548
WOSB %		3.12%		3.82%		4.75%
Goal		5.90%		4.00%		4.00%
Dollars		\$ 72,631,433		\$ 111,658,893		\$ 13,940,507

SDVOSB %		2.59%		2.13%		3.12%
Goal		0.12%		2.50%		2.50%
Dollars		\$ 60,246,894		\$ 62,197,058		\$ 9,158,130

2. Individual Subcontracting Report (ISR):

GSFC manages in excess of 100 subcontracting plans. The figures were obtained in a new federally mandated database called Electronic Subcontracting Reporting System (eSRS). The chart below documents the number of small business subcontracting plans and the progress towards meeting their goals. 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. Individual Subcontracting Reports ISR are only required to be submitted in April and Oct of each year. No FY2009 data is yet available. The chart is intended to track trends and GSFC does not yet have enough data to give a trend.

Goddard Space Flight Center			
FY2007 - FY2009			
	FY2007	FY2008	FY2009
Number of ISR's Submitted/Approved	/	114/110	/
Small Business	/	72/110	/
SB Calculated Percentage*		65%	
SDB	/	48/110	/
SDB Calculated Percentage*		44%	
HUBZone	/	14/22	/
HUBZone Calculated Percentage*		64%	
WOSB	/	37/43	/
WOSB Calculated Percentage*		86%	

VOSB	/	22/42	/
VOSB Calculated Percentage*		53%	
SDVOSB	/	49/84	/
SDVOSB Calculated Percentage*		58%	
*This percentage references the number of ISR's met divided by the number of ISR's approved.			

Set-asides are a tool to promote small businesses and when used in the correct way can build the industrial base. GSFC mainly uses competitive set-asides. SBIR and STTR awards are now done at NSSC.

Goddard Space Flight Center			
Small Business Set-Asides			
	FY2007	FY2008	FY2009
Competitive Small Business Set-Asides Awarded	132	23	31
Non-competitive Small Business Set-Asides Awarded			
SBIR's Awarded	19		
STTR's Awarded			
Total Value of Small Business Set-Asides			

PROGRAM MANAGEMENT

The Industry Assistance Office documents the duties of the small business specialist with a monthly report form. Each small business specialist documents specific actions such as outreach, counseling, PR review, travel, protests, and telephone calls on this sheet.

1. Acquisition Planning:

Center Acquisition Forecast

NFS 1807.72 states that it is NASA policy to prepare an annual Acquisition Forecast and semi-annual update, as required by the Business Opportunity Development Reform Act of 1988. In addition, the Forecast should include contract opportunities that small business concerns, including those owned and controlled by socially and economically disadvantaged individuals, may be capable of performing. The GSFC Acquisition Forecast is updated and posted on the web by the Industry Assistance Office. The last update was on 1 Oct 2008.

Center Acquisition Planning

Purchase Request Reviews / Coordination

GSFC process for set-asides is very strong. Each procurement over \$100,000, requires a Record of Procurement Request Review (PR Review) sheet. The sheet documents the procurement package. The small business specialist in turn provides a set aside recommendation, NAICS code recommendation, size standard, contractor source list, and justification if no set-aside is recommended. It also will document the fact that a sub-contracting plan may be required.

The small business specialist signs the form and the action is either concurred or not concurred by the contracting officer. It is also then reviewed the SBA PCR.

The Record of Procurement Request Review, in many of the contract files, lacks the contracting officer's signature. In addition, the form lacks a set-aside block for SDVOSB and is in need of updating.

Uniform Methodology for Determining Small Disadvantaged Business Goals:

NPD 5000.2A – is used to establish a uniform method for determining the small business goals incorporated into solicitations for full and open competition valued at \$50M or more. The methodology entails review of the solicitation's statement of work to identify areas with subcontracting opportunities; review of the subcontracting history of the contract if the solicitation is for a follow-on requirement and/or review of the subcontracting history of similar contracts; market research to assess the availability of small businesses with the capability to perform the effort in the statement of work requirements; and a determination of the percentage of the effort that can be subcontracted to small businesses. The goals established are incorporated into the solicitation and the awarded contract and are tracked both on a six month and cumulative basis.

The following programs used the NPD 5000.2A methodology and no issues were found:

2008	<ul style="list-style-type: none">• Enterprise Applications Service Technologies - EAST• Space Communications Networks Services - SCNS• Earth Observing System Data and Information System Evolution
-------------	--

	and Development - EOSDIS
2007	<ul style="list-style-type: none"> Tracking and Data Relay Satellite (TDRS) K Program

Subcontracting Plan:

The subcontracting plans for prime contracts over \$550,000 are required, except if the contract is awarded to a small business, and are sent to the small business specialists for review. Any omissions or problems with the plans are worked until they are approved by the SBS, PCR and contracting officer. Mr. Gil DeValle keeps a copy of approved subcontracting plans and monitors performance on a bi-annual basis. The plans are reviewed in accordance with FAR 19.704 and 52.219-9. During this PMS, subcontracting plans were reviewed and some have or had deficiencies. The typical deficiencies include failure to meet one of the eleven elements required by the FAR.

The difficult part of approving any subcontracting plan is setting realistic goals that the prime contractor can meet and yet still attain the agency goals set by SBA. GSFC seems to have the experience and knowledge of their industry to set realistic and challenging goals.

Reporting:

The IAO does an aggressive review of all Individual Subcontracting Reports (ISR) and rejects any reports that have discrepancies. In addition, the small business specialists do one-on-one training with the prime vendors to explain the new eSRS reporting system. The eSRS system does bring challenging problems to the small business specialist but for the most part they are able to overcome them.

2. Contract Award / Contract Administration

Award Fee/Incentive Fee Contracts:

The small business specialists do provide input into award fee determinations. A review of several Performance Evaluation Plans, (PEP) has the award fee for small business subcontracting plan performance contained in the management section (B2) of the plan. Those plans allude to ensuring subcontracting is adequate to meet the needs of the contract but does not even mention the need to meet the small business subcontracting goals. The PEP statement is:

“Subcontract Management – The Contractor will be evaluated on the extent to which subcontracts are managed to ensure compliance with subcontract terms and conditions, subcontract and cost performance reporting, and overall business management. This includes the ability to monitor and forecast business trends that may ultimately impact overall contract performance as well as timely incorporation of subcontract changes. Technical performance of subcontractors will be evaluated under Technical Performance factor.”

The PEP should be updated in all contracts that have small business subcontracting plans to provide incentives for meeting these goals.

3. Coordination

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

The SBA PCR, Mr. Bernard Durham, is assigned to GSFC and is also responsible for four other agencies. The PCR performs all the duties outlined in FAR 19.402. GSFC provides him with a work space and he divides his time between the agencies as workload permits. The PCR does review all procurement requests over \$100,000 and coordinates his comments with the small business specialist. The PCR also reviews all subcontracting plans and suggests possible ways to improve the plan with the small business specialist. Any issues are raised to the contracting officer level for resolution during negotiations.

Center Small Business Technical Advisor:

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

4. Initiatives

Small Business Improvement Plan

Program Planned / Implemented

GSFC has been working to implement the three NASA Small Business Continuous Improvement Plan (SBIP) initiatives. The three initiatives for FY08 were:

- Ensure Accurate Reporting and Data
- Improve the Centers Actuals and Goals
- Obtain Management Commitment

Special Assignments / Committees

- New Employee committee—Mr. Gilberto Del Valle was part of team preparing packages for New Employees—three months

- New Business Committee—Ms. Rosa Acevedo is part of the Center’s new business committee – year long
- Reports Team – year long and ongoing

5. In-Reach and Outreach

Programs: Small Business Forum Roundtable

The Small Business Forums are held on a quarterly basis. The Industry Assistance Office Small Business Forums normally consist of two program managers and two GSFC prime vendors, along with the small business specialist. The Forums are free to the small businesses and are limited to 50 persons to facilitate networking. Future plans may expand the number to 75. The Forums are well received and feedback is done through email.

Management Briefings and Briefings to Other Center Organizations

Date	Attendees	Significant Issues
ongoing	Procurement Associates & PO	Weekly briefings on Center’s progress
ongoing	Procurement Managers	Bi-weekly (Topic Staff)
Apr/Sep	Director of Code 200	Bi-Annual (Management Operations)
Apr/Sep	Deputy Director of Procurement	Bi-Annual (Center)

Training Provided and Received

Date	Subject Matter	No. of Attendees	Attendee Discipline	Concerns
	Procurement Acquisition Training	52	Procurement	
	MOA Training by SBA	3	Procurement	
	e SRS	3	Proc - Subcontracting	
	CON 353	1	Procurement	
	GSFC Procurement Training Forum	75 to 155	Monthly Procurement Training Forum	
B. Describe the training received by the Small Business Specialist during this reporting period.				
CON 353 eSRS Training MOA Training by SBA				

Counseling

GSFC has a comprehensive and robust counseling program. The counseling session starts by providing the small business with a counseling package that contains “Marketing to NASA,” organization chart, top ten NAICs codes, list of prime vendors, list of small business vendors, and a checklist of topics that the small business specialist will cover during the course of the counseling session. The small business specialist tries to point out contracting officers and program offices that the small business vendor could contact for their types of supplies or services. The small business specialist does a follow-up with each small business to ensure the small business was treated properly and to document any success stories where small businesses were successful in obtaining a contract.

Participation in Conferences, Expos, Industry Days

Date	Title of Event	Type of Outreach (i.e. In-office counseling, conference, meeting, telephone, etc.)	Type of Participation (i.e. Event host, speaker, attendee, matchmaking, etc.)	Location
10/18/07	Small Business Forum	Industry Day – IT	IT Companies	GSFC
10/20/08	Kennedy Expo	Outreach-Networking	Attendee	Florida
1/30/08	Small Business Training & Matchmaking Summit	Matchmaking	Matchmaking	Florida
2/05/08	TEDCO	Conference – Maryland Technology Development	Speakers (twice)	Crosswinds, Greenbelt, MD
3/3/08	20 th JPL High Tech Small Business conference	Outreach-Networking	Panel Member	California
3/20/08	Goddard Alliance	Meeting with GSFC Primes	Speaker	GSFC
4/28/08	18 th OSDDBU Conference	Conference Support	Attendee & Matchmaking	Upper Marlboro
5/6/2008	Mission Information Technology Day	Conference/matchmaking	Speaker	Bethesda, MD
05/08/08	Small Business Forum	Construction Industry Day	Construction Companies	GSFC
5/12/2008	HBCU Minority Institution Conference	Conference	Speaker	New Orleans, LA
6/7/2008	HBCU Week	Outreach-Networking	Attendee	Washington DC
6/13/2008	NASA Technology Transfer Showcase	Informational Session, Networking	Attendee	College Park, MD
7/7/2008	National Veteran Small Business Conference & Expo	Conference	Attendee	Las Vegas, NV
7/23/2008	NASA's I3P Industry Day	Informational Session, Networking	Attendee	Washington DC
9/3/2008	MED Week Conference	Conference-Networking	Attendee	Washington DC
10/24/08	Maryland Hispanic Business Conference	Conference	Attendee	Baltimore, MD
11/16/08	2 nd Annual Procurement Fair	Conference	Attendee	Baltimore, MD
11/02/08	Strengthening the mid-atlantic region for tomorrow	Conference	Speaker	Frederick, MD

SUMMARY

In summary, the GSFC Industry Assistance office has the necessary processes and procedures in place and is very effective in meeting the goals of NASA and the GSFC. Below is a list of the organizations strengths. Three considerations for future actions are recommended.

STRENGTHS:

Capability Briefs: The Office of Procurement, the Industry Assistance Office and the Program Offices combine to receive Capability Briefs from prospective SDB 8(a) companies to determine if requirements should be set-aside for the business development program. These are extensive capability briefs that last over a hour and get into great detail on how the company is managed, its capabilities and its past performance. By doing extensive market research GSFC ensures that these companies are able to perform at a fair and reasonable price. The small businesses are given a chance to demonstrate their capabilities learn from the experience and correct any deficiencies that may be identified.

Details to the Industry Assistance Office: Currently, the Industry Assistance Office has two long term details to replace losses from transfers. These contract specialists are familiar with the acquisition process, motivated by a new job, and will return the small business skills to the acquisition workforce. Using details to fill open positions is a great way to fill unexpected losses that can take months to fill with full time small business specialists; it also gives individuals experience in doing the job before they decide to apply for the position.

CONSIDERATIONS:

Standard Operation Procedures (SOP): The SOP is a good resource to document the processes of the office. The current SOP is out of date and in need of revision.

Procurement Request Reviews: The Record of Procurement Request Review in many of the contract files lack the contracting officer's signature. In addition, the form lacks a set-aside block for SDVOSB and is in need of updating.

Performance Evaluation Plan (PEP): A review of several PEPs has the award fee for small business subcontracting plan performance contained in the management section of the plan. Those plans allude to ensuring subcontracting is adequate to meet the needs of the contract but does not even mention the need to meet the small business subcontracting goals. The PEP should be updated in all contracts that have small business subcontracting plans to provide incentives for meeting these goals.