Procurement Countdown

A New Look at an Old Problem

by Tom Deback, Headquarters Analysis Division

Legislative, regulatory, and operational changes over the last five or six years have altered, perhaps forever, the environment within which procurement operates. The Procurement Optimization Study was initiated in response to this broad range of changes. The primary goal of the study is not to address specific problems—real or perceived—or to maximize the performance of the procurement system with respect to any particular indicator. Rather, the purpose of the study is to examine a broad range of issues and opportunities. These opportunities must ensure that we are strategically positioned to make the most effective use of the procurement function for the foreseeable future.

Our examination of these issues was not unique within government or industry. The Department of Defense, the Army, and commercial organizations are doing the same kind of soul searching attempting to improve customer satisfaction, increase responsiveness, reduce cost, and improve efficiency. Unfortunately, there is no pat answer. Culture, priorities, budgetary constraints, workforce

issues, geography, and a host of other considerations affect what can and should be done.

Dramatic Shifts

Although many factors have driven changes in procurement, no single measure of change is

more dramatic than the shifts that have occurred in workload over the last five years. For example, the number of new contracts awarded annually is generally considered a prime metric for a procurement organization. The number of new contract awards by the Agency has decreased over 45% from FY93 to FY98 from 1860 to 1021. The Small Business Innovative Research Program (SBIR) and the Small Business Technology Transfer Program (STTR), which provide small business opportunities to exploit high tech concepts and ideas, currently account for about half of the new awards made within the Agency annually.

As significant, as the reduced number of new contracts, is the relatively low number of major contracts (over $50M) awarded

Highlights...

Two articles highlight the NASA Acquisition Internet Service and its upcoming changes. Stories are on pages 2 and 4.

Read about Awards and Fellowships on pages 3 and 15.

One Procurement Officer's look at Past Performance in Source Selections is featured starting on Page 5.

The new Sponsored Research Business Activity is changing the way NASA handles grants and cooperative agreements. It begins on page 6.

The Contracting Intern Program will provide NASA with new blood over the next few years. Check out what's involved on page 7.

A tribute to Bob Spargo, a former NASA Procurement Professional, is on page 9.

The Next Step in Electronic Commerce

by Dwight B. Clark, NASA Acquisition Internet Service (NAIS)

NASA is leading the federal government with a model for posting acquisition opportunities on the Internet. Everyday millions of people surf the Internet purchasing an infinite variety of items. Just-In-Time Inventory Systems, Electronic Data Interchange, FACNET, electronic mail (e-mail), forms based exchange, and html forms are just a few of the terms that inundate people on a daily basis. They all boil down to one simple concept: a better, faster, cheaper way to exchange information. With NAIS completing the first major step, providing the synopsis / solicitation electronically over the Internet, NASA must now complete the cycle of information exchange with the vendor community. One attempt is the NAIS Request For Quote System (RFQS). This project is a pilot to obtain quotations from vendors over the Internet.

Bi-directional Exchange

The first question one could conceive is "Why?" Need I parrot the overused quotations like "more with less" or maybe "because it's there" as the answer? I consistently hear complaints from contract specialists about workload and too many initiatives. Then, why should we create another initiative? Because, in order to alleviate the workload, we must first determine the best method to accomplish this objective. Many government agencies are either attempting bi-directional exchange or have plans to explore the possibility. NASA must either lead the federal government in bi-directional exchange or be forced to accept another method that could possibly add to the workload, rather than create a method we know will assist contract specialists. Given the choice, NASA would rather break new ground.

The major beneficiary to bi-directional exchange will be the contract specialist. Of the government organizations that are utilizing electronic methodology, most have reported dazzling

successes. For example, Wright-Patterson Air Force Base reported in the neighborhood of forty-five solicitations released in an hour. As important, they reported thirty awards made in an hour. These figures do not apply to the NASA procurement process – yet . However, the "per hour" measurement can become a reality for NASA.

Bi-directional Scenario

The initial pilot, which has just begun, will only address procurements for commercial items valued between $25,000 and $100,000. Once the concept has been proven, the pilot will be expanded to other type procurements possibly including those under twenty-five thousand.

Under the bi-directional exchange scenario, the contract specialist receives a Procurement Request from an electronic system such as the Integrated Financial Management Program (IFMP). The Procurement Request is reviewed, the decision made to procure the item, and the resulting solicitation posted to NAIS. After completing the synopsis, the contract specialist will select the Request For Quote System button in the Electronic Posting System (EPS). Detailed line-item information is keyed or electronically transferred and the appropriate Terms and Conditions selected and posted to the NAIS Business Opportunities page (http://nais.nasa.gov/link_syp.html) directly under the synopsis with the title *On-Line RFQ*.

The Vendor's Job

Vendors who have subscribed to the NAIS mailing list receive the notice within seconds and can immediately respond with a quotation. After reviewing the synopsis, and making a "bid" decision, the vendor accesses the RFQS response system by simply "clicking" on the *On-Line RFQ* designation. The vendor responds by filling out quote amounts for each line-item along with any notes for a particular item. The RFQS displays Terms and Conditions, collects representations and certifications, and posts the quotation. All of the responses are encrypted and may not be reviewed or changed by the vendor after the *Submit Quote* option is selected. The vendor

People on the Move

Dave Beck Represents NASA in Fellowship

Dave Beck of the Headquarters Contract Management Division was selected to be the only NASA employee recommended for a 1999 Fellowship at the Industrial College of the Armed Forces (ICAF). According to the Executive Development Panel Chairperson, Beck was chosen to represent NASA for his "demonstrated ability and potential for advancement to higher level management and leadership positions." While NASA chose Beck to attend the college, he still doesn't know if he is going to the 10-month program.

"It isn't a done deal," Beck said. For the ICAF program, many agencies, especially DoD agencies, receive a certain number of personnel slots every year. NASA does not. For Beck to attend the program, one of the other agencies would have to have a vacant slot. "They told me it's a long shot," said Beck of his chances. Basically, he is on a waiting list. The program starts in August 1999 and runs through June 2000. Beck isn't sure when he'll hear, but is looking forward to the chance to go. "Many fellowships focus on Management Skills and Training," Beck said. "ICAF does too, but it comes from an acquisition standpoint. It is focused toward the acquisition community."

The ICAF fellowship offers a Masters Degree and covers

such areas as the legislative process, international relations, and economics. It offers several opportunities for in-depth study of US companies compared to that of other nations and meetings with industrial leaders. "It's an opportunity to look at the acquisition process from another perspective," Beck said. Another advantage for local participants is the location – Ft. McNair, a few blocks from NASA Headquarters.

While Beck waits to find out if he's going on the 10-month adventure, he is quick to point

out that for many other fellowships offered there is less concern about space available for NASA personnel. The next round of applying for nominations will be in the spring. Beck encourages others who are interested in the Fellowship opportunity to apply.

The list of **People on the Move** only includes those names that were submitted to the *Procurement Countdown*. If you know people who should be listed in this column, contact your Center *Procurement Countdown* point of contact, or send the names to the editor, Susie Marucci, on (202) 358-1896, or e-mail at susie.marucci@hq.nasa.gov.

NAIS Receives Prestigious Government Technology Award

The NASA Acquisition Internet Service has done it again. NAIS, as it is popularly called, has taken home a big prize – it was recently chosen as a winner of the Seventh Annual Government Technology Leadership Award. The NAIS team, only one of 19 to receive the award this year, was chosen from among 200 nominations. They were honored at a special ceremony in December held at the Reagan International Trade Center in Washington DC. Jim Bradford, NAIS project leader, from MSFC, received the award for NASA.

The Government Technology Leadership Institute presented the award in conjunction with Government Executive magazine. The awards were judged by a distinguished panel including members from the U.S. Army, GSA, Agriculture, the Forest Service, OMB, and the World bank. The awards were presented by Franklin S. Reeder, Former Director of Administration, Executive Office of the President; and Timothy B. Clark, Editor and Publisher, Government Executive magazine.

The NAIS team has once again been recognized for the groundbreaking, innovative work they are doing. It has changed the way NASA does business. People inside and outside the government are taking notice. Congratulations!

Electronic Commerce and You

by Gene Moses, Ames Research Center

NASA is a significant electronic commerce (EC) player within the federal government. Some believe we are leading the federal government because of our successful model for posting acquisition opportunities on the Internet. GSA is now piloting that Electronic Posting System (EPS) to other federal agencies. The NASA Acquisition Internet Service (NAIS) team made it happen.

The NAIS team is expanding the envelope again. When people think of EC, they don't think of just posting solicitation information electronically. That is a good first step, but what about submitting proposals and getting awards electronically, they ask?

The NAIS team believed that proposal submittal and awards were the two next logical steps to move NASA to a paperless, EC environment. The team members had experienced the success and resource savings that EPS had achieved and, in the face of staff cutbacks occurring at our centers, felt NASA needed to explore additional opportunities. So in November of 1996, NAIS chartered two teams to test the feasibility and work out the problems of implementing the next logical stage for EC. This article will discuss the success and future of one of those teams – the NAIS Forms-Based Pilot. (Ed.: The other team is testing the NAIS Request for Quote System and information on its efforts is discussed on page 2.)

NAIS Forms-Based Pilot

The objective of the NAIS Forms-Based Pilot was to demonstrate the ability to conduct EC, using existing desktop and commercial-off-the-shelf (COTS) software. EC in this context is the ability to create and post synopses, post solicitations, and receive quotes electronically. The pilot team focused on Simplified Acquisition because it was the only group of procurements that did not require a vendor's signature. (In November of 1996 the Agency did not have a standard for digital signatures, and the NAIS team was hesitant to pursue a course that would

impose a requirement for digital signatures. Today, Entrust is the NASA standard.) Finally, within Simplified Acquisitions, the pilot focused only on commercial item buys. This category was perceived to represent a significant portion of the Simplified Acquisition workload that was not already using streamlined processes and had common Agency use of the same form (SF 1449 Solicitation/Contract/Order for Commercial Items). The use of a form was an integral part of the pilot's tool package.

The pilot utilized two phases. In Phase I, the pilot team used the NAIS internal web page to test the features and steps. The team members (participants from ARC, DFRC, LeRC, MSFC, and SSC) played the roles of both contract specialist and vendor. After the concept was proved to work and identified problems had been corrected, the pilot moved to a six-month Phase II test period with the vendor community. The pilot used actual purchase requests and actual vendors. By and large, that phase proved successful as well.

ARC and LeRC conducted seven separate, actual procurements. This resulted in five awards (the sixth procurement was put on hold and the seventh was cancelled). Two of these awards were to vendors who were not known as sources prior to the competition.

There were a few initial user problems, and their resolution helped to improve the process. Many of the issues raised dealt with computer literacy on the part user and were fairly easy to fix. What was the vendor community reaction to our pilot? Their survey reports were supportive of this new approach. Many team members had anticipated significant vendor problems and resistance, but it was most often the NASA participants that experienced the problems and exhibited the resistance. Incidentally, the participating vendors were primarily small businesses; the vendor that had the most technical problems was a large business.

How the Current Tools Work

One of the pilot's cornerstones was the intent to solve a

Past Performance in Source Selection

by Charles W. Duff II, Procurement Officer, Ames Research Center

Ed. note: The following article contains the views and suggestions of the Ames Research Center Procurement Officer. They are not policy. For more information on anything in this article call ARC at (650) 604-5820.

Over the past several years, past performance as an evaluation factor has achieved considerably greater stature, and rightly so, in determining the winners of many source selections. It seems only prudent to have some focused insight into, and knowledge of, the performance of prospective offerors, especially when deciding to award contracts funded by taxpayer dollars.

Past performance has been a factor in source selection for many years. Yet I am certain many of us would agree that within NASA past performance was often a distant third, if not fourth (when we still had "other considerations") in terms of relative importance. The most significant improvement in recent years has been the elevation of the importance of the Past Performance Factor relative to the Mission Suitability and Cost Factors. Several recent source selections evaluated past performance as a co-equal factor with Mission Suitability, or have made it of only slightly less importance. Given this trend, it is very probable that an increasing number of selections will be based primarily on past performance.

It is time to take the next steps, which are refining the data we request from industry and improving our evaluation of it. We have an obligation to understand whom we will be dealing with, specifically with regard to the extent and relevance of the experience and performance of each offeror relative to our key mission areas or functions. However, we have a simultaneous obligation to minimize the burden of the data request, and its processing through evaluation. We must be sure to only ask for that which will benefit the process and ultimate selection. Also, in accordance with FAR 15.305(a)(2)(iv), it is recognized that if an offeror has no relevant past performance, it cannot be evaluated favorably or unfavorably.

In the past, Proposal Preparation Instructions in Section L of our Request for Proposals (RFPs) had customarily asked for a specified number of contracts relevant to the work described (often in level-of-effort terms in those days). These contracts demonstrate an offeror's ability to perform the work required by the new contract. Offerors themselves would pick and choose which contracts to provide us. We seldom exercised our right to "dig deeper" to truly understand whom we were dealing with or to ensure that the contracts cited were as "on-point" (relevant) to the Statement of Work (SOW). Our role was largely a passive one of validation. Questionnaires were often used to gather user feedback on contractor performance. In many cases, we would be fortunate if we got even half of the responses back for consideration. Information was then collated, assigned an adjectival score by the Source Evaluation Board (SEB), and presented to the Source Selection Authority (SSA) for consideration in the selection process.

Someone might ask, "This approach doesn't seem unreasonable in general, so what's the problem?" The problem is not with the overall process. Rather, it is the potential for incompleteness. This is especially true when the level and focus of data received did not provided the SSA with significant past performance discriminators in the selection decision process. We can do a better job of obtaining information that is more closely related to our current requirements. We also must be able to articulate what we considered and did not consider with conviction. The basics of the existing past performance process should be preserved, while making certain refinements to hit the bulls-eye, rather than just aiming for the target.

Suggested refinements are most easily considered in chronological order: 1) RFP development – including what information to request from potential offerors; 2) Evaluation – that is, did you get the right information of the right quality and quantity, and what did you do with it; 3) The Source Selection Authority – what information should you convey; and, 4) Debriefings – what to discuss.

Reshaping Grants and Cooperative Agreements

by Steven Miley, Manager, SRBA, Headquarters Analysis Division

Throughout NASA, contracts are well known; the way they are structured, the need for them, their purpose. Unlike contracts, grants and cooperative agreements are not nearly as clear cut. Mounting frustration for the program and procurement offices over grants showed the Office of Procurement that it was time to reinvent the grants process.

Last year, a GSFC-led Grants Management Process Team (GMPT) was formed to review grants and cooperative agreements and to create recommendations on improving them.

The GMPT found the lack of a single owner of the end-to-end grants process to be a key source of problems. Although parts of the process had been improved upon in the past, there had been no integrated look at how to improve the total process, from the generation of the research announcement to the timely award of the grant. The GMPT received feedback from members of the research community indicating that NASA's processes were inconsistent from one program to the next. The consensus of these "customers" was that NASA needed a uniform approach for communicating research opportunities and for making awards to research institutions. The GMPT's presentation to the Senior Management Council from April 1998 is on the Internet in PowerPoint format (http:// ec.msfc.nasa.gov/hq/library/ gmptrpt.ppt).

On September 22, 1998, NASA Acting Deputy Administrator, General Jack Dailey formally approved an organizational change within the Headquarters Office of Procurement to create the Sponsored Research Business Activity (SRBA). The SRBA, operating within the Analysis Division of the Office of Procurement, is charged with implementing the recommendations of the GMPT.

In order to implement the recommendations of the GMPT on a NASA-wide basis, the SRBA established the Headquarters Program Office Steering Committee, as well as the Inter-Center Grants Management Working Group (known as ICWG). The ICWG is staffed with representatives from each of the Center grant offices. Active participation in both groups will allow the SRBA to facilitate process improvements, both at the planning and implementation levels, and communicate advances to the external research community.

The planned improvements to NASA's grants process fall into two main categories: functional/process and external interface.

Changes - Functional

The functional/process near term changes include:
1) Consolidation of multiple Headquarters peer review support contracts into a single contract,
2) Revision and re-issuance of the entire NPG 5800.1 "Grant and Cooperative Agreement Handbook" to incorporate a number of policy changes,
3) Establishment and tracking of metrics regarding performance improvements,
4) Creation of uniform guidance on the establishment of NASA science centers/institutes,
5) Implementation of a single format for NASA Research Announcements to be used by NASA Headquarters and all NASA centers, and
6) Utilization of Electronic Commerce for interagency delegations.

Changes - External

The external interface changes generally deal with improved communication and presenting a "common face" from NASA to the external community. The planned near-term external interface changes include:
1) Development of a single website entry point from which interested parties can access all NASA Headquarters research opportunities in a uniform fashion (this will eventually expand to include all NASA research opportunities),
2) Publication of key research program announcement milestones on the Internet,
3) Acceleration of proposal certification process and more timely grant awards and renewals,
4) Expansion of electronic commerce to include both electronic proposal receipt and electronic award.

In addition to these key activities, the SRBA will be the focal point for all research business policy issues, will implement a common review

Improving the Future: the Contracting Intern Program

by Valerie Stucky, Headquarters Analysis Division

With all the changes taking place at NASA over the last few years, including smaller budgets and downsizing, the Office of Procurement took a look to the future. Its biggest concern: personnel.

In early 1998, the Headquarters Analysis Division conducted a demographic study of the NASA contracting (GS-1102) workforce, projecting employee attrition five and 10 years in the future. Two scenarios were used: (1) the historical NASA retirement pattern of retiring four to five years after initial eligibility, and (2) retiring as soon as eligible.

The downsizing efforts of the past few years have accelerated retirement patterns. It was clear from both scenarios that the workforce was aging without a compensating effort to hire people at the early stages of their careers. Attrition of the Agencywide contracting staff could be as high as 40% by the end of 2007. Who would be trained and ready to assume the challenges of NASA's Strategic Plan?

The need for proactive effort was obvious. According to Analysis Division Director Anne Guenther, "If you look around any procurement office, it's clear that there is more work than there are people to do it. We aren't hiring new people into those offices to replace the people who have already left or who will be retiring over the next 5 to 10 years." Guenther added, "We will not be able to

support the Agency's mission in the future without a steady influx of experienced, trained 1102's in the future. The Intern Program will provide the 1102's to fill some of vacancies. "

Successful government programs for hiring recent college graduates into the contracting workforce were researched. First, the demographic study was conducted . Then a business case was prepared proposing an Agency-wide contracting intern program using a special authority to hire recent college graduates with a

GPA of 3.5 or better. The business case specified formal training courses and a rotational assignment at a different Center from the one the intern would be originally assigned to. The plan was to expose the interns to both a Space and an Aeronautics center.

A temporary setback occurred when NASA's Agency-wide Personnel office recommended against using the Outstanding Scholar hiring authority because of OPM's current scrutiny of it. Because of the anticipated hiring difficulties, the Headquarters Analysis Division changed the program from a three-year intern program hiring recent college graduates to a five-year co-op/intern program targeting college students who are completing their sophomore year. Selected students would alternate periods

of work and study until graduation. Then those hired by NASA would intern for two years. Formal training and a rotation to a different Center were still included.

When asked if there were any special qualities NASA would look for in its procurement interns, Guenther said, "We will be looking for bright, interested college students with strong communication and interpersonal skills." She added, "Since we are requiring program participants to rotate to at least one other Center while they are in the Intern Program, geographic mobility is essential."

By early summer of 1998, all of the Institutional Program Office Associate Administrators had concurred on the business case. This unanimous concurrence in an era of Agencywide downsizing demonstrated the strength of the proposal. This is especially true in light of the fact that the Contracting Intern Program reserves slots that can only be used to hire GS-1102's.

Representatives from Procurement and Personnel were named to an Agencywide team that met for the first time in September. Kennedy Space Center assumed the role of lead Center for the recruitment process. Five colleges were selected with sensitivity to racial, ethnic, and geographic diversity. Personnel and contracting teams will be interviewing potential co-ops at colleges and universities where NASA hasn't recruited for procurement co-ops in the past. This year, interview teams will be visiting Arizona State

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on an annual basis by the Agency. These contracts generally represent major new starts or initiatives. They have been at a relatively low level over the past several years and show a significant decrease over the FY93—FY98 time frame. In FY98, for example, the number of major contracts awarded was 13—and 10 of those awards were made at Goddard Space Flight Center.

As numbers of contracts and their dollar value have decreased over the last five years, the use of purchase orders has grown dramatically. The increase from FY93 to FY98 has been 122% from 938 to 2078.

Although the workload data can result in a confusing picture of what is happening to the contracting workforce, the amount of money obligated on an annual basis provides a more cogent picture. In real year dollars, obligations have decreased over the last six years. Adjusted for approximately 3% inflation per year, FY98 obligations are about 17% below FY93 levels. The FY99 NASA budget indicates a slight increase in obligations but not enough to exceed the rate of inflation.

Declining Workforce

The GS-1102 workforce, which is the key measure of the contracting workforce, has declined approximately 26% from 916 to 679 over the last five years—significantly more than the decline in the inflation adjusted decrease in obligations.

This decline has been in response to the National Performance Review initiative for a downsized workforce and NASA's Zero Base Review guidelines. As a result of initiatives such as MidRange, CCI, and use of the Internet, the workforce has been able to accomplish more with less. This is despite labor intensive efforts such as ISO 9000 certification, the emphasis on restructuring contracts to Performance Based Contracting approaches, and contract consolidations. There is concern, however, that these reductions in staffing combined with anticipated retirements of senior people over the next 5 to 10 years are creating a situation where there will be little or no flexibility in the workforce.

The Study

Representatives from Headquarters, NMO, and all of the centers conducted the Procurement Optimization Study. The team utilized a series of about eight 2-to-3 hour teleconferences to address workload data, personnel issues, organizational issues, and policy issues. In spirited and wide-ranging discussions, the team examined a broad range of issues and actions that could be considered to best do the work with the procurement staff that NASA will have. The culmination of the study was a set of twenty three decision packages that addressed the following topics: Commercial Items, Construction, Contract Awards under Broad Agency Announcements (NRAs/AOs), Contract Close Out, Contract Consolidation Initiative, Contract

Management, Cooperative Agreements with Commercial Firms, Credit Cards, Foreign Acquisitions, Grants and Cooperative Agreements with Universities and Non-profits, Institutes, Interagency Transfers, Major Source Selections, MidRange Procurements, Pricing, Procurement Policy, Procurement Training, Research and Development, SBIR/STTR Contracts, Services, Simplified Acquisition, Technological Challenges, and Utility Services.

Each decision paper presented the current status, issues, and basis of discussion or options for each topic. At the Procurement Officers' Conference in October, each decision paper was fully discussed and a decision reached as to the changes that would be made in our mode of operation. The changes primarily fall into one of three broad categories: consolidation, use of the Internet, and contract management.

Consolidation

As a result of decreasing workload in some areas and the need for specialized expertise in others, consolidation was considered an appropriate means of balancing workload requirements and personnel resources. For example, it was agreed to move the award of grants from some centers which award relatively few grants on an annual basis to centers awarding larger numbers of grants and to reexamine further grant

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consolidation when IFMP becomes fully operational. Utility services were seen as having real consolidation potential. Ames Research Center is examining the options available for the consolidation of electric services in this era of deregulation. The Lewis Research Center is the lead in providing natural gas for the Agency. A broad range of steps will be taken to enhance the efficiency of the Consolidated Contracting Initiative. They include elevating the Center CCI points of contact, developing an improved two-part acquisition forecast, and identifying a list of potential common and specialized skill items needed by all centers.

Use of the Internet

NASA initiated the federal government's use of the Internet as a procurement tool and continues as the key innovator in that area. The decisions reached at the Procurement Officers' Conference focus even more attention on capitalizing on this critical technology opportunity. For example, the Internet will be used as a "lessons learned" tool for SEBs as the number of SEBs has declined significantly and our Center experience diminishes. Even more aggressively, the Internet will be used as a virtual office for our policy function. It will link the HQ policy function more effectively with the Center policy representatives and lead to synergies in the development and implementation of procurement policy.

The Internet will also be used as a bulletin board for market research results to assist centers in tapping into existing market research for the same or similar products and services.

Contract Management

Although it is true that the NASA procurement workload has declined in some areas, contract management is and will continue to be an area of significant effort for the foreseeable future. The Procurement Officers agreed that a top priority should be the development of a contract management course for program and procurement personnel. Contract management personnel frequently do not receive the recognition they deserve, so the awards program will be reviewed to identify ways of recognizing contract management achievements. Finally, a contract management conference will be held similar to the policy/pricing conferences as a means of enhancing communications with and among personnel whose primary focus is contract management.

The Procurement Optimization Study has provided a rigorous self-assessment of NASA procurement. In the process, it has been the springboard for a number of significant initiatives that otherwise may not have been started for some time—if ever. It has provided a template for the kind of analysis that must continue in the future. Only in this way can we accomplish everything that needs to be done with a smaller workforce.

Grants

approach for Headquarters solicitations, and will develop streamlined methods to accomplish the timely closeout of grants.

The SRBA has created a "Grants and Cooperative Agreements Updates" website located (http://ec.msfc.nasa.gov/hq/library/grants.html). This site contains information concerning the most recent activities of the SRBA. Bookmark this site, and use it to keep abreast of current grants policy activities. If you would like to discuss the role of the SRBA and possible ways it can help your office, or if you would like more information regarding the SRBA's goals, please contact me, Steven Miley, at 202-358-0493 or e-mail: smiley@mail.hq.nasa.gov.

In Memoriam

Bob Spargo, 76, formerly of the Office of Procurement, passed away recently after a battle with cancer. Bob retired from the NASA Headquarters in 1984. Spargo spent 17 years at NASA Headquarters, many of them as the Procurement Management Survey Program Manager. Prior to his work at NASA, he served 22 years in the Navy, retiring as a Commander. Spargo graduated from the Naval Academy in 1945. In retirement he was able to enjoy sailing, reading, traveling, and attending courses at local colleges. He was a member of the Truro Episcopal Church in Fairfax, VA. He will be missed by his many friends and admirers at NASA Headquarters and at the NASA Centers.

Past Performance

1) RFP Development

Good definitions are always helpful, especially when conveyed and discussed during the draft RFP phase. They document terms that may be critical in the SEB's deliberations and to the offeror's understanding of what is important to the government. Offerors should be required to cast their proposals in a manner consistent with RFP definitions. Examples include:

Performing Organization – which entity within the offerors organization will provide the labor, task-level management, and overall management of the contract's key mission(s)? The performing organization is also expected to have control and authority over major subcontractors.

Authority or control – what other entities, inside or outside the performing organization's structure could have influence over the performing organization's ability to do the work? Is there any entity other than the performing organization – such as a parent organization – that could, during contract performance, decide to reallocate resources (human or other) that could be detrimental to mission success? We need to understand the nature of how the performing organization could be impacted.

Significant Amount of Work – which entity controls the contract? It is necessary to understand which organization(s) will perform significant work. Consider using a dollar figure to establish the threshold to allow you to focus on those with the most effect while avoiding countless evaluation hours

on the .05 percent contributors. Concentrate on the performing organization and major subcontractors or team members. Small, non-key mission area-related touch labor contributions by other entities are NOT sufficient to require an SEB to gather/report past performance data on the entities that employ the touch laborers. Don't review individual employees. Contributions to overhead/General & Administrative are not generally considered significant.

Suggestions/Things to Consider:

Mission Functions – From the Statement of Work (SOW). What elements, if not completed would result in mission failure? This is discussed in greater detail below as part of linking Offeror Submissions to actual key mission areas.

Entities we won't look at – Scope of review. Be certain that you learn and understand exactly what entity, division, or component will actually perform the touch labor and management of your contract. All too often, a legal corporate office signs the contract, but will make little or no actual day-to-day contribution to meeting your specific mission. In that vein, many contractors cite the legal entity when providing past performance contracts and history. Do not waste time on elements of the company that have no relevance to your acquisition. If you cannot attach value to the performance of the work cited in your key mission areas, they cannot be used no matter how glowing a picture they may paint. Or conversely, don't be overly influenced about negative performance of elements of the

company that have less favorable performance records, if they will not perform key mission related functions, or if they will not be in a position to have influence or control over the performing organization.

Link offeror submissions to actual key mission areas identified in the SOW. Do this by asking offerors to divide the "relevant" contracts they submit into as many of the SOW's key mission areas as applicable. For example, assume that through a discussion of the government's estimate the SOW's completion task(s) indicate that the equivalent of 100 work-years of software development may be required by the new contract. It would be very useful to know whether each offeror can demonstrate performance of at least a comparable amount and type of software development on prior or current contracts. A sample matrix form that can be completed by the offeror is available from ARC's Acquisition Division. This form has space for the contractor to breakdown each contract submitted into relevant key mission areas that show precisely how the contract links to your requirements. The bottom-line is that receiving a million hours of excellent experience and excellent performance in work that is only tangentially related to the key mission areas is of little or no value. Major or key subcontractors should be

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considered in the same manner. Holding all offerors to this standard can help avoid "cherry picking" by larger contractors who have a larger base of contracts from which to choose only their best performances when developing their submission.

In this same regard, cherry picking can be offset or even discouraged by requiring the offeror to show *all* of its work in a specified area and within a specified contract cost range for a given number of years past. If an offeror believes the government will check its overall performance, it may be less likely to enumerate and discuss very successful contracts of only dubious relevance. Remember: it's *our* evaluation of their past performance, not *their* evaluation. Take control of the process.

Decide on the style of the questionnaire. How long should it be? How detailed? Emphasize the importance of the inclusion of comments to support any adjectival rating assigned. Be sure to include the summary matrix if it has been submitted by the offeror with its proposal. This way the matrix can be authenticated by the Contracting Officer and the Contracting Officer's Technical Representative for content and accuracy and NASA can obtain a qualitative assessment of the offeror's performance.

Decide what specific information we need from the offeror(s).

Obtain organizational charts that illustrate/distinguish between the performing organization and any other that

has or could have authority or control.

Discuss how we plan to handle subcontractors.

2) Evaluation

The contractor's Mission Suitability volume sets forth the technical and management approaches it plans to implement to perform your contract. Past performance considers actual contractor performance vs. prior or current contractor approaches. Has the offeror done what it said it would do? If problems are found where past performance can't correlate with a promised level of performance, a proposal risk question is raised and you should request appropriate clarification and deficiency reports from the offeror.

Suggestions/Things to Consider:

Decide, early in the process, the extent and level of consultations with DCMC/DCAA or other potential sources of information.

Decide how other databases/sources of information (internal or external to the Agency) will be considered. An example includes the Agency's FACS database. This identifies all of the work any given offeror does with any NASA Center. Offerors should be advised in the RFP that the government may review and consider contracts, as appropriate, identified in FACS, whether or not submitted by the offeror. Offerors should be advised in the RFP that the government may consider any relevant performance from sources other than FACS.

Offerors must have been afforded an opportunity to address adverse information that

appears in the collection and evaluation process. Adverse past performance information is anything that causes one to think less of the offeror than if the information had not been present. Current source selection policy allows for communications with offerors without conducting "discussions." Preserve your right to award without discussions. Learning of poor performance by an entity within an offeror's corporate structure may or may not be fatal. Know whom you will be dealing with, and understand who has authority and control over the success or failure of your contract. This puts you in a position to refute any challenge to your selection if you can demonstrate that the poor performer will play no significant role in the performance of your contract.

3) Conveyance of Information to the SSA

Suggestions/Things to Consider:

Clearly establish who will be doing the actual work (performing organization.)

Clearly establish what entities, if any, can affect the performing organization's ability to perform (i.e. the ability of another entity to cause a transfer of resources; human, financial or other, from your project or program).

Communicate, to each offeror, how well it demonstrated that it possesses relevant and quality performance in accomplishing the type and levels of work set forth in the SOW. If

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business problem (perform EC) using existing tools. That is why we use the two COTs software packages. That is why we integrated with the existing EPS. That is also why the next phase will amplify these current tools to address MidRange and large contracts.

The pilot's two COTs software packages are "Informed" for the forms and "Entrust" for the digital signature/security. These two packages may already be familiar to some contract specialists. Informed is the Agency standard for forms and is already being used at many centers. It is also the package that you will use to complete the Agency's Past Performance Reports (NF 1680). Entrust is the Agency standard for digital signatures, and will be used by the forthcoming Integrated Financial Management Program (IFMP). The pilot uses software licensing that allows the packages to be downloaded and used at no charge to the vendor. The SF 1449 is linked to a NASA server. This ensures that the form is always current. The SF 1449 has been created in Informed and carries digital signature blocks. Part of the next phase will be to similarly treat the additional necessary forms. As you might suspect, dealing with the forms is the simplest aspect of taking the pilot to the next EC stage. There are policy, instruction, procedure, and other such tools that need to be considered.

The pilot requires the contract specialist to use EPS to post a synopsis and solicitation just as would be done with any procurement, with two slight variations. There is a synopsis paragraph that needs to be added which provides necessary information so the vendor may participate in the pilot. Besides general information about the pilot, it includes the Internet address for the download instructions and the phone number for the NASA Help Desk. The contract specialist also has to use and post the Informed version of the SF 1449. This form is prepared

just like any commercial item solicitation, except that after all blocks have been completed and documents attached, the contract specialist digitally signs the solicitation within block 7. This locks all completed fields and attachments so they can not be altered.

After downloading the SF1449, the vendor uses the previously downloaded COTs packages to open and complete the SF 1449 and Representations and Certifications. The vendor portions of the forms are shaded for ease in recognition and completion. The vendor can place any additional attachments on the SF 1449. When the vendor digitally signs the form, that locks its portion of the document and prevents its quote from being tampered with or "sniffed" by anyone while in transit. To submit a quote, the vendor simply clicks on the "Return Completed Quote" button that has been added at the top of the form. The quote then comes to the contract specialist via the vendor's e-mail carrier and arrives in the specialist's electronic mailbox.

The current pilot ends at this stage. However, internally the pilot team has demonstrated that the next step is easy enough. The specialist would digitally sign the winning quote and send it electronically (as an attachment in an e-mail message) to the successful vendor.

Based upon an evaluation of the pilot goals and results, coupled with the successful processing of five actual procurements, the team deemed the pilot a success. The pilot that began with the Simplified Acquisition process was now ready to support more complex procurements, and to provide the Agency with greater benefits.

The Next Steps

The NAIS team has endorsed this pilot to expand from commercial item Simplified Acquisitions to MidRange and large procurements. This means NASA will be expanding EC to enable contract specialists and purchasing agents to conduct the complete procurement process (including creation and posting of synopses, solicitation posting, proposal receipt, and award) in a paperless medium. We are at the front door of an exciting new opportunity.

Before the MidRange and large procurements can be performed in this new environment, such tools as additional

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Informed forms and Special Instructions will need to be developed. The pilot team, now consisting of participants from ARC, JSC, LaRC, LeRC, MSFC, and SSC will develop these necessary tools. Then, the team will perform internal testing. It is expected that within three months the team will be ready to proceed to actual procurements. Hopefully, by the end of FY99 the pilot will have proved successful and the tools can be advocated for general use.

These new tools will be added to our NAIS Forms pilot homepage. This is where you will find the tools that we have been discussing in this article. For example, there are download instructions for the two COTs packages that are tailored for both PC and Macintosh. There is a contract specialist "Help" feature. A synopsis paragraph that

explains the pilot is found here. There are several Informed forms—besides the SF 1449 and Customer Survey, there is a Representations and Certifications document. These Informed documents have digital signature blocks and are configured with pull-down menus and help features that make it easy for the vendor to complete.

The title of this article is "Electronic Commerce and You." You might be wondering why there is a "You" in the title. After the pilot has completed its internal testing, it will be ready for "You." If your Center is represented on the team, you could be asked to provide one of your Purchase Requests to test the approach with actual procurements. You could become an important part of this new opportunity.

It is not too late to add other centers to the pilot team either. If you have an interest in this area, contact your NAIS representative. Besides the obvious

need for actual procurements, there is an immediate need for help in the forthcoming development effort. Be a part of something exciting, something that is taking our procurement process into new areas.

In conclusion, great change has occurred in federal procurement in the last several years. More change is in our future. A totally paperless contracting process is truly on the horizon. NASA still has a prime opportunity to influence that vista and we, the contract specialists, have an integral role. Therefore, when given an opportunity do not hesitate to participate. Remember, in the not too distant future, an article on the federal procurement process could likely be titled "You and Electronic Commerce." Wouldn't it be great to know that you had played a part in the development of that process?

Past Performance

some key mission areas were not addressed to those levels, or not at all, the SSA should be advised. The aforementioned matrix has proven very effective as one of the tools that may be used to convey each offeror's past performance information in a summary form. Similarly, point out to the SSA offerors who demonstrate relevant and high quality performance in all areas of the RFP, and performance to the

levels estimated by the government (or more), this should be.

Discuss strengths and weaknesses, as well as any mitigating information provided by offerors.

4) Debriefings

Suggestions/Things to Consider:

Be open and straightforward. Offerors should be provided with the actual charts presented to the SSA, redacted as appropriate to remove information not related to their proposal.

The SEB should be prepared to address all aspects of the past performance evaluation process.

By conducting a thorough, yet focused process, it should be clear that we know and understand whom we are dealing with and comprehend the level and relevance of the experience and performance each respective offeror brought to the table. This will help NASA and the contractors, as we learn what to realistically expect from the other.

Next Step in EC

may, however, submit another quotation with instructions to disregard the previous one. There is no pre-registration or limitation on who may quote, how many may quote, or how many times a vendor may submit a quotation for one solicitation, provided the solicitation is posted and has not expired.

If ten quotations are received within one day, the RFQ is archived from the NAIS Business Opportunities page. However, if ten quotations are never received during one day, the solicitation would remain until the time period expires or a predetermined maximum number of quotes are received. The contract specialist then reviews the responses, which are ranked in the RFQS by the quotation total amount. The quote's representations and certifications are qualified with the quotation response and a selection is made. The contract specialist then makes the award electronically.

The contract specialist may review the status of a solicitation's quotes received at any time. After the cut-off date, the contract specialist will review the quotations from one main screen that includes the vendor name, total quotation amount, shipping information, and other pertinent data points for comparison purposes. The information may be ordered to

taste including vendor name and total quotation amount. The entire quotation including representations and certifications may be reviewed by "clicking" on the vendor name. Once the award decision is made, the contract specialist may printout all required documentation including Standard Form (SF) 1449 and the bid abstract. The electronic process ceases at this point and reverts to a manual

process for the signature requirements. (Electronic signatures and total bi-directional exchange will be incorporated into a later phase).

Once the RFQS is out of its pilot phase, regulations will have to be changed to accommodate the process. For example, the possibilities exist that certification by performance could be implemented. This would allow requiring representations and certifications from the winner only.

Implementation

The RFQS pilot is being implemented slowly, one procurement at a time, so results can be closely monitored. The implementation began January 3,

1999, at JSC, KSC, LeRC, GSFC and MSFC. Other centers will be added to the pilot upon request. You may contact your NAIS team member if you wish to participate. When the pilot is proved successful, the RFQ feature will be added to the NAIS tools already available to assist the acquisition process. The RFQS process is envisioned simply as another tool and not as a requirement. However, since bi-directional exchange is going to happen – NASA wants to assume a leadership role. So take part in the pilot and let's build the future!

If your Center wants to join the RFQS pilot, contact me, Dwight Clark, at (256) 544-0720 or on e-mail at Dwight.B.Clark@msfc.nasa.gov.

The next issue of the *Procurement Countdown* will be out in the Spring of 1999. If you would like to submit stories, please send them by April 15, 1999, to smarucci@hq.nasa.gov or call Susie Marucci at (202) 358-1896.

1998 Procurement Award Winners

Eight NASA Procurement professionals and one NASA Center were chosen to receive the 1998 Annual Procurement Awards. These awards are the highest procurement honors at NASA. The annual procurement awards are used to recognize those people and centers that have made outstanding contributions to the procurement effort throughout NASA. There were some changes made this year. The Small Purchases Specialist of the Year category was changed to the Simplified Acquisition Specialist of the Year. The Price Analyst of the Year category was folded into the Procurement Support Person of the Year award. The MidRange/Commercial Person of the Year category was added. Some centers took it upon themselves to add their own special bonus to the award. One Center gave three days off to each of its nominees and five days off to its winners.

The winners of the awards are: Contract Manager of the Year: Kim E. Whitson, MSFC; Contract Specialist of the Year: Yolande B. Harden, JSC; **Simplified Acquisition Specialist of the Year:** Allen J. Miller, KSC; **MidRange/Commercial Person of the Year:** Timothy C. Pierce, LeRC; **Grants Specialist of the Year:** Saundra R. Gage, LeRC; **Procurement Analyst of the Year:** Robin H. Strohacker, LeRC; **Procurement Support Person of the Year:** Dwight B. Clark, MSFC; **Procurement Supervisor of the Year:** Connie B. Poole, JSC; **Outstanding Competition Advocacy - Installation:** ARC

Congratulations to everyone who received an award and to all those hard working procurement professionals who were nominated.

Contracting Intern Program

(continued from page 7)

University, George Washington University, Michigan State University, Texas A&M, and Tuskegee University. Teams are working on recruitment literature, website development, the initial orientation session, handbooks for interns, their supervisors, their mentors, and a myriad of other details.

Recruiting trips will start after the holidays and plans are for the first class of 10 to be selected in May 1999. Between 10 and 15 co-ops will be chosen every year depending on the projected availability of intern slots at the centers. By the fifth year, there will be between 50 and 75 participants at any one time. All comments and questions are welcome. Please call me, Valerie Stucky, Intern Program Manager, at (202) 358-0503, with any questions.