



governmentattic.org

"Rummaging in the government's attic"

Description of document: Slides from National Aeronautics and Space Administration (NASA) presentation: Federal Space Procurement Reform: Swift, effective, free, executive-implemented and performance-proven, 13 December 1991

Request date: 27-July-2014

Released date: 04-December-2014

Posted date: 09-February-2015

Source of document: NASA Headquarters
300 E Street, SW
Room 5Q16
Washington, DC 20546
Fax: (202) 358-4332
Email: foia@hq.nasa.gov

The governmentattic.org web site ("the site") is noncommercial and free to the public. The site and materials made available on the site, such as this file, are for reference only. The governmentattic.org web site and its principals have made every effort to make this information as complete and as accurate as possible, however, there may be mistakes and omissions, both typographical and in content. The governmentattic.org web site and its principals shall have neither liability nor responsibility to any person or entity with respect to any loss or damage caused, or alleged to have been caused, directly or indirectly, by the information provided on the governmentattic.org web site or in this file. The public records published on the site were obtained from government agencies using proper legal channels. Each document is identified as to the source. Any concerns about the contents of the site should be directed to the agency originating the document in question. GovernmentAttic.org is not responsible for the contents of documents published on the website.

National Aeronautics and Space Administration
Headquarters
Washington, DC 20546-0001



December 4, 2014

Reply to Attn of:

Office of Communication
Headquarters, FOIA Office

FOIA: 14-HQ-F-00724

Thank you for your Freedom of Information Act (FOIA) request dated and received July 27, 2014, at the NASA Headquarters FOIA Office. Your request was assigned FOIA Case Number 14-HQ-F-00724 and was for:

Federal Space Procurement Reform: Swift, effective, free, executive-implemented and performance-proven, presented by Mike Rendine and Lowell Wood. OEOB 423, 1100, 13 December 1991. A briefing paper for Dr. Mark Albrecht.

Although a courtesy copy of the title referenced in your request was provided to the NASA Headquarters Library, the document was originally prepared for the National Space Council (NSC) and the designation of restricted access was requested by the White House, not NASA. Accordingly, the document was sent for review and granted release by the successor office to the National Space Council under the Executive Office of the President (EOP).

A copy of the requested document is enclosed.

If you have any further questions regarding this request, please contact Martha Terry at hq-foia@nasa.gov or 202-358-2339.

Sincerely,

A handwritten signature in blue ink, appearing to read "Josephine Sibley".

Josephine Sibley
Headquarters, FOIA Officer

For Official Use Only

FEDERAL SPACE PROCUREMENT REFORM:

Swift, Effective, Free, Executive-Implemented And Performance-Proven

A Briefing Prepared For

Dr. Mark Albrecht, Executive Director
National Space Council

OEOB 423
1100, 13 December 1991

Presented By

Mike Rendine
Lowell Wood
(510) 422-7286

For Official Use Only

NASA Contract Process Faces Major Overhaul

By DOUGLAS ISBELL
Space News Staff Writer

WASHINGTON — In less than four months on the job, NASA's new procurement chief has locked on a dozen special initiatives designed to speed and simplify the process of bidding on, winning and retaining contracts from the U.S. space agency.

In return, NASA contractors will be expected to produce higher quality work at lower cost, to the extent that up to 100 percent of a company's performance award fee may be held hostage pending a full demonstration of the capabilities of its space hardware.

NASA's procurement organization "has not been a high-profile office the last couple of years," said Darleen Druyun, NASA's assistant administrator for procurement.

These include creating a simplified new category of contracts, called mid-range procurements, covering purchases between \$25,000 and \$500,000 in a 10-page document, about one-tenth the paperwork of existing procedures.

"This should offer a tremendous boon to the small business community," Druyun said during a November 20 luncheon speech to the National Space Club in Washington. NASA plans to present

Federal Space And The Law Of Gravity

New Year's Resolution: Overhaul Procurement Contract Reform Legislation Planned for 1992

By ANDREW LAWLER
Space News Staff Writer

WASHINGTON — The White House and federal agencies are planning a major push in 1992 to change the way the U.S. government procures space hardware. The effort aims to minimize paperwork, speed up procurements and reduce the cost of building space systems, according to administration officials.

An internal White House memo, dated Jan. 1, 1992, outlines the plan.

Darleen Druyun, NASA's new procurement assistant administrator, in a November 21 interview.

The House Appropriations Committee made an unsuccessful attempt earlier this year to make NASA contractors liable for shoddy work, following the discovery of a flaw in the main mirror of the Hubble Space Telescope, launched in 1990. The Hubble contract included a clause that only used in NASA development.

Druyun's plans include legislative and internal agency changes that will embrace liability, fees and other procurement issues. The agency's legislative package will be ready in April, timed to head off further congressional attempts to impose changes on the agency, she said.

"There is a window of opportunity being spring for NASA to reform its procurement system," said Druyun, director of NASA's Office of Procurement and Acquisition Policy.

The council's involvement, however, worries NASA and Defense Department officials steeped in the long and rigid process of procurement reform.

"While I respect their desire to do, there is a lot of overlap" in the White House efforts that will need to be worked out, Druyun said. Jan Walker, a Defense spokesperson, added that while her department will support the council efforts, "we already have a long-standing effort to make our acquisition process more efficient."

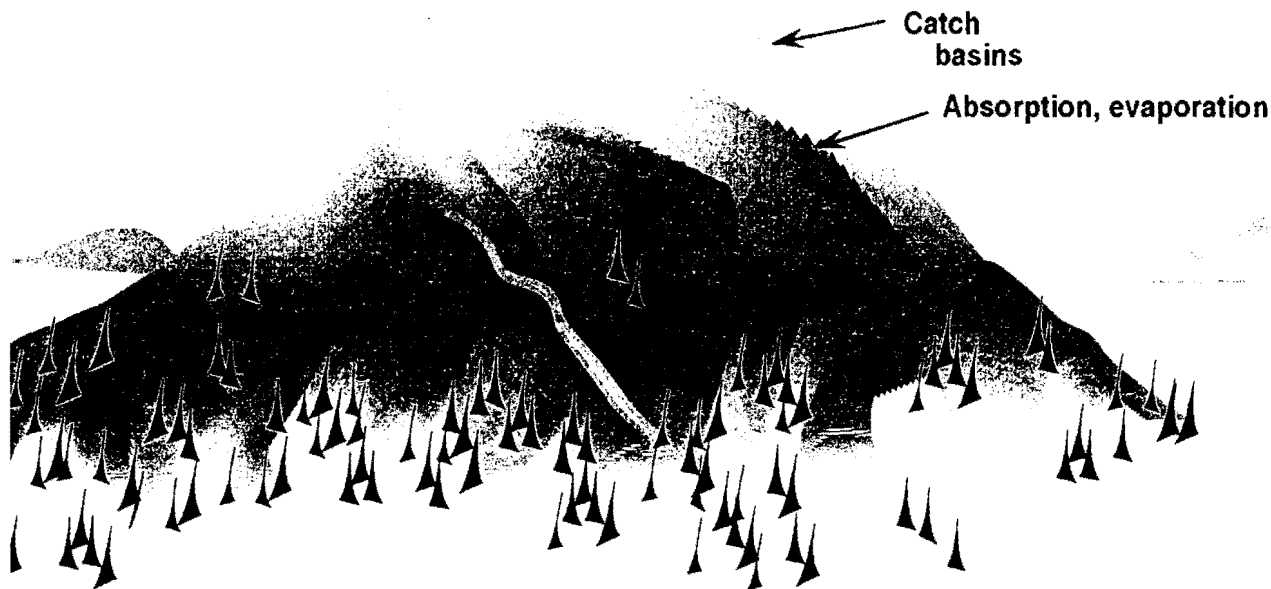
The White House package, by contrast, will propose general changes to regulations to cut red tape across several agencies. "Nowhere is the need for change in America's space program more pronounced than in our procurement system," said Mark Albrecht in an October 29 letter to Druyun.

The council is trying to "make a lot of overlap" in the White House efforts that will need to be worked out, Druyun said. Jan Walker, a Defense spokesperson, added that while her department will support the council efforts, "we already have a long-standing effort to make our acquisition process more efficient."

The purpose of the council's work is "to give some visibility to the problems," an administration official familiar with the effort said. "The space council is not trying to supplant or replace efforts by agencies

Trickle-Down Of Resources

- 10% reduction in rainfall (budget cut)
 - No impact on mountain
 - Absorption, evaporation and catch basins produce the same losses
 - River (hardware outputs) turns to brook
- Repeated cycles result in lush administrative mountainside, but drought in the programmatic forest below
- Old programs funded first, innovation last



Avalanching of Administrative Requirements

One small pebble (paper, Administrative Requirement) causes landslide

Public Law

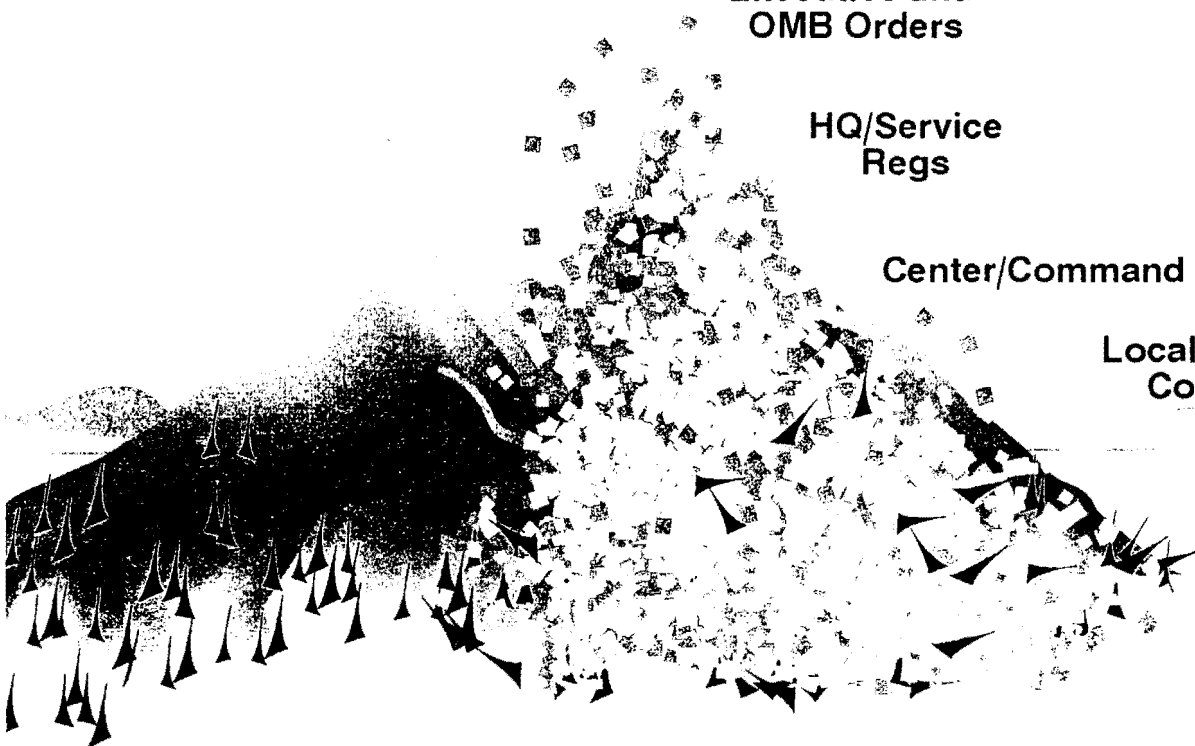
Which destroys forest depleted by drought and excessively harvested for paper

Executive and OMB Orders

HQ/Service Regs

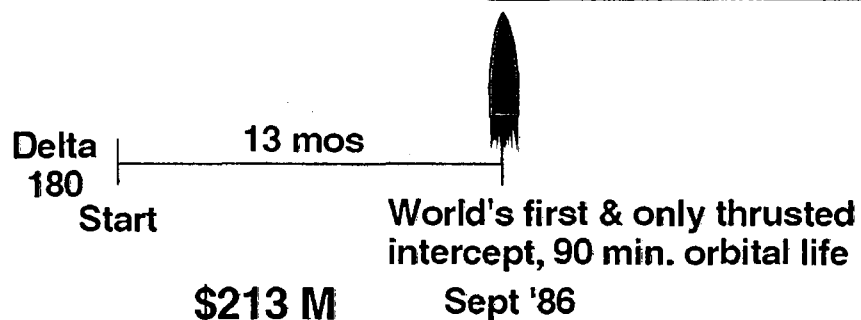
Center/Command Regs

Local Reviews of Compliance



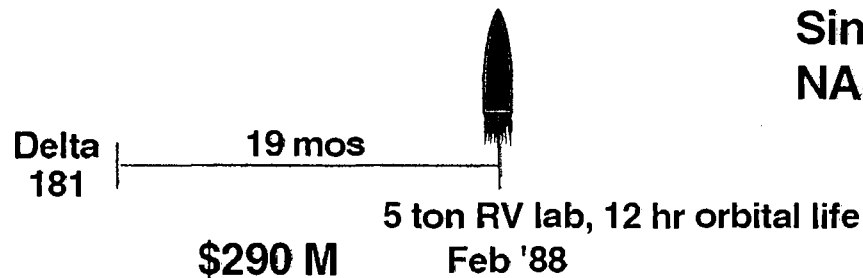
“SDIO REdiscovers Anti Gravity”

NASA pre-Apollo/Apollo Style DELTA PROGRAM SERIES

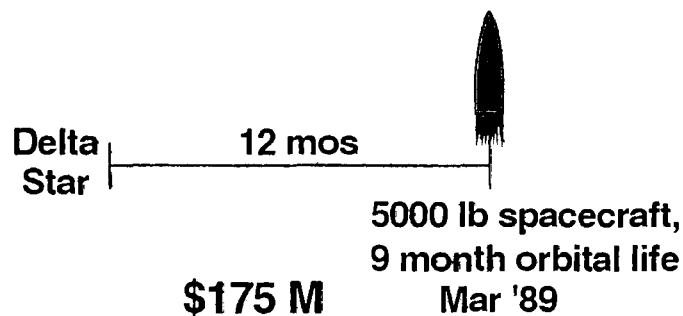


**3 major launches
4 years total time
\$700 M total cost**

Equivalent to

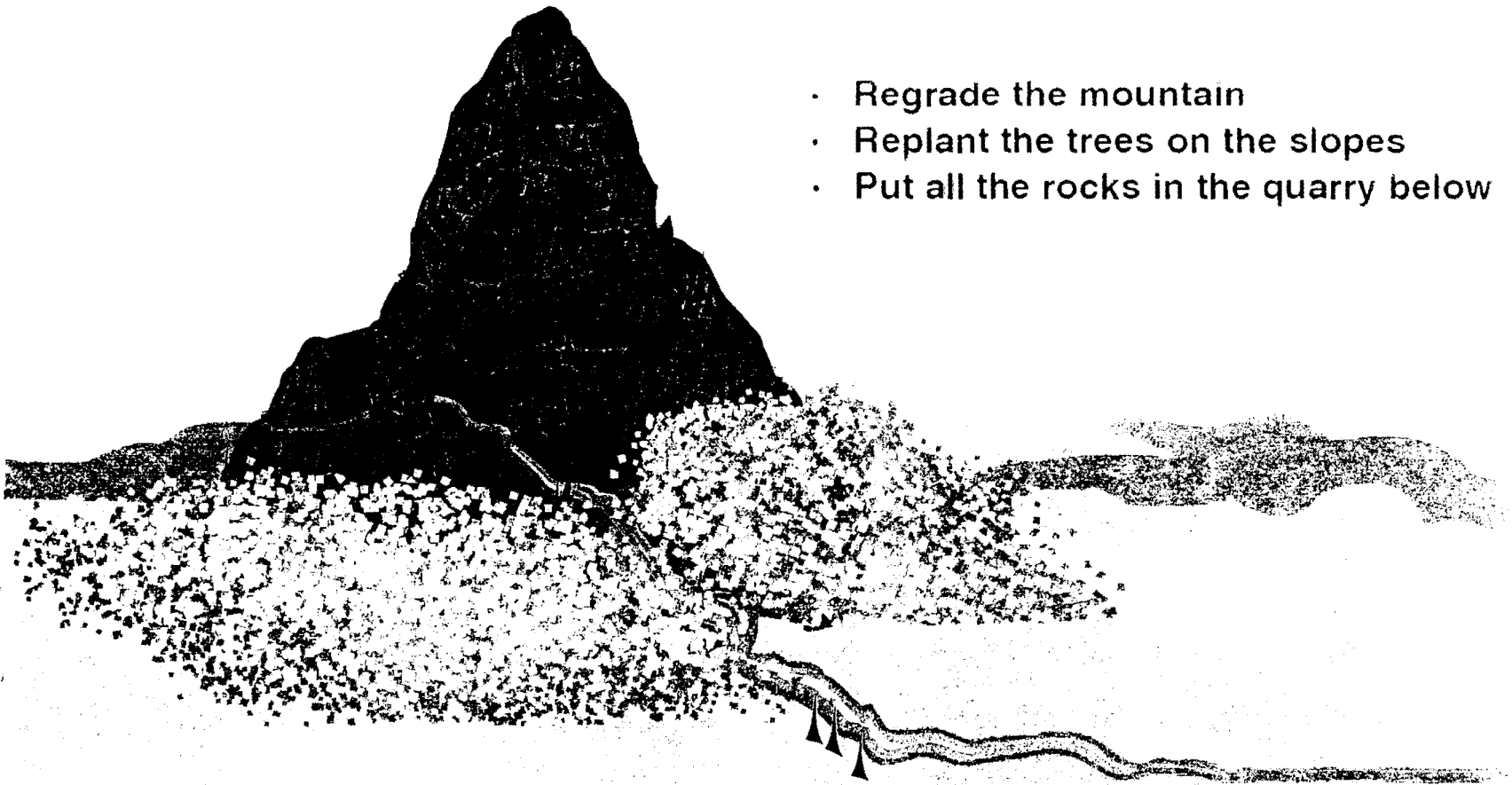


**Single, moderate size
NASA \$2 B, 10 year program**

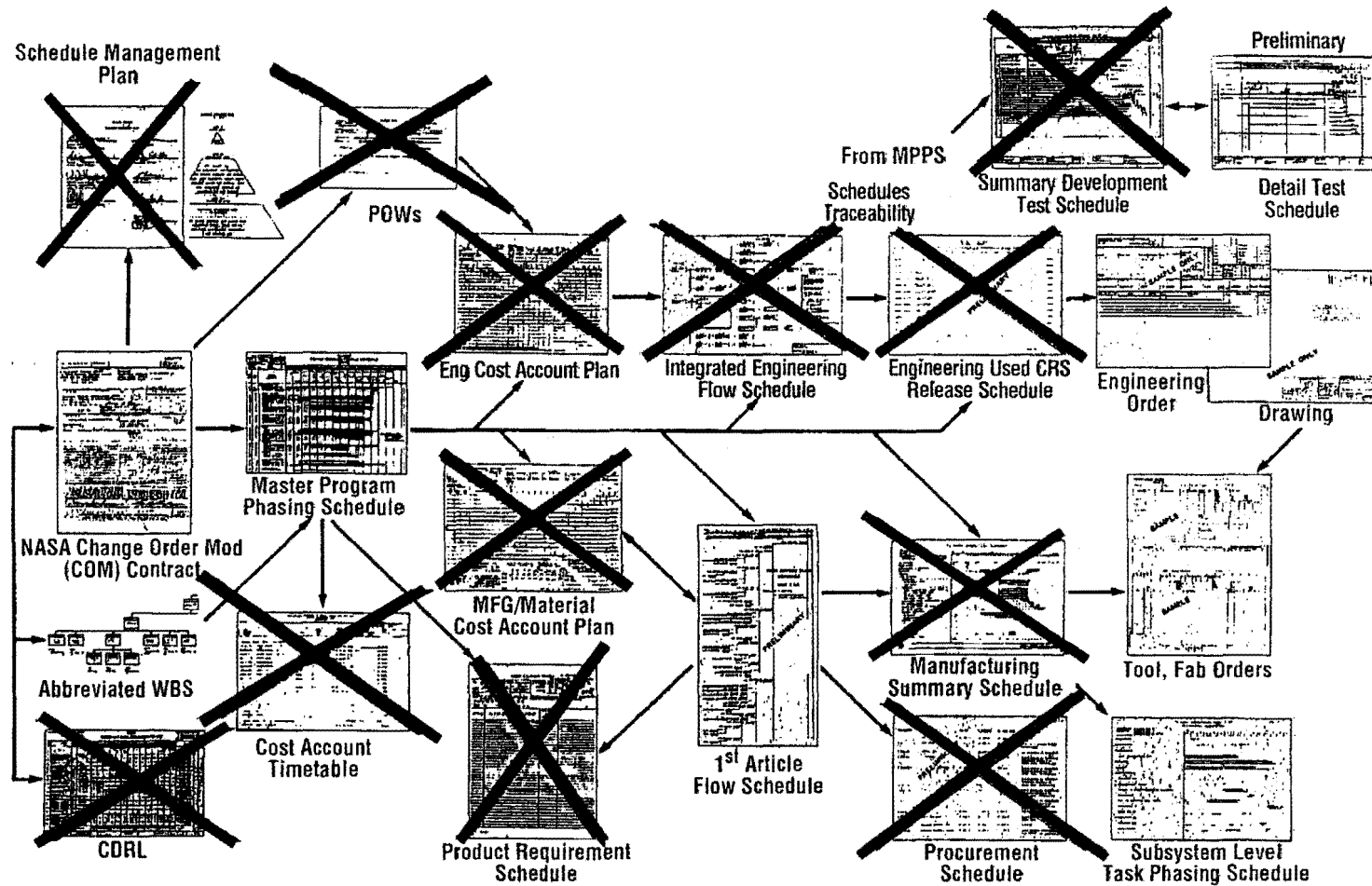


"AntiGravity" Solution

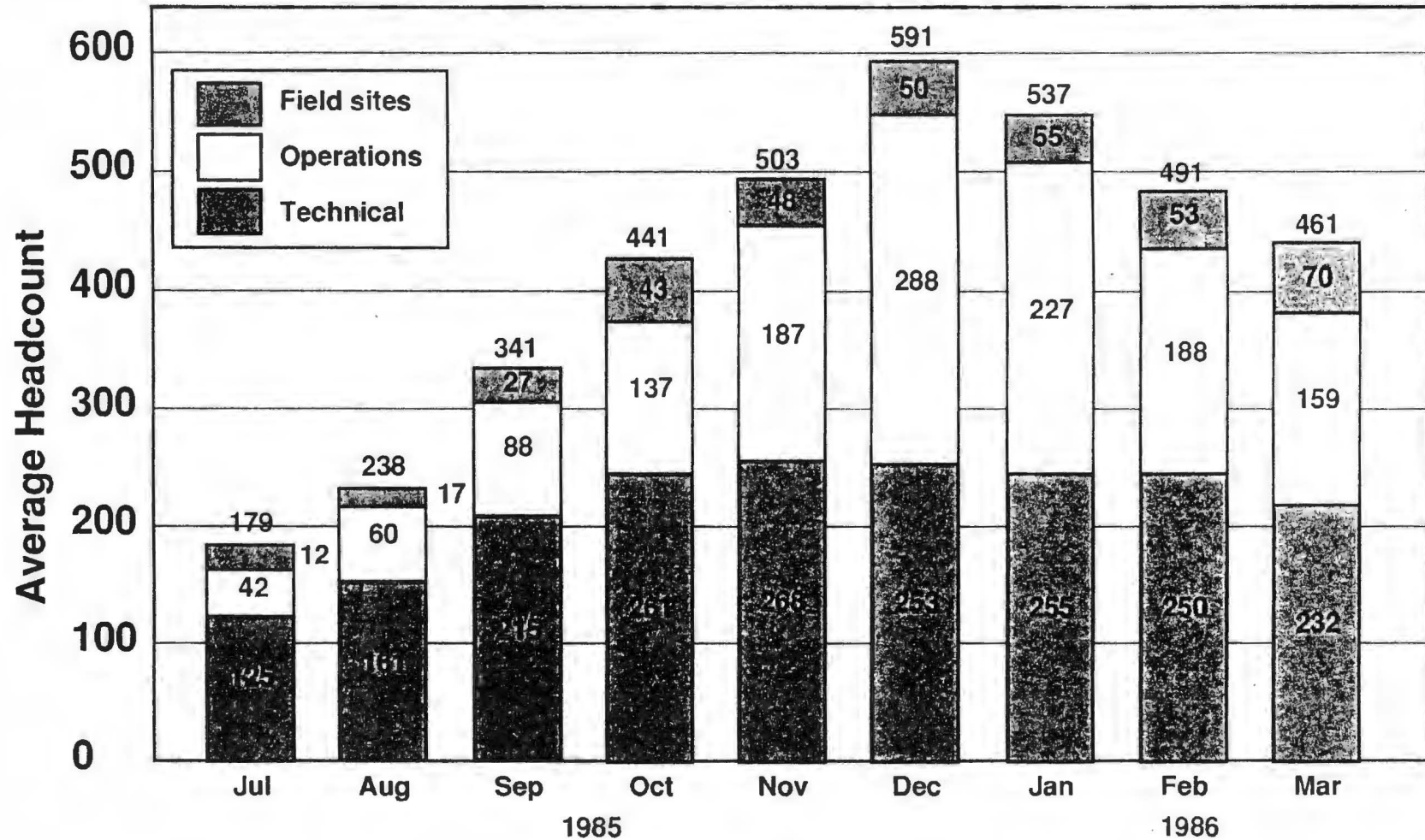
- Regrade the mountain
- Replant the trees on the slopes
- Put all the rocks in the quarry below



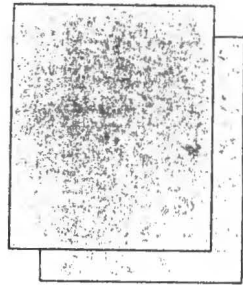
DM 43 Program



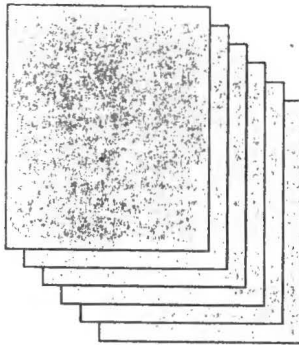
DM 43 Program



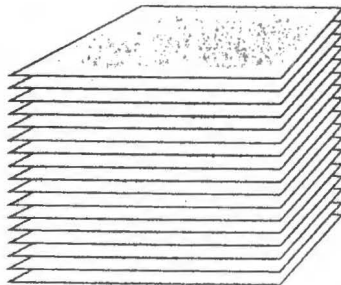
How The System Reacted



Delta Technical Requirement Document
2 pages: "7 Commandments"

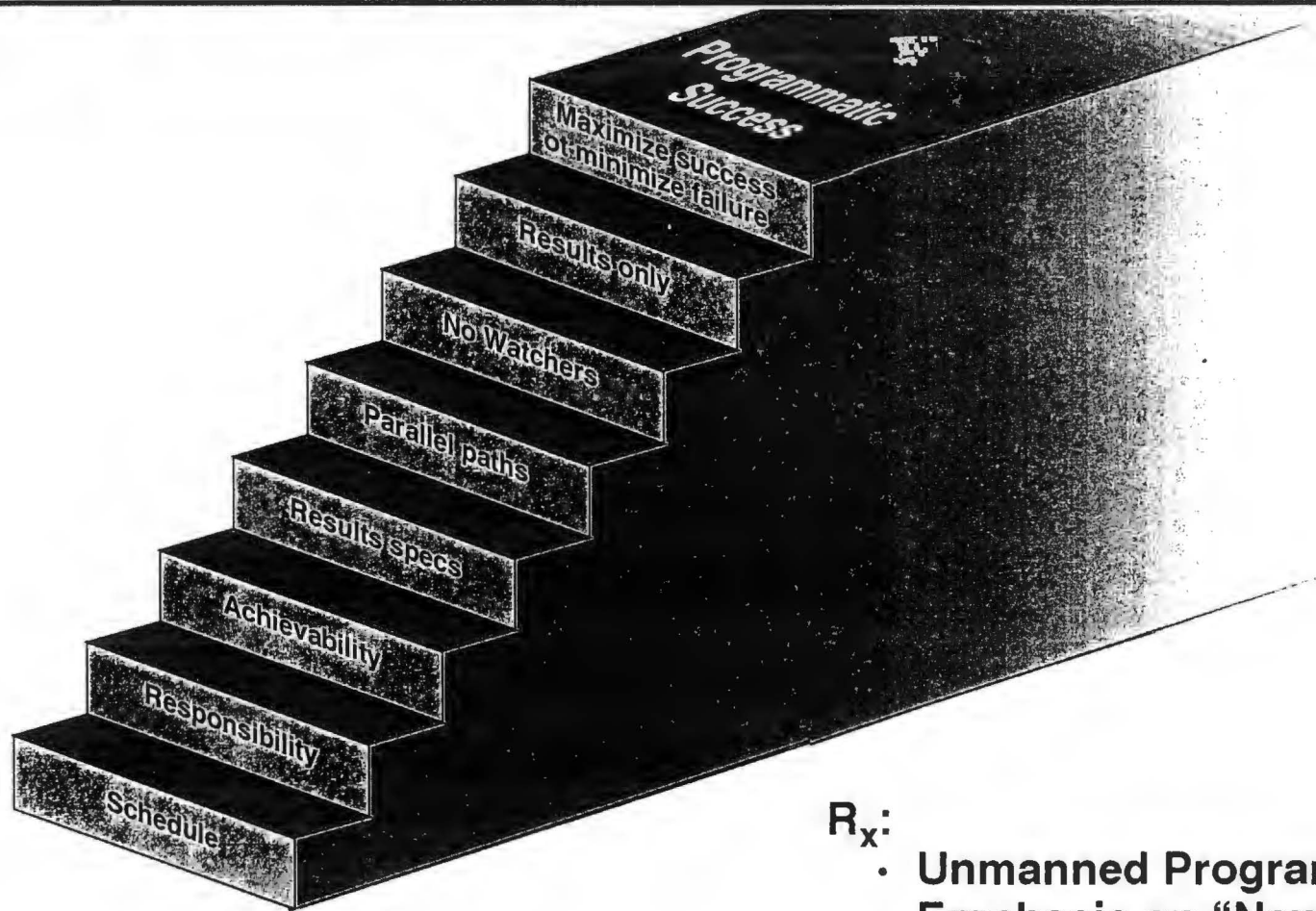


Office of Technology Assessment Report
6 pages: "Delta process saves 25-55%"



USAF Space Division "Lessons Learned" Report
54 pages: 73 "Recommended Actions"
100 "Lessons Learned"

8 Step Reforestation Process

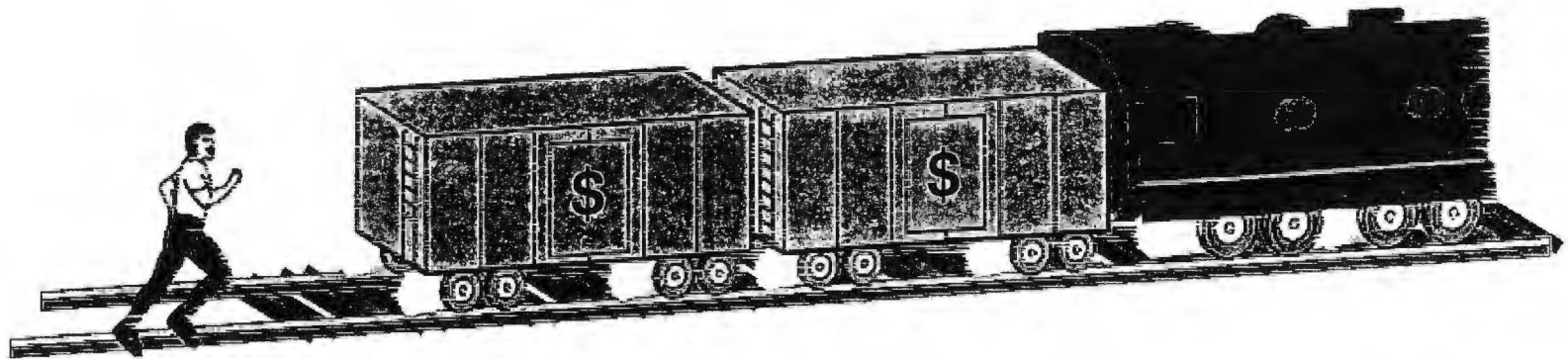


R_x:

- Unmanned Programs Only
- Emphasis on “New Starts” and New Approaches

Step 1

Schedule Maintenance = Program Survival



If you slip schedule, the money train still leaves on time

Executive Order: internally fund all solutions to all internal problems

- **Reduce reporting costs, or**
- **Adjust technical requirements, or**
- **Come up with more innovative, more efficient approaches**

IT IS WORKING

**DM-43
DAYS TO SHIP**

43

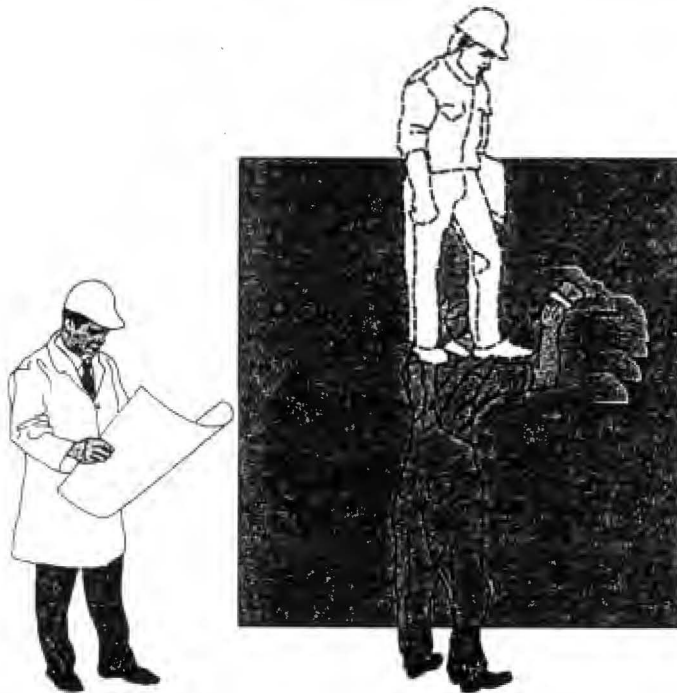
**DM-43
DAYS
TO LAUNCH**

149

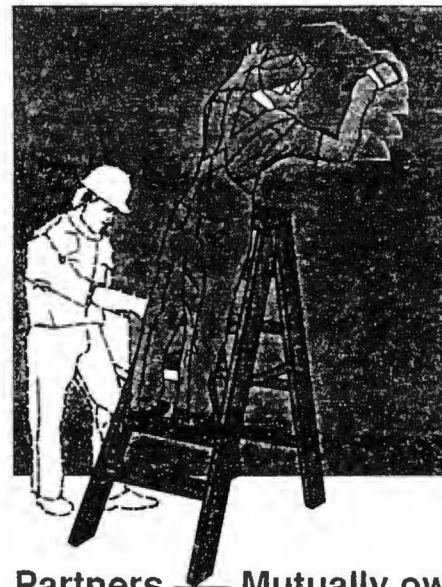
Step 2

Government Role

- Responsible for schedule, resources, goals and rules
- Contractor does the work – responsible for success



- Watchers — No responsibility
- SETAs are catch-basins on the mountain

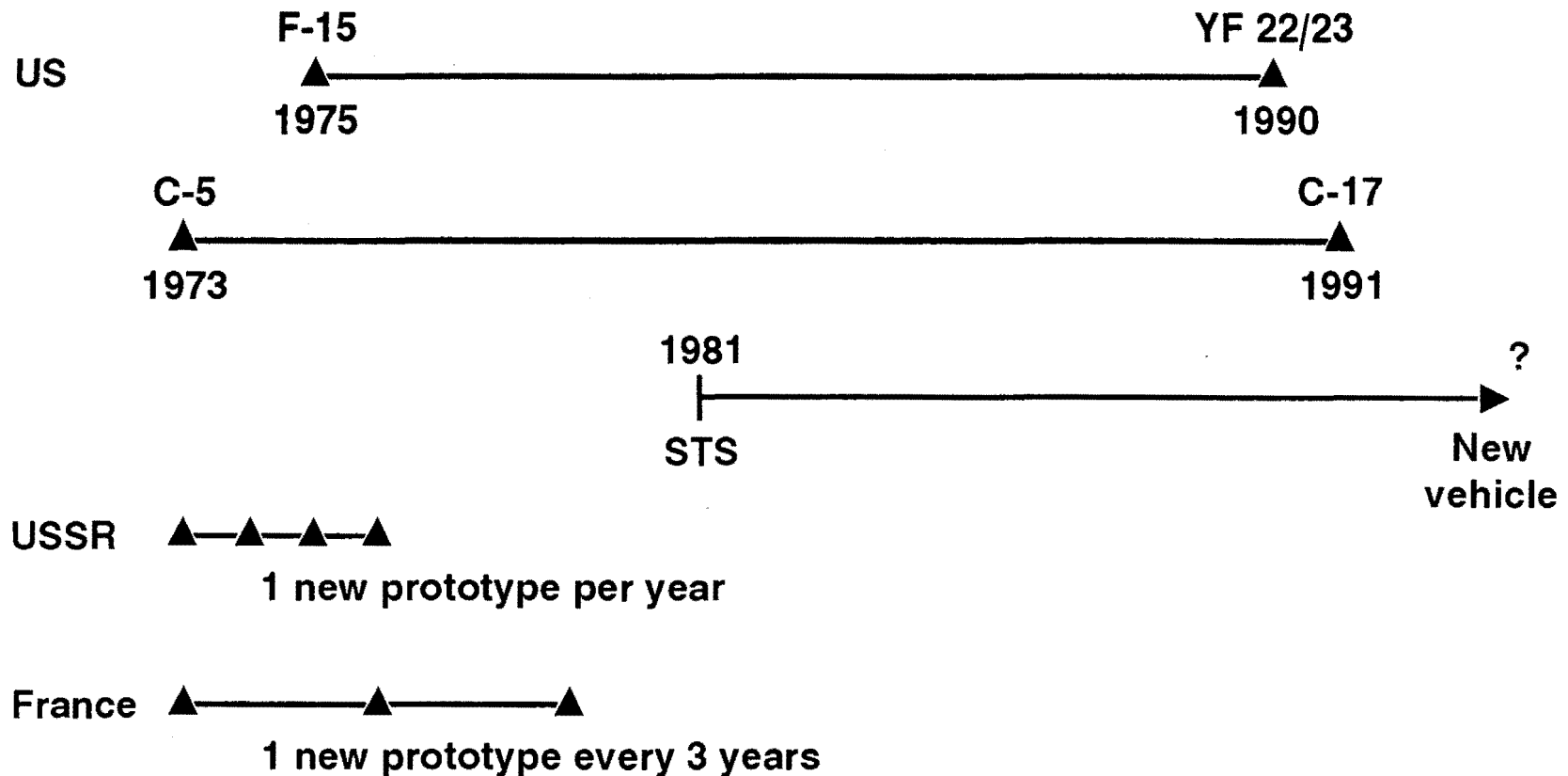


- Partners — Mutually owned responsibilities
- Government enables

- **Executive Order**

- Limit administration “support” and SETA efforts
- Less than 10% of total program expenditures

Step 3: Smaller Steps — Don't Overreach

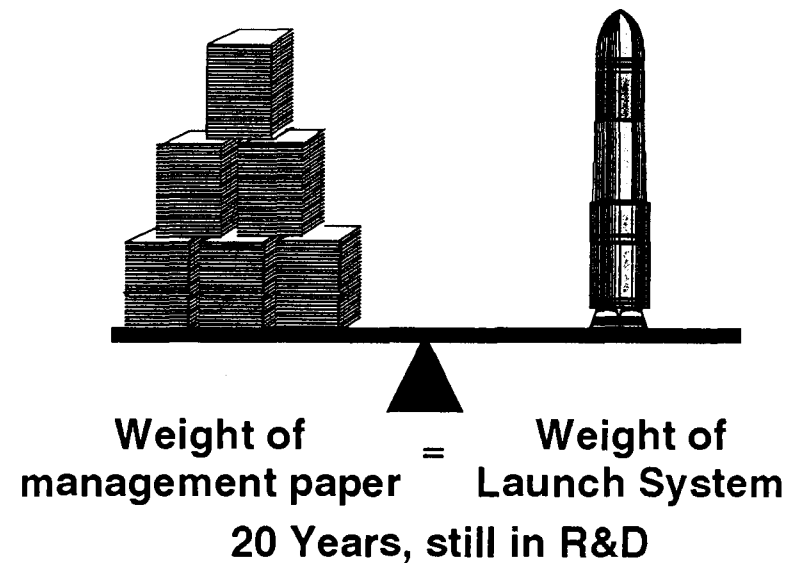
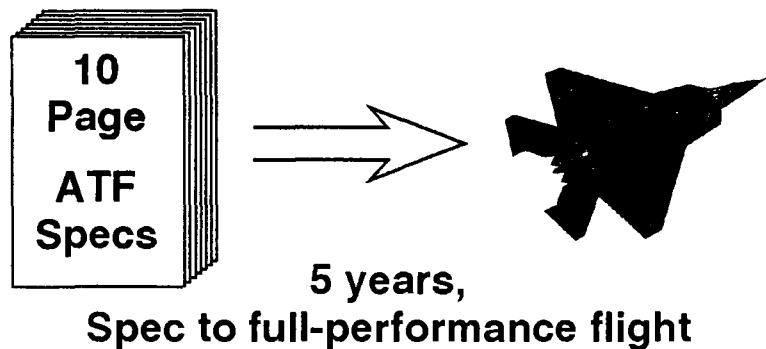


- The B-2 is not a success because of high cost — technological overreach
- Program-internal funding of schedule slips and cost overruns solves the overreach problem

Step 4

Simple Objectives

- Specify product, not process
- Executive Order: Page limit on all development contracts
: Cost all data (must declare cost/price of each data item)



Step 5

Parallel, Competitive Development For Relatively High Risk Areas

“Engine Wars” Saved \$1 B

Step 6

Replace Oversight with Participation

- Minimize decision “aging” processes
- Direct reporting through short administrative lines
- Ban “Avalanching” of paper requirements

Defense Enterprise Program

- Designated by Service Secretary
- Establishes direct reporting to Program Executive Officer
- “... Shall not be subject to any other regulation, policy, administrative rule or guideline... other than the FAR and DoD supplement to the FAR”
- Congress insisted because Executive Branch resisted

US Code 10

National Space Enterprise Program

- Can be Executive Order
- Direct reporting
- Federal Space Director designates 10% of all programs; 50% of “new starts”
- ONLY the FAR and Public Law shall apply
- Will attract creative, hard-charging personnel
- Congressional support will help - but is not critical

Executive Order

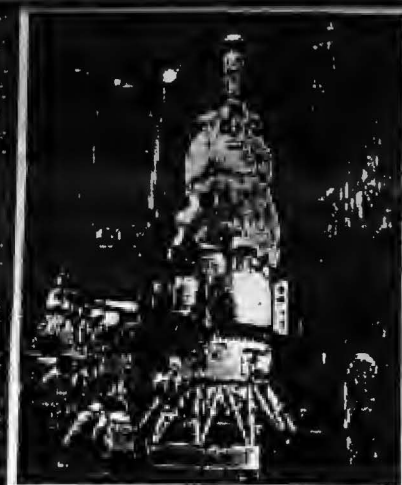
Step 7

Focus on results - not process

Executive Order

- **Data Items must be individually priced**
- **Individual Data Items must be justified “in,” not “out”**
- **Implementing regulations are prohibited from “avalanching” the specifications of Public Law**

UNCLASSIFIED



Step 8

Maximize the probability of success

Not

Minimize the probability of failure

UNCLASSIFIED

Discussion Issues

- “Delta Program Process won't work on large programs”
 - Worked on Apollo ('61-'72)
 - Worked on ATF ('86-'91)
- “Internal funding of solutions to problems/slips will degrade performance”
 - Perhaps - but a product will almost always materialize when promised
 - Better than current process (e.g., Space Station)
 - Economic and political realities in the '90's are respected
- “Executive Order capping ‘Government costs’ will cause enormous problems”
 - Start with a freeze and honest accounting
 - Lower the permitted ceiling annually, down to levels of the most successful programs (~5% of program budget)
 - Actual head count will be justified in view of national economic outlook
- “Executive Order limit on contract length conflicts with FAR”
 - ATF was legal
 - Restricted to development programs
- How to ban “avalanche” directives?
 - Directives shall not expand their application to lesser programs
 - Directives shall not further restrict administrative tolerances established by Public Law
- “Enterprise requires change in Public Law”
 - Executive Order can and should waive all but statutory requirements
 - Only Federal Acquisition Regulations need be retained

Discussion Issues

- “Delta Program Process won't work on large programs”
 - Worked on Apollo ('61-'72)



- Worked on ATF ('86-'91)



Discussion Issues

- **“Internal funding of solutions to problems/slips will degrade performance”**
 - **Perhaps - but a product will almost always materialize when promised**
 - **Better than current process (e.g., Space Station)**
 - **Economic and political realities in the '90s are respected**

Discussion Issues

- **“Executive Order capping ‘Government costs’ will cause enormous problems”**
 - **Start with a freeze and honest accounting**
 - **Lower the permitted ceiling annually, down to levels of the most successful programs (~5% of program budget)**
 - **Actual head count will be justified in view of national economic outlook**

Discussion Issues

- **“Executive Order limit on contract length conflicts with FAR”**
 - **ATF was “legal as church on Sunday”**
 - **Applied only to development programs**



Discussion Issues

Not to be taken
from this library

- How to ban "avalanche" directives
 - Directives shall not expand their application to lesser programs
 - Directives shall not further restrict administrative tolerances established by Public Law

