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National Aeronautics and Space Administration



Headquarters

Washington, DC 20546-0001

May 11, 2018

Office of Communications

FOIA: 18-HQ-F-00464

Thank you for your Freedom of Information Act (FOIA) request dated March 16, 2018, and received on March 19, 2018, at the NASA Headquarters FOIA Office. Your request was assigned FOIA Case Number 18-HQ-F-00464 and was for:

I request a copy of the 10 (ten) most recent annual reports of the “advocate for competition” for NASA.

Those reports are described here:

https://www.acquisition.gov/far/html/Subpart%206_5.html

and are required under 41 U.S.C. 1705 and 48 CFR 6.502(b)(2).

The NASA Headquarters program office(s) conducted a search for Agency records, using the above criteria. We have received copies of 10 completed reports consisting of 248 pages that are responsive to your request. The responsive documents are being released to you as granted in full. We are providing you with the above reports for the years of 2006 – 2016, we are unable to produce the 2017 report. The NASA 2017 Annual Report for the Advocate for Competition, is currently in the process of being drafted by the program office. You may submit a new FOIA request for the 2017 report, we anticipate it's completion within the next 6 months.

Fees for processing this request are less than \$50.00 and are not being charged in accordance with 14 CFR §1206.503(c). If you have further questions, please feel free to contact me at hq-foia@nasa.gov or (202) 358-2462, or to discuss any aspect of your request you may contact NASA's Chief FOIA Public Liaison, Ms. Nikki Gramian at (202) 358-0625.

Sincerely,

A handwritten signature in cursive script, appearing to read "Josephine Sibley".

Josephine Sibley
Headquarters
FOIA Public Liaison Officer

NASA Competition Advocate Report



STS-72 Landing

Fiscal Year 2006

**NASA Competition Advocate Report
Fiscal Year 2006**

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Executive Summary

The Office of Federal Procurement Policy (OFPP) Act (41 U.S.C. 418) requires executive agency competition advocates to transmit an annual competition report to their respective senior procurement executives. The Competition Advocate for the National Aeronautics and Space Administration (NASA) for FY 2006 was Ms. Sheryl Goddard, Director, Program Operations Division, within the Office of Procurement. This report summarizes the Agency's competition performance during FY 2006.

In FY 2006, NASA awarded 78% of its procurement actions competitively, a slight decrease from the FY 2005 rate of 79.3%. This still compares favorably with the FY 2003 rate of 82.2% which represents the highest percentage ever achieved by the Agency. NASA's FY 2006 competitive obligations were 60% of available dollars, an increase from the FY 2005 rate of 56.1%. The dollar obligation percentages remain significantly below the highest percentage ever achieved by the agency which was 81.1% in FY 1993. The Space Shuttle and Space Station efforts have been a long-term barrier to competition, but these contracts are now ending and several new competitive awards have been made in support of the Vision for Space Exploration (VSE) by the Exploration Systems Mission Directorate. It is expected that NASA's competition percentage will continue to improve with the ramp up of the VSE efforts.

NASA encourages meeting its requirements through the acquisition of commercial items whenever possible. In FY 2005, commercial item awards above the micro-purchase threshold were counted towards NASA's commercial contract awards which appears to have contributed to the percentage increase from 58% in FY 2003 and 61% in FY 2004. However, in FY 2005, NASA implemented the Federal Procurement Data System-Next Generation (FPDS-NG) which severely impacted the integrity of the commercial data in the system. FPDS-NG indicates NASA's commercial awards dropped from 61% in FY 2004 to 20% in FY 2005. For FY 2006, commercial awards increased slightly to 22% which indicates that FPDS-NG data reliability is still an issue.

Part 1 – Introduction

The NASA Federal Acquisition Regulation supplement identifies those designated to serve as the agency competition advocate. The competition advocate program stresses training, procurement planning, acquisition forecasting, outreach efforts, and documentation of justifications for other than full and open competition. Those serving in these senior positions have direct influence over all center functions and activities that affect competition in contracting. NASA's competition advocate is also responsible for promoting the acquisition of commercial items. This report describes NASA's progress in competition and in acquiring commercial items to meet the needs of the agency.

Benefits of Competition

Among the benefits of competition are:

- Potential cost savings;
- Improved contractor performance; and
- A sense of “fair play” when merit, rather than favoritism, is the basis for award.¹

Related to competition is the degree of concentration of the industrial base.² An agency's ability to obtain competition can be very limited when there are only a few suppliers. Also, when agencies repeatedly buy from the same supplier, there may be no opportunity for other suppliers to enter the market.

Benefits of Acquiring Commercial Items

Acquiring commercial items—

- Is easier than acquiring non-commercial items;
- Eliminates the need for research and development;
- Reduces acquisition lead-time;
- Reduces the use of detailed design specifications and extensive product testing.³

The acquisition of commercial items also enhances the Government's base of suppliers by—

- Encouraging Government contractors to develop dual-use products, i.e., for use in both Government and commercial applications; and
- Encouraging commercially oriented firms to do business with the Government.⁴

Several areas in which NASA has successfully increased its commercial procurement activities during FY 2006 include:

- *NASA Launch Services Program (KSC)*
- *Liquid Nitrogen Basic Ordering Agreement (KSC)*
- *SEWP IV Delivery Orders (GSFC)*

¹ Senate Report No. 98-50, accompanying S. 338, the Competition in Contracting Act of 1984, p. 3.

² *Ibid.*, p. 16.

³ Senate Reports No. 103-258, p. 5, and 103-259, pp. 5 to 6, accompanying S. 1587, the Federal Acquisition Streamlining Act

⁴ Senate Report No. 103-259, p. 7

Part 2 – FY 2006 Competition Statistics

Overview

In FY 2006, NASA awarded 78% of its procurement actions competitively, a decrease from the FY 2005 rate of 79.3%. This compares favorably with the FY 2003 rate of 82.2 % which represents the highest percentage ever achieved by the Agency. NASA's FY 2006 competitive obligations were 60% of available dollars, an increase from the FY 2005 rate of 56.1%. The dollar obligation percentages remain significantly below the highest percentage achieved by the agency which was 81.1% in FY 1993. Figure 1 shows the historical trend.

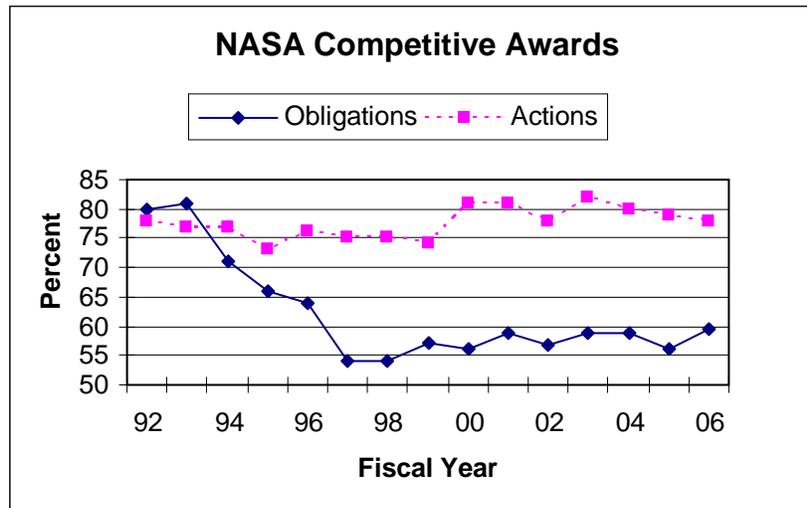


Figure 1

Individual Center Contributions

In accordance with NPR 5101.33A, Installations that met or exceeded both of the following thresholds were exempt from the requirement to submit an annual competition report (but not from the requirement to report on commercial item acquisitions):

- 70% of dollars competitively obligated and
- 80% of actions awarded competitively.

The number of centers eligible for the exemption continues to increase. In FY 2004, two centers met the thresholds and in FY 2005, this number increased to four. The following five Centers exceeded both thresholds in FY 2006:

- Ames Research Center (ARC)
- Headquarters (HQ)
- Glenn Research Center (GRC)
- Stennis Space Center (SSC)
- The NASA Shared Services Center (NSSC)

The following Centers increased their percentage of dollars obligated competitively from FY 2005:

- Glenn Research Center (GRC)
- Langley Research Center (LaRC)
- Headquarters (HQ)
- Stennis Space Center (SSC)
- Johnson Space Center (JSC)
- Kennedy Space Center (KSC)

This is an increase from FY 2005 when only four centers increased their percentage of dollars obligated.

In addition, the following Centers increased their percentage of actions awarded competitively when compared to FY 2005:

- Ames Research Center (ARC)
- Headquarters (HQ)
- Glenn Research Center (GRC)
- Langley Research Center (LaRC)
- Johnson Space Center (JSC)

This, too, represents an increase from FY 2005 when only three centers increased their percentages of actions awarded competitively.

Dollars Available for Competition

The NASA-wide statistic for competitive dollar obligations is influenced greatly by JSC, MSFC, GSFC, and KSC as depicted in Figure 2. With GSFC and KSC respectively obligating 91.0% and 96.1% of their dollars through competitive awards, increases to the NASA-wide statistic for competitive dollar obligations will depend primarily on competition improvements at JSC and MSFC who obligated 36.4% and 40.5%, respectively, during FY 2006. Figure 3 shows recent trends at these major Centers.

Both GSFC and KSC have competitively obligated over 80% of their dollars for the past 12 fiscal years, eight of which are depicted in Figure 3. During the same period, MSFC's competitive percentage had improved to 54.7% in FY 2005, the highest percentage achieved. MSFC's percentage dropped to its lowest point of 40.5% in FY 2006. JSC's competitive percentage dipped in FY 2005 to 20.5%, but has risen to 36.4% in FY 2006.

**FY 2006
NASA Dollar Obligations
Available for Competition**

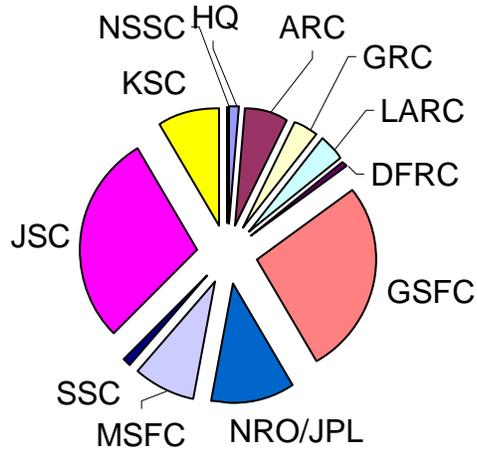


Figure 2

Competitive Awards, FY 1999 to 2006

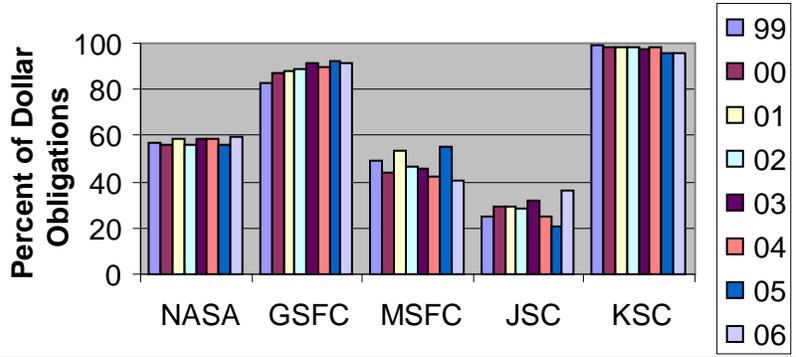


Figure 3

Part 3 – Review of FY 2006 Competitive Activities

HQ Approval of Justifications for Other than Full and Open Competition (JOFOC)

Goddard

- ❖ April 2006 – Award of the implementation phase of the Solar Imaging Suite (SIS) instruments for the Geostationary Operational Environmental Satellites (GOES) to Lockheed Martin Advanced Technology Center (LMATC). Justification: Only One Responsible Source. Estimated value: \$200M
- ❖ August 2006 – Award of a contract to the Association of Universities for Research in Astronomy (AURA) for science systems engineering, science ground system development, science operations, science research, servicing mission support, and outreach support for the Hubble Space Telescope. Justification: Only One Responsible Source. Estimated value: \$329M
- ❖ October 2006 – Award of the implementation phase of the Solar Ultraviolet Imager (SUVI) instruments for the GOES to LMATC. Justification: Only One Responsible Source. Estimated value: \$170M

Marshall

- ❖ January 2006 – Award of the Crew Launch Vehicle (CLV) first stage to Alliant Tech Systems (ATK) Thiokol Propulsion. Justification: Only One Responsible Source. Estimated value: \$665M
- ❖ February 2006 – Award to Johns Hopkins University Applied Physics Laboratory for support of the NASA Vision for Space Exploration and Robotic Lunar Exploration Program. Justification: Unusual/Compelling Urgency. Estimated value: \$480M
- ❖ May 2006 – Award to Pratt and Whitney Rocketdyne, Inc. for the design, development, test and evaluation of the engine system for the Constellation program CLV and Cargo Launch Vehicle. Justification: Only One Responsible Source. Estimated value: \$1B
- ❖ July 2006 – Amendment 1 to the JOFOC for the CLV first stage due to a change in requirement from a four-segment configuration to a five-segment. Justification: Only One Responsible Source. Estimated value: \$1.614M

Stennis

- ❖ February 2006 – Extension of the contract with Mississippi Space Services for facility operation services on the Stennis Space Center. Justification: Unusual/Compelling Urgency. Estimated value: \$62M

- ❖ August 2006 – Award of a contract for hardware assurance testing services to P&W Rocketdyne, Inc. Justification: Only One Responsible Source. Estimated value: \$160M

Johnson

- ❖ August 2006 – Award to United Space Alliance for Space Shuttle and International Space Station support. Justification: Only One Responsible Source. Estimated value: \$200M

This is a significant increase in the number of JOFOCs compared to previous years. In FY 2005 NASA HQ approved two, in FY 2004 five were approved and in FY 2003 NASA HQ approved six.

Efforts made by Centers in FY 2006 to increase competition and achieve full and open competition

Centers promote competition by identifying and posting acquisition forecasts, conducting market research, hosting industry days, scrutinizing sole-source justifications, etc. Some specific activities conducted in FY 2006 include:

- The Dryden Acquisition Management Office has weekly Buyers Meetings where concepts and policies regarding competition and benefits of obtaining commercial items are discussed along with other acquisition policies and office procedures.
- LaRC conducts outreach to promote competition. For example, the LaRC's Small Business Specialist made a presentation to Congressman Alan Mollohan and briefed at the NASA/JPL High Tech Small Business Conference. An Aeronautics Small Business Forum is held annually.
- The MSFC Small Business Specialist (SBS) provided industry counseling to approximately 357 businesses by appointment, 92 by walk-ins, and 1700 by telephone during FY 2006. The SBS also worked closely with large and small businesses in the identification of partnering opportunities for upcoming MSFC competitions. These efforts should ultimately enhance small business' competitiveness in the government marketplace.
- The MSFC Industry Assistance Office represented NASA/MSFC at several government sponsored trade shows, seminars, etc., during FY2006. At these events, industry counseling was provided to numerous small businesses interested in procurement opportunities at NASA/MSFC. Guidance on how to more effectively market their products/services to the federal government was provided to attendees.
- To strengthen MSFC's subcontracting programs; the MSFC SB staff initiated site visits to major prime contractors to assess their subcontracting programs, offer assistance in building their programs, and generally advocate socioeconomic interest.
- In FY 2006, the Marshall Prime Contractor Supplier Council (MPCSC) presented a training workshop entitled, "Marketing to the Primes" in Atlanta, GA; Vance, AL; Pensacola, FL; and Tucson, AZ.
- GSFC held a Small Business Forum to present information about the Technology Transfer Office Program and the Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) Programs. Contractors were encouraged to bring copies of their company's capability statements to hand out to managers.

- In support of the NASA Launch Services Program, KSC has awarded several contracts for commercial launch services. The solicitation remains open and contains a unique on-ramp provision which allows new providers to submit proposals on a semi-annual basis. This process creates opportunities for award of additional large dollar value commercial item contracts.

Barriers to Competition

Affecting MSFC's competition statistics are several on-going large contracts associated with the Space Shuttle. These non-competitive contracts account for 51.1% of MSFC's FY 2006 dollar obligations available for competition.

Similar to MSFC, contracts affecting JSC's competition statistics are those associated with the Space Shuttle and the International Space Station (ISS). For example, Boeing has the responsibility to deliver an integrated and certified United States segment and a certified ISS system which necessitates that much of the change work be accomplished through the ISS contract with Boeing. This is further complicated by the return to flight (RTF) delays, which also caused delays in completion of ISS assembly. Because of the Shuttle retirement in 2010, completion of ISS assembly by 2010 is critical to the agency. This work must be done by Boeing and the other current ISS contractors in most instances.

Of the total available for competition at MSFC and JSC, 58.7% and 63.6% was not competed at these centers respectively.

An additional barrier to competition noted by the Centers in their annual competition advocate reports was the unique/specialized requirements for RTF activities. These resulted in an increase of non-competitive actions at a number of Centers and the extension of some contracts beyond the 5-year period of performance (e.g. the Safety and Mission Assurance (S&MA) services contract at JSC).

Center suggestions for new Agency initiatives or future actions to increase competition

- Increase the awareness of the number of Government-Wide Acquisition Contracts (GWACs) which exist and the benefits of these vehicles to the user community, especially those who procure items via credit cards.

Part 4 – Acquisition of Commercial Items

A major reason for limited awards of commercial items is the necessity for the application of stringent safety of flight requirements in many of the products and services NASA procures. Because there are certain advantages in procuring items commercially, the Agency shall continue to award contracts for commercial items whenever possible by encouraging our customers and contractors to acquire goods and services with preference to commercial item acquisitions, conducting outreach conferences, posting sources sought announcements, conducting market research, and maximizing the use of General Services Administration (GSA) schedules.

In the past, NASA only included commercial item contracts above the \$100,000 Simplified Acquisition Threshold (SAT) in reporting dollars awarded for acquisition of commercial items. Beginning in FY 2002, commercial item awards above the SAT acquired by purchase orders/delivery orders (e.g., FSS awards or other multiple award schedule contracts) were counted in addition to NASA's commercial item contract awards to properly recognize these transactions. In FY 2004, commercial item awards above the micro-purchase threshold were counted towards NASA's commercial contract awards. However, in FY 2006, NASA implemented FPDS-NG which continues to severely impact the integrity of the commercial data in the system and our historical trends. FPDS-NG indicates NASA's commercial awards dropped from 61% in FY 2004 to 20% in FY 2005 and 22% for FY 2006. Rerunning FY 2004 commercial data using parameters now available in FPDS-NG revealed that for FY 2003 and FY 2004 commercial contract awards would have dropped from at least 58% to 38% in FY 2003, from 61% to 31% in FY 2004, possibly more.

Our analysis revealed two areas which have impacted NASA's reporting of commercial items. FPDS-NG contains a non-mandatory data field to indicate an action is a commercial purchase. Queries into NASA's data indicate this configuration causes significant errors. Additionally, FPDS-NG does not capture commercial delivery orders under GSA as new commercial awards. As discussed above, NASA has included commercial delivery orders as new awards since FY 2002. NASA is participating on the government-wide FPDS-NG team to continue to improve the integrity of data in the system. Several changes are under consideration for implementation, but the final decision authority for changes to the reporting system lies with OFPP and GSA.

Efforts made in FY 2006 to increase the acquisition of commercial items

All the centers noted their efforts to expand outreach efforts that include technology expositions, seminars, and joint counseling sessions which assist them in recognizing potential contract vehicles for acquiring commercial items and in providing an additional method of market research. Some of the specific activities conducted in FY 2006 include:

- DFRC participates in various Vendors' Days for local businesses and individuals on the procurement process, business opportunities, and emphasis on procuring commercial items. Procurement-related information is provided at all events, including such items as the SBA's Procurement Marketing and Access Network (PRONet), Dryden and NASA Acquisition Forecast Plan, and agency pamphlets such as "Doing Business With NASA," "Spinoffs," "NASA Tech Briefs," "Guidance for Preparation and Submission of Unsolicited Proposals," "Guidance to Participation Small Business Innovation Research,

Small Business Technology Transfer,” “List of 8(a), SDB, and Women-Owned Contractors,” “NASA Procurement: Electronic Commerce on the World Wide Web,” “NAIS E-Mail Notification Service,” “NASA’s Financial and Contractual Status (FACS) System,” and “NASA’s Office of Small and Disadvantaged Business Utilization (OSDBU).

- LaRC continued to educate customers on the importance of market research and the use of commercial items by publishing articles on the @LaRC website and created the “LaRC Procurement Outreach” web page, which provides guidance and samples.
- The NSSC developed and maintains a master vendor listing to further promote commercial items. This listing is available to the NSSC Community to use as a tool to expedite requirements to the commercial marketplace.
- GSFC held two Technology Expos. 62 companies participated and provided information on their commercially available products to over 700 attendees.
- KSC’s Launch Services Program is actively studying the commercial launch services marketplace to identify new potential suppliers.

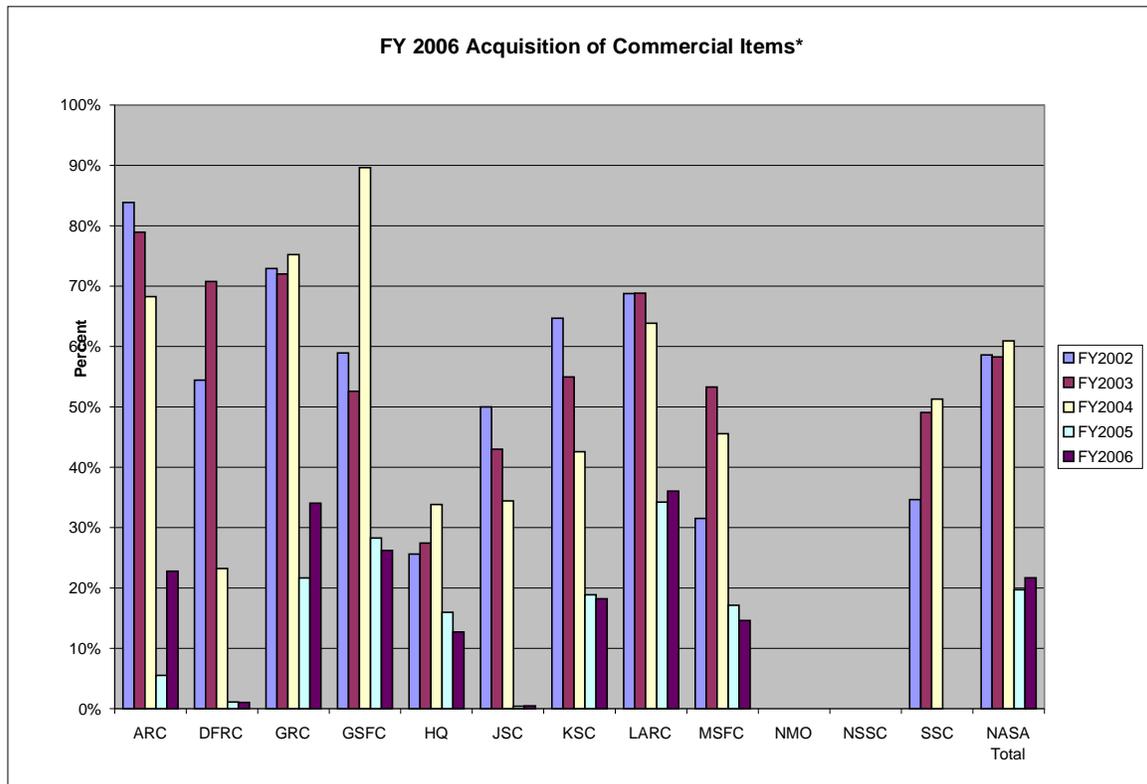


Figure 4

*Excludes SBIR/STTR’s, R&D, construction, grants, agreements, intragovernmentals

Barriers to Commercial Item Acquisition

- Earmarks-Congress appropriates funds mandating particular projects. This removes the requirement from commercial item procedures. (SSC)
- Commercial item contracts require the use of firm-fixed pricing (or fixed-price with Economic Price Adjustment) and budgeting uncertainties render the use of fixed-price arrangements for large support service contracts impractical. (SSC)
- Currently, the Federal Acquisition Regulation (FAR) excludes from the definition of “commercial item” those services that the general public buys on a per hour basis without an established catalog or market price. However, FAR Case 2003-027, once implemented, will revise the definition to remove that exclusion and authorize the use of T&M contracts for the procurement of such commercial services. This will eliminate a major impediment to commercial item acquisition. (GRC and LaRC)
- Centers noted that they have a significant volume of research/studies with universities that do not lend themselves to commercial item acquisitions, items that require a high degree of specialization (very specialized studies, analyses, or other activities), and SBIR contracts that provide a specific avenue for small business to achieve accomplishments in the areas of research and development but do not fit the definition of commercial items which states that these items must be “sold in substantial quantities, on a competitive basis, to multiple State and local governments”.(JSC and KSC)
- FAR Part 32 limits commercial advance payments made before any performance of work to 15 percent of the contract price. Some commercial industry standards require 50 percent deposits upon order placement, e.g., model making services. (LaRC)

Center Suggestions for Initiatives to Increase Commercial Items

- Contract specialists are encouraged to use the commercial test program outlined in FAR Subpart 13.5 that permits the use of simplified procedures to acquire certain commercial items in amounts greater than the simplified acquisition threshold but not exceeding \$5 million. (KSC)
- The Launch Services Program is actively studying the commercial launch services marketplace to identify new potential suppliers. (KSC)
- Expand Commercial Item definition to allow the commercial procurement of services based on hourly rates without an established catalog or market price if standard industry practices. (LaRC)
- Request that the Defense Contract Management Office (or other appropriate organization) negotiate standard terms and conditions with those large aerospace or information technology companies that sell commercial items, but reject current government commercial item terms and conditions. (LaRC)

Part 5 – Other Actions Taken and Initiatives in FY 2006 to Improve Competition and the Acquisition of Commercial Items

--Noteworthy actions taken by Centers to challenge requirements not stated in terms of functions to be performed, performance required or essential physical characteristics:

- All specifications and statements of work relative to specific procurement actions are reviewed to assure that they are not overly restrictive or vague; that to the maximum extent possible, no more than minimum needs are specified.

--Center suggestions to ensure requirements are stated in terms of functions to be performed, performance required or physical characteristics

- The need for structuring statements of work as performance based is discussed and emphasized in Procurement Strategy Meetings.
- Procurement personnel work with the technical customers to assist with developing requirements documentation.

--Other ways in which the Agency has emphasized the acquisition of commercial items and competition in areas such as training and research

- Each Center provides internal training related to commercial items, competition and internal procedures related to customer support while still meeting the requirements of the FAR.
- At MSFC, competition enhancement is included as a part of position descriptions and performance plans for those personnel involved in the concurrence or approval of noncompetitive procurements or procurements that limit effective competition to ensure that proper/continued emphasis is given to implementation of the provisions of Competition in Contracting Act.
- At KSC, Senior Contracting Officers (CO) are assigned as mentors for lower grades and new hires. Some of the areas emphasized are market research, consolidated contracting initiatives, the importance of acquiring items utilizing full and open competition, and commercial acquisition methods.

--Other Noteworthy Activities Conducted by the Centers under FAR 6.502

- At MSFC maximum exposure is given to new programs. For example, an Industry Day was held for the Ares program which allowed vendors to receive advance information on the program.
- KSC hosts the annual Business Exposition trade show (EXPO), sponsored by the NASA/Kennedy Space Center Small Business Council, 45th Space Wing, and Canaveral Port Authority and features over 175 businesses and government exhibits. The EXPO

provides a forum for businesses to display their products and services and discuss needs and solutions with KSC technical and contracting personnel. Attendance of procurement and technical personnel is encouraged by KSC management.

- Joint counseling sessions are conducted at least weekly with companies seeking to do business with KSC. The goal of joint counseling is to provide private industry the maximum opportunity to do business with KSC.

--Personal and organizational accountability for competition – may include use of recognition and awards

- A number of centers recognize actions that encourage competition, along with other actions and initiatives that improve the quality of our services and products through their award nominations of contracting personnel.

Appendix -- 41 U.S.C. 418

TITLE 41 - PUBLIC CONTRACTS CHAPTER 7 - OFFICE OF FEDERAL PROCUREMENT POLICY

Sec. 418. Advocates for competition

(a) Establishment, designation, etc., in executive agency

(1) There is established in each executive agency an advocate for competition.

(2) The head of each executive agency shall -

(A) designate for the executive agency and for each procuring activity of the executive agency one officer or employee serving in a position authorized for such executive agency on July 18, 1984 (other than the senior procurement executive designated pursuant to section 414(3) of this title) to serve as the advocate for competition;

(B) not assign such officers or employees any duties or responsibilities that are inconsistent with the duties and responsibilities of the advocates for competition; and

(C) provide such officers or employees with such staff or assistance as may be necessary to carry out the duties and responsibilities of the advocate for competition, such as persons who are specialists in engineering, technical operations, contract administration, financial management, supply management, and utilization of small and disadvantaged business concerns.

(b) Duties and functions

The advocate for competition of an executive agency shall -

(1) be responsible for challenging barriers to and promoting full and open competition in the procurement of property and services by the executive agency;

(2) review the procurement activities of the executive agency;

(3) identify and report to the senior procurement executive of the executive agency designated pursuant to section 414(3) of this title -

(A) opportunities and actions taken to achieve full and open competition in the procurement activities of the executive agency; and

(B) any condition or action which has the effect of unnecessarily restricting competition in the procurement actions of the executive agency; and (FOOTNOTE 1)

(4) prepare and transmit to such senior procurement executive an annual report describing -

(A) such advocate's activities under this section;

(B) new initiatives required to increase competition; and

(C) barriers to full and open competition that remain;

(5) recommend to the senior procurement executive of the executive agency goals and the plans for increasing competition on a fiscal year basis;

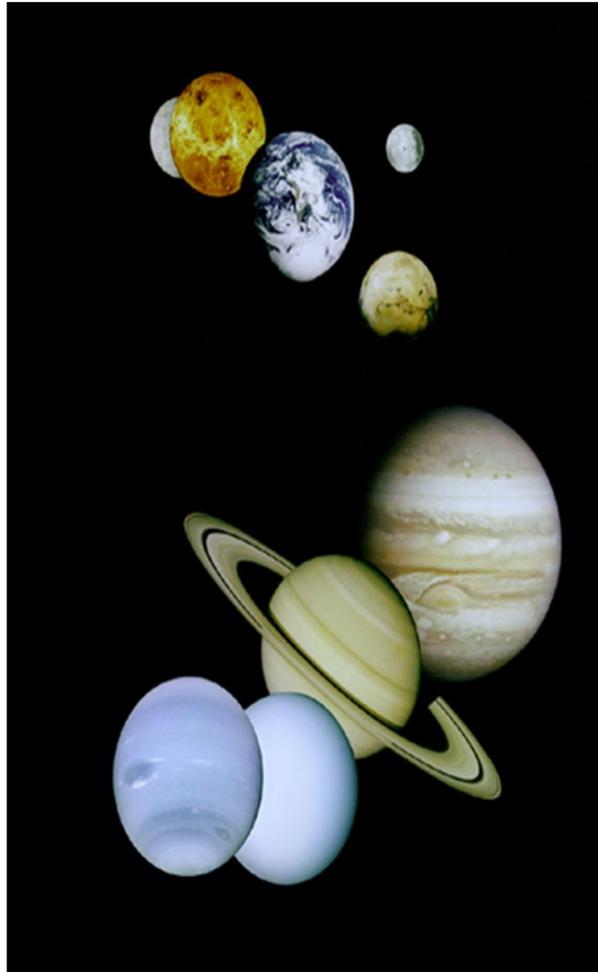
(6) recommend to the senior procurement executive of the executive agency a system of personal and organizational accountability for competition, which may include the use of recognition and awards to motivate program managers, contracting officers, and others in authority to promote competition in procurement programs; and

(7) describe other ways in which the executive agency has emphasized competition in programs for procurement training and research.

(c) Responsibilities

The advocate for competition for each procuring activity shall be responsible for promoting full and open competition, promoting the acquisition of commercial items, and challenging barriers to such acquisition, including such barriers as unnecessarily restrictive statements of need, unnecessarily detailed specifications, and unnecessarily burdensome contract clauses.

NASA Competition Advocate Report



Solar System Montage

Fiscal Year 2007

**NASA Competition Advocate Report
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The Office of Federal Procurement Policy (OFPP) Act (41 U.S.C. 418) requires executive agency competition advocates to transmit an annual competition report to their respective senior procurement executives. The Competition Advocate for the National Aeronautics and Space Administration (NASA) for FY 2007 was Ms. Sheryl Goddard, Director, Program Operations Division, within the Office of Procurement. This report summarizes the Agency's competition performance during FY 2007.

In FY 2007, NASA awarded 71% of its procurement actions competitively. This represents a decrease from the FY 2006 rate of 78%. NASA's FY 2007 competitive obligations were 49.2% of available dollars, a decrease from the FY 2006 percentage of 59.5%. The dollar obligation percentages remain significantly below the highest percentage ever achieved by the agency which was 81.1% in FY 1993. The Space Shuttle and Space Station efforts have been a long-term barrier to competition, but these contracts are now ending and several large competitive awards have been made in support of the U.S. Space Exploration Policy to include the Crew Exploration Vehicle, Ares 1 Instrument Unit Avionics DDT&E and Production, and the Ares 1 Upper Stage Production. The Orion Project Integration Contract, the Constellation Space Suits System, Program Support and Technical Support Contracts are areas in which NASA is actively engaged in competitive acquisitions. These efforts represent the first wave in a newly competitive environment at NASA and it is expected that the competition percentage will continue to improve with the ramp up of the U.S. Space Exploration Policy efforts.

NASA encourages the fulfillment of mission requirements through the acquisition of commercial items whenever possible. NASA's percentage for commercial awards was 22% in FY 2006, and only 20% in FYs 2005 and 2007. Commercial item awards above the micro-purchase threshold were being counted towards NASA's commercial contract awards which appears to have contributed to higher percentages for NASA in FY 2003 and FY 2004 (58 and 61% respectively). NASA implemented the Federal Procurement Data System-Next Generation (FPDS-NG) in FY 2005 and believes that the dramatic drop in this percentage is due to the construct of the data field capturing whether a particular acquisition is commercial in nature. The Commercial Item field is a "check box" that records non-commercial if left blank. There is no error message alerting data entry personnel that the field has not been completed and it is believed that this box was inadvertently left blank on numerous procurements following FPDS-NG deployment across the Agency. The next FPDS-NG version release (slated for mid-2008) changes this field and other current check box fields to drop down fields requiring a selection. This should reverse the trend of lower percentages in commercial item acquisitions.

Part 1 – Introduction

The NASA Federal Acquisition Regulation Supplement (NFS) identifies those designated to serve as the agency competition advocate. The competition advocate program stresses training, procurement planning, acquisition forecasting, outreach efforts, and documentation of justifications for other than full and open competition. Those serving in these senior positions have direct influence over all center functions and activities that affect competition in contracting. NASA's competition advocate is also responsible for promoting the acquisition of commercial items. This report describes NASA's progress in competition and in acquiring commercial items to meet the needs of the agency.

Benefits of Competition

Among the benefits of competition are:

- Potential cost savings;
- Improved contractor performance; and
- A sense of “fair play” when merit, rather than favoritism, is the basis for award.¹

Related to competition is the degree of concentration of the industrial base.² An agency's ability to obtain competition can be very limited when there are only a few suppliers. Also, when agencies repeatedly buy from the same supplier, there may be no opportunity for other suppliers to enter the market. Under the guidance of its new Assistant Administrator for Procurement, a renewed emphasis on maximizing competition across the Agency has been mandated. The focus areas include:

- Early market research and continual communication with industry to identify the best solution, garner industry commitment, and achieve lower costs
- The utilization of performance as factor in determining whether to exercise options; re-compete when performance is not satisfactory
- Plan re-competes; shorter term contracts; component breakouts; ensuring that we appropriately consider data rights

Benefits of Acquiring Commercial Items

Acquiring commercial items—

- Is easier than acquiring non-commercial items;
- Eliminates the need for research and development;
- Reduces acquisition lead-time;
- Reduces the use of detailed design specifications and extensive product testing.³

The acquisition of commercial items also enhances the Government's base of suppliers by—

- Encouraging Government contractors to develop dual-use products, i.e., for use in both Government and commercial applications; and
- Encouraging commercially oriented firms to do business with the Government.⁴

¹ Senate Report No. 98-50, accompanying S. 338, the Competition in Contracting Act of 1984, p. 3.

² Ibid., p. 16.

³ Senate Reports No. 103-258, p. 5, and 103-259, pp. 5 to 6, accompanying S. 1587, the Federal Acquisition Streamlining Act

⁴ Senate Report No. 103-259, p. 7

Part 2 – FY 2007 Competition Statistics

Overview

In FY 2006, NASA awarded 78% of its procurement actions competitively. For FY 2007 this percentage decreased to 71%. NASA's FY 2007 competitive obligations were 49.2% of available dollars, a decrease from the FY 2006 rate of 59.5%. This also represents NASA's lowest percentage in recent years, but this is due to the on-going sole source contracts for the Space Shuttle and the Space Station programs. Figure 1 shows the historical data points.

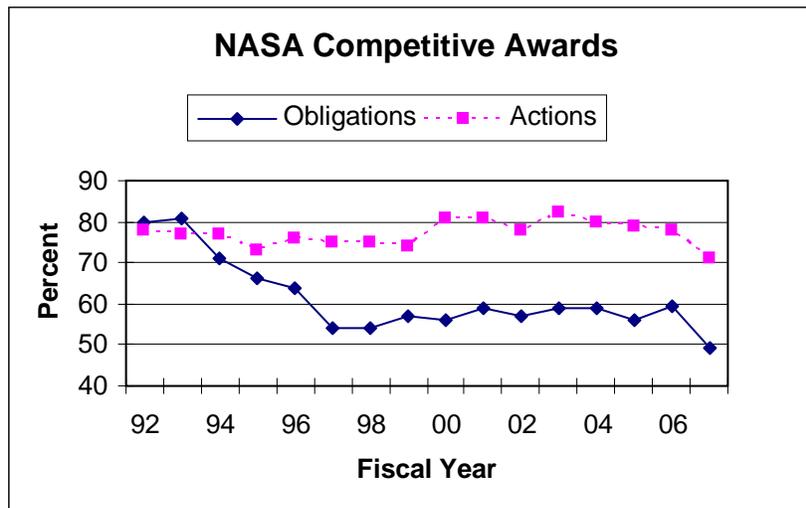


Figure 1

Individual Center Contributions

In accordance with NPR 5101.33A, Installations that met or exceeded both of the following thresholds were exempt from the requirement to submit an annual competition report (but not from the requirement to report on commercial item acquisitions):

- 70% of dollars competitively obligated and
- 80% of actions awarded competitively.

The number of centers eligible for the exemption continues to increase. Two, four and five Centers met the criteria in FYs 2004, 2005 and 2006 respectively. The following six Centers exceeded both thresholds in FY 2007:

- Langley Research Center (LaRC)
- Headquarters (HQ)
- Glenn Research Center (GRC)

- Stennis Space Center (SSC)
- The NASA Shared Services Center (NSSC)
- Kennedy Research Center (KSC)

The following Centers increased their percentage of dollars obligated competitively from FY 2006:

- Glenn Research Center (GRC)
- Langley Research Center (LaRC)
- Stennis Space Center (SSC)
- The NASA Shared Services Center (NSSC)
- Kennedy Space Center (KSC)

In addition, the following Centers increased their percentage of actions awarded competitively when compared to FY 2006:

- Kennedy Space Center (KSC)
- The NASA Shared Services Center (NSSC)
- Glenn Research Center (GRC)
- Langley Research Center (LaRC)

Dollars Available for Competition

As in previous years, the NASA-wide statistic for competitive dollar obligations is influenced greatly by JSC, MSFC, GSFC, and KSC as depicted in Figure 2. GSFC has experienced incremental drops in their obligation percentage from 92% in FY 2005 and 91% in FY 2006 to 88.9% in FY 2007. KSC's obligation rate has increased during this same timeframe from 95.9% in 2005 to 96.3% in FY 2007. The recent trends depicted in Figure 3 show that JSC and MSFC experienced percentages well below those at GSFC and KSC. Competition improvements at these Centers will positively impact the Agency-wide statistic for obligations. Several of the major competitive efforts under U.S. Space Exploration Policy are managed by these Centers so improvement is expected in the current fiscal year.

The NASA Management Office (NMO) manages the contract for NASA's Federally Funded Research and Development Center with the Jet Propulsion Laboratory. The majority of NMO funds are obligated on this sole source award.

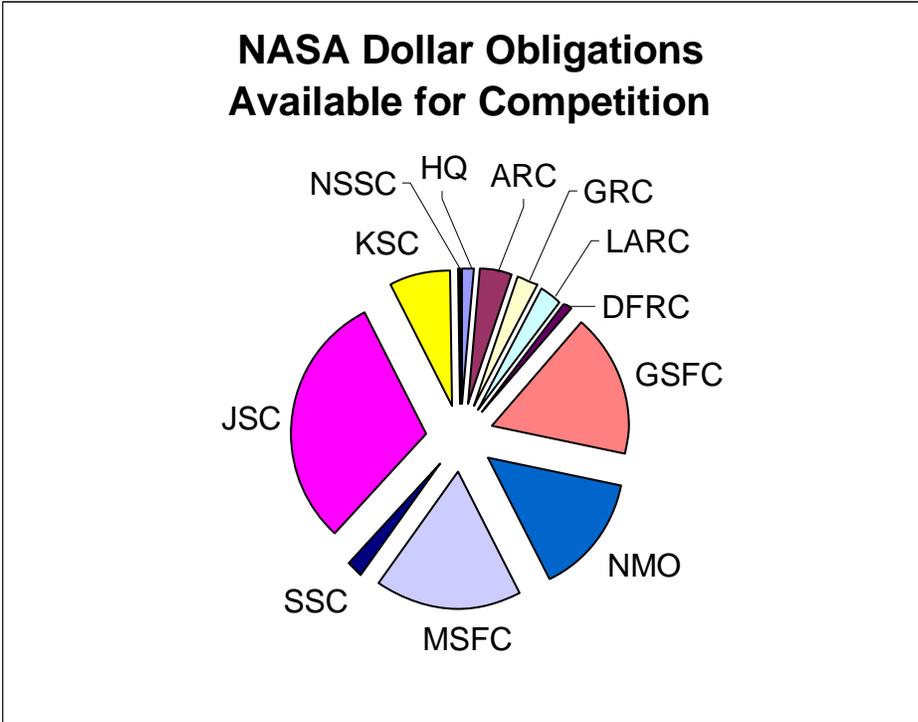


Figure 2

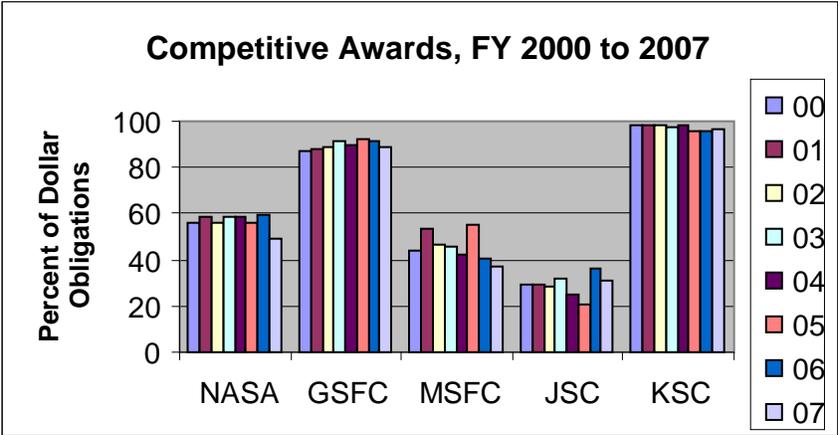


Figure 3

Part 3 – Review of FY 2007 Competitive Activities

HQ Approval of Justifications for Other than Full and Open Competition (JOFOC)

In FY 2007 NASA HQ was asked to process and approve one JOFOC, a significant decrease from FY 2006 when ten were approved. FY 2007 compares favorably with FY 2005 when two were approved.

Goddard Space Flight Center

- ❖ October 2006 – Award of the Geostationary Operational Environmental Satellites (GOES) Solar Ultraviolet Imager (SUVI) to Lockheed Martin Advanced Technology Center (LMATC). Justification: Only One Responsible Source. Estimated value: \$170M

Additionally the NFS was changed during FY 2007 to amend the approval thresholds for consistency with FAC 2005-13. NASA Headquarters approval is required on justifications with an estimated value over \$78,500,000 (previously \$75M).

Efforts made by Centers in FY 2007 to increase competition and achieve full and open competition

Centers promote competition by identifying and posting acquisition forecasts (utilizing the NASA Acquisition Internet Service (NAIS)), conducting market research, hosting industry days, scrutinizing sole-source justifications, etc. Some specific activities conducted in FY 2007 include:

- JSC established a Procurement Development Team to determine the best strategy for the Center Operations Support Services follow-on acquisition. The current contract was deconsolidated into five separate contracts mirroring the JSC organization structure and allowed for increased small business participation.
- The MSFC Small Business Alliance (MSBA) was established in February 2007. The focus of the MSBA is to create an environment for education and networking among small businesses. This program is similar to the MSFC Contractor Supplier Council which seeks to strengthen the diversity of available subcontractors, and to develop a forum for the exchange of information that will result in the creation of a model subcontracting program and a best practices manual. The first MSBA meeting attracted more than 300 attendees. These efforts should ultimately enhance small business' competitiveness in the government marketplace.
- JSC has created a special position and recently named an Acquisition Planner that leads the Acquisition Planning and Advocacy Team (APAT). This team is involved in the very early stages of acquisitions to assist in strategy development, ensure that competition is maximized and capture best practices. Establishment of the APAT also provides an opportunity to benchmark the effectiveness of acquisition processes and policies.

- The GRC Small Business Officer (SBO), and other Center representatives, participated in Small Business Administration (SBA), NASA, and city-sponsored events to: 1) Increase interest in GRC opportunities, 2) Provide general information relative to the procurement process and 3) expand the pool of potential competitors for GRC requirements.

Barriers to Competition

- Of the total dollars available for competition at MSFC in FY 2007, 37% percent of those dollars (\$800 Million) were obligated as new competitive awards or modifications to existing competitive awards. Two large MSFC awards obligated \$205,531,085 noncompetitively: NNM06AB13C (Pratt & Whitney Rocketdyne) for the J2X Engine obligated \$126M and NNM07AA75C (ATK) for the First Stage obligated \$80M. Modifications to existing Space Shuttle contracts (expected through the end of the Space Shuttle Program in FY 2010) and associated facilities contracts continue to account for the overwhelming majority of funds awarded noncompetitively each year. Of the total dollars awarded non-competitively during FY 2007, approximately 76% percent (\$1.03 Billion) were the result of modifications to existing Space Shuttle contracts and associated facilities contracts. These modifications will continue to skew the Center's competition percentages until such time as these contracts can be made suitable for competition or the Space Shuttle fleet is retired.
- The continuation of critical human space flight mission operations services and planning ground systems function support to the Space Shuttle Program and the International Space Station (ISS) Program required a non-competitive extension to the Mission Support Operations Contract managed by JSC.
- Boeing has the responsibility to deliver an integrated and certified United States ISS segment and a certified ISS system. This necessitates the use of existing Boeing contracts for changes. The JSC Procurement Officer reviews all ISS program changes and challenges sole-source acquisitions where appropriate.
- ARC experiences an impact on competition for some research projects due to the hazardous material specifications, earthquake related requirements, and compliance with CAL-EPA regulations that give California-based firms an advantage.

Center suggestions for new Agency initiatives or future actions to increase competition

- Encourage the inclusion of aggressive subcontracting requirements in all new awards.
- Expand the use of Industry Day events and draft request for proposals (RFPs) so that potential offerors can gather advance information on a given program when determining whether or not they can successfully satisfy the NASA requirement.
- Continue to educate the technical community on their role in and responsibility for increasing competition.

Part 4 – FY 2007 Acquisition of Commercial Items

A major reason for limited awards of commercial items is the necessity for the application of stringent safety of flight requirements in many of the products and services NASA procures. Because there are certain advantages in procuring items commercially, the Agency shall continue to award contracts for commercial items whenever possible by:

- 1) Encouraging our customers and contractors to acquire goods and services with a preference for commercial item acquisitions
- 2) Conducting outreach conferences
- 3) Posting sources sought announcements
- 4) Conducting market research

NASA's percentage for commercial awards was 20% in FY 2007. This percentage is similar to the percentages for FY 2005 and 2006, but lower than those achieved before the deployment of FPDS-NG. In previous years, NASA only included commercial item contracts above the \$100,000 Simplified Acquisition Threshold (SAT) in reporting dollars awarded for acquisition of commercial items. Beginning in FY 2002, commercial item awards above the SAT acquired by purchase orders/delivery orders (e.g., FSS awards or other multiple award schedule contracts) were counted in addition to NASA's commercial item contract awards to properly recognize these transactions. In FY 2004, commercial item awards above the micro-purchase threshold were counted towards NASA's commercial contract awards. Once NASA implemented FPDS-NG, a dramatic drop in this percentage was experienced (from 61% in FY 2004 to 20% in FY 2005) due to the construct of the data field capturing whether the acquisition is commercial in nature. FPDS-NG contains a non-mandatory data field to indicate that an action is a commercial award. Queries into NASA's data indicate that this configuration causes significant errors. The Commercial Item field is a "check box" that records "no" or "non-commercial" if left blank. There is no error message alerting data entry personnel that the field has not been completed and it is believed that this box has been inadvertently left blank on numerous procurements across the Agency. The next FPDS-NG version release (slated for mid-2008) changes this field and other current check box fields to drop down fields requiring a selection. This change and the recently established OFPP requirement for data verification, validation, and certification should assist NASA in reversing the trend of lower percentages in commercial item acquisitions.

A second potential cause of lowered percentages is that FPDS-NG does not capture commercial delivery orders under GSA as new commercial awards. As discussed above, NASA has included commercial delivery orders as new awards since FY 2002. NASA is participating on the government-wide FPDS-NG team to continue to improve the integrity of data in the system. Several changes are under consideration for implementation, but the final decision authority for changes to the reporting system lies with OFPP and GSA.

Efforts made in FY 2007 to increase the acquisition of commercial items

All the centers noted their efforts to expand outreach efforts that include technology expositions, seminars, and joint counseling sessions which assist them in recognizing potential contract vehicles for acquiring commercial items and in providing an additional method of market research. Some of the specific activities conducted in FY 2007 include:

- The JSC Procurement Officer and senior staff participated in the inaugural Chief Procurement Officer Summit held by the Supplier Diversity Advisory Committee of the Houston Minority Business Council.
- GRC's Contracting Officer Technical Representative course includes modules on commercial item acquisition. Additionally, a commercial item acquisition workshop was held within the Procurement Division to ensure that personnel are trained in conducting this type of acquisition.
- The NSSC developed and maintains a master vendor listing to further promote commercial items. This listing is available to the NSSC Community to use as a tool to expedite requirements to the commercial marketplace.
- SSC held a Small Business Forum to foster the exchange of ideas, discuss issues, air concerns and share lessons learned in the procurement community. The forum also promoted the use of commercial items.
- ARC encourages contractors to provide capability demonstrations of commercial items.
- GRC awarded many Simplified Acquisition orders for training (acquisition and other courses). The vast majority were commercial procurements.

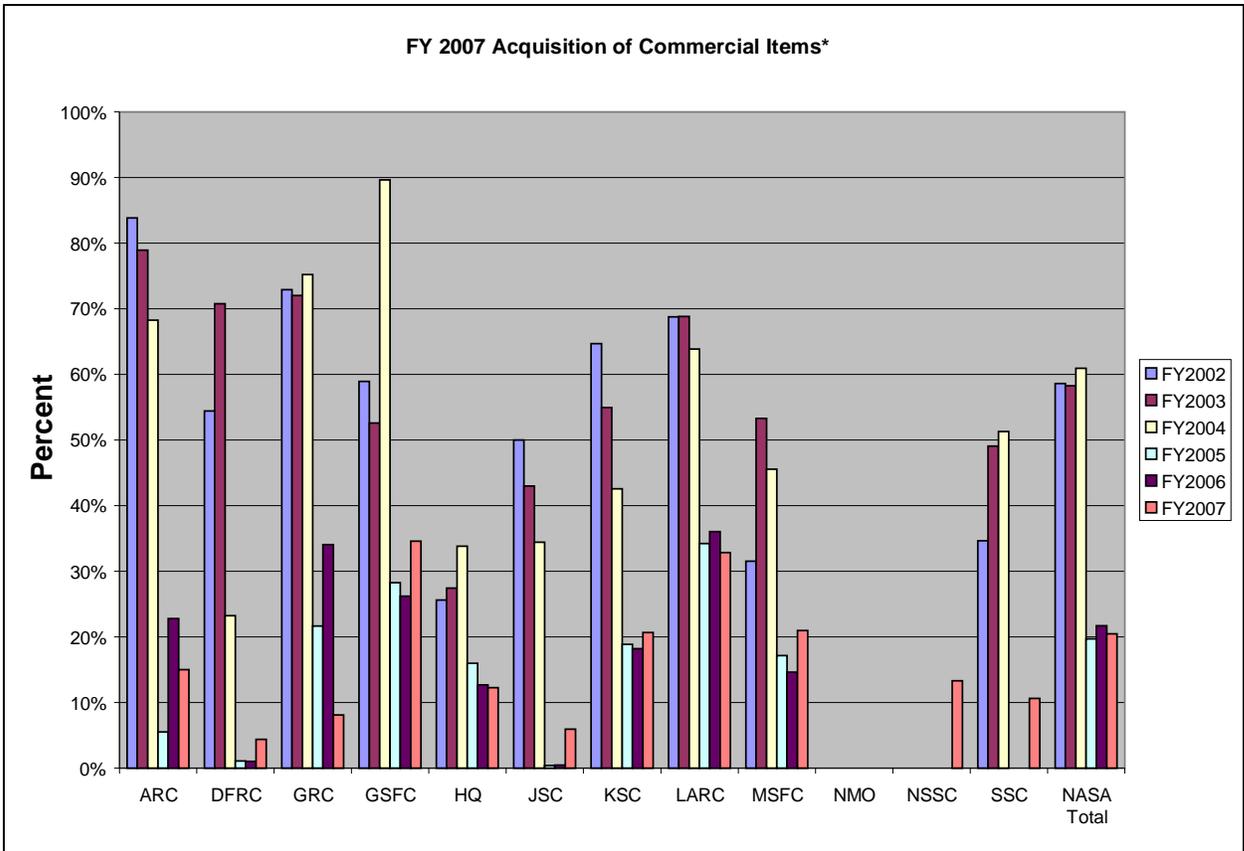


Figure 4

*Excludes SBIR/STTR's, R&D, construction, grants, agreements, intragovernmentals

Barriers to Commercial Item Acquisition

In previous years, the Federal Acquisition Regulation (FAR) excluded from the definition of “commercial item” those services that the general public buys on a per hour basis. However, in February, 2007, FAC 2005-15 revised the FAR to authorize the use of Time and Materials and Labor Hour contracts for the procurement of commercial services under specified conditions. This has eliminated a major impediment to commercial item acquisition. Continuing barriers identified by some Centers include:

- The Federal Procurement Data System–Next Generation (FPDS-NG) does not allow contracting officers to code delivery orders against commercial contracts as commercial awards. This issue has been raised at Center-wide Configuration Control Board (CCB) meetings and further raised by the NASA Headquarters representative at Federal-wide CCB FPDS-NG meetings. (KSC)
- The definition of “commercial item” (services) in FAR 2.101 includes catalog price and market price. Both these definitions are somewhat restrictive in nature. (KSC)
- FAR Part 32 limits commercial advance payments made before any performance of work to 15 percent of the contract price. Some commercial industry standards require 50 percent deposits upon order placement, e.g., model making services. (LaRC)

Center Initiatives/Suggestions to Increase Commercial Items Acquisitions

- Contract specialists are encouraged to use the commercial test program outlined in FAR Subpart 13.5 that permits the use of simplified procedures to acquire certain commercial items in amounts greater than the simplified acquisition threshold but not exceeding \$5 million. (KSC)
- The current training course for COTR’s and the COTR Refresher course contain modules on commercial item acquisition. It is anticipated that these courses will be presented at least twice during FY 2008. A Center-wide course on Simplified Acquisition will be offered during FY 2008, which will cover the topic of commercial item acquisition. (GRC)
- A commercial item acquisition workshop will be held within the Procurement Division for those who have not conducted this type of procurement or who desire a refresher. (GRC)
- Request that the appropriate organization negotiate standard terms and conditions with those large aerospace or information technology companies that sell commercial items, but reject current government commercial item terms and conditions. (LaRC)

Part 5 – Other Actions Taken and Initiatives in FY 2007

--Actions taken by Centers to ensure that requirements are stated in terms of functions to be performed, performance required or physical characteristics and to challenge requirements not stated in terms of functions to be performed, performance required or essential physical characteristics:

- Procurement personnel work with the technical customers to assist with developing requirements documentation.
- All specifications and statements of work relative to specific procurement actions are reviewed to ensure that they are not overly restrictive or vague; that to the maximum extent possible, no more than minimum needs are specified.
- Draft Request for Proposals (DRFPs) are issued to solicit comments from industry and identify any restrictive requirements which can be reviewed and revised prior to release of the final RFP.
- Specific training has been offered to procurement and requirements personnel for developing performance-based requirements and Statements of Work.
- Communicating with industry to foster a better understanding of Agency requirements.

--Other ways in which the Agency has emphasized the acquisition of commercial items and competition in areas such as training and research:

- Each Center provides internal training related to commercial items, competition and internal procedures related to customer support while still meeting the requirements of the FAR.

--Other Noteworthy Activities Conducted by the Centers under FAR 6.502

Marshall Space Flight Center

- The MSFC Small Business Specialist (SBS) provided industry counseling to approximately 357 businesses by appointment, 95 by walk-ins, and 2200 by telephone during FY 2007. The SBS also worked closely with large and small businesses in the identification of partnering opportunities for upcoming MSFC competitions. These efforts resulted in establishment of numerous partnering relationships between large and small businesses. Benefits derived from these efforts should ultimately enhance small business competitiveness in the government marketplace.
- The MSFC Industry Assistance Office represented NASA/MSFC at numerous government-sponsored trade shows, seminars, etc., during FY2007. At these events, industry counseling was provided to numerous small businesses interested in procurement opportunities at NASA/MSFC. Guidance on how to more effectively market their products/services to the Federal government was provided to each.

- To strengthen subcontracting programs, the MSFC SB staff initiated several site visits to major primes to assess their subcontracting programs, offer assistance in building their programs, and general advocacy of the socioeconomic interest. Higher level management of the prime contractors participated in these meetings.
- In January 2007, the MSFC SB Office initiated a revision to the “Doing Business with the George C. Marshall Space Flight Center” Web site. The Web site was totally revamped, and is more user friendly as a result of the changes. The changes should also link nicely to the new Agency small business Web site currently in development at the NASA Office of Small Business Programs (OSBP). The Web site will provide information about the MSFC SB Office, important marketing tools to assist in their marketing endeavors, special business development programs, the MSFC SB directories, and information pertaining to the Marshall Prime Contractor Supplier Council (MPCSC). Additionally, a new brochure was developed containing the content of the Web site, and can be provided to prospective vendors at various events.

Johnson Space Center

- All procurements over \$100K must be coordinated with the Small Business Advisor to ensure that they are providing opportunities for small businesses.
- Semi-annual self-assessment reviews are conducted by the Procurement Policy and Systems Office to assess the use of Justifications for Other than Full and Open Competition and mitigating the barriers to competition for those actions.
- Center management annually reviews the acquisition forecast to ensure that the sourcing is appropriate. The forecast is published to allow industry insight into forthcoming procurements.

Glenn Research Center

- In September 2007, the Center Director, SBO, Procurement Officer, and Director of the GRC Facilities and Test Directorate attended a Business Symposium at Cleveland State University. The Center not only received an award for socioeconomic business diversity, but the SBO and Procurement Officer also briefed attendees on upcoming business opportunities and counseled about 30 representatives.
- The SBO represented GRC at numerous other meetings, conferences, and symposiums.

Kennedy Space Center

- Senior contracting officers are assigned as mentors for lower grades and new hires. Some of the areas emphasized are market research, consolidated contracting initiatives, the importance of acquiring items utilizing full and open competition, and commercial acquisition methods.

- KSC hosts the annual Business Exposition (EXPO) trade show, sponsored by the NASA/Kennedy Space Center Small Business Council, 45th Space Wing, and Canaveral Port Authority. The event features over 175 businesses and government exhibits. The EXPO provides a forum for businesses to display their products and services and discuss needs and solutions with KSC technical and contracting personnel. Attendance of procurement and technical personnel is encouraged by KSC management.
- Joint counseling sessions are conducted regularly with prospective vendors. The goal of joint counseling is to provide private industry the maximum opportunity to do business with KSC.

Goddard Space Flight Center

- GSFC encourages the use of the commercial test program provided in FAR subpart 13.5 that permits the use of simplified procedures to acquire commercial items in amounts greater than the simplified acquisition threshold, but not exceeding \$5.5M.
- GSFC hosted a Small Business Forum focusing on future procurements for information technology. Contractors were encouraged to bring capability statements.

Dryden Flight Research Center

- DFRC conducts reviews of contractor purchasing systems to ensure that competitive subcontracting and purchasing opportunities are available to small businesses.
- DFRC participates in various Vendor Days for local businesses on the procurement process and business opportunities.

The NASA Shared Services Center

- The NSSC maintains a Master Vendor List for the requirements community.
- Maintains a high level of involvement with the business community by attending numerous conferences, forums and expos.

Ames Research Center

- Implementation of the Office of Small Business (OBSP) Small Business Improvement Plan occurred during FY 2007.
- The Procurement Office participation in the Small Business Specialists (SBS) quarterly council meetings to increase the sharing of information across the Agency.
- Includes a small business competition enhancement factor in position descriptions and performance plans for those individuals involved in the acquisition process.

- Center recognition of COTRs, SEB and SEC teams on an annual basis through the Center award program.
- Center recognition of Contract Specialist/Contracting Officers on an annual basis via the Peer award nomination process.

Langley Research Center

- Commercial item acquisition and market research requirements are included in the comprehensive mandatory training course for newly appointed COTR's. Two training sessions were conducted during FY07.

Stennis Space Center

- The SSC Small Business Specialist (SBS) routinely reviews contract requirements to identify small business opportunities. The SBS also meets with prospective vendors.
- SSC has re-instituted the Small Business Forum which serves as an avenue to exchange ideas, discuss issues, express concerns, and share lessons learned in the procurement community. The forums also serve to provide general information to foster prime contractor small business and purchasing programs, and for promoting the use of commercial items.

Appendix -- 41 U.S.C. 418

TITLE 41 - PUBLIC CONTRACTS CHAPTER 7 - OFFICE OF FEDERAL PROCUREMENT POLICY

Sec. 418. Advocates for competition

(a) Establishment, designation, etc., in executive agency

(1) There is established in each executive agency an advocate for competition.

(2) The head of each executive agency shall -

(A) designate for the executive agency and for each procuring activity of the executive agency one officer or employee serving in a position authorized for such executive agency on July 18, 1984 (other than the senior procurement executive designated pursuant to section 414(3) of this title) to serve as the advocate for competition;

(B) not assign such officers or employees any duties or responsibilities that are inconsistent with the duties and responsibilities of the advocates for competition; and

(C) provide such officers or employees with such staff or assistance as may be necessary to carry out the duties and responsibilities of the advocate for competition, such as persons who are specialists in engineering, technical operations, contract administration, financial management, supply management, and utilization of small and disadvantaged business concerns.

(b) Duties and functions

The advocate for competition of an executive agency shall -

(1) be responsible for challenging barriers to and promoting full and open competition in the procurement of property and services by the executive agency;

(2) review the procurement activities of the executive agency;

(3) identify and report to the senior procurement executive of the executive agency designated pursuant to section 414(3) of this title -

(A) opportunities and actions taken to achieve full and open competition in the procurement activities of the executive agency; and

(B) any condition or action which has the effect of unnecessarily restricting competition in the procurement actions of the executive agency; and (FOOTNOTE 1)

(4) prepare and transmit to such senior procurement executive an annual report describing -

(A) such advocate's activities under this section;

(B) new initiatives required to increase competition; and

(C) barriers to full and open competition that remain;

(5) recommend to the senior procurement executive of the executive agency goals and the plans for increasing competition on a fiscal year basis;

(6) recommend to the senior procurement executive of the executive agency a system of personal and organizational accountability for competition, which may include the use of recognition and awards to motivate program managers, contracting officers, and others in authority to promote competition in procurement programs; and

(7) describe other ways in which the executive agency has emphasized competition in programs for procurement training and research.

(c) Responsibilities

The advocate for competition for each procuring activity shall be responsible for promoting full and open competition, promoting the acquisition of commercial items, and challenging barriers to such acquisition, including such barriers as unnecessarily restrictive statements of need, unnecessarily detailed specifications, and unnecessarily burdensome contract clauses.

Fiscal Year 2008

NASA Competition Advocate Report



**NASA Competition Advocate Report
Fiscal Year 2008**

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Executive Summary

The Office of Federal Procurement Policy (OFPP) Act (41 U.S.C. 418) requires executive agency competition advocates to transmit an annual competition report to their respective senior procurement executives. The July 18, 2008 OFPP memorandum on Effective Practices for Enhancing Competition also requires that a copy be provided to OFPP. The Competition Advocate for the National Aeronautics and Space Administration (NASA) for FY 2008 was Ms. Sheryl Goddard, Director, Program Operations Division, within the Office of Procurement. This report summarizes the Agency's competition performance during FY 2008.

In FY 2008, NASA awarded 63.5% of its procurement actions competitively and obligated 51% of available dollars competitively. In FY 2007 these percentages were 71% and 49.2% respectively. NASA's percentage for commercial awards for FY 2008 is 23% compared to 20% in FY 2007.

NASA is in the midst of the transition from the Shuttle Program to new programs and projects provided for in the U.S. Space Exploration Policy. This changing landscape provides a competitive environment less restrictive than that experienced under the Shuttle Program as it matured. Several large competitive awards have been made in support of the U.S. Space Exploration Policy to include the Crew Exploration Vehicle, Ares 1 Instrument Unit Avionics DDT&E and Production, and the Ares 1 Upper Stage Production. The Orion Project Integration Contract, the Constellation Space Suits System, Michoud Assembly Facility, and Exploration Ground Launch Services (EGLS) are areas in which NASA is actively engaged in competitive acquisitions. NASA is also taking advantage of opportunities to acquire commercial items.

Competition for orders under task and delivery order contracts remains a key focus area for NASA. Each Center was specifically asked to address competitive practices used when placing orders under task and delivery order contracts in the Center Competition Advocate reports. Additional focus areas for maximizing competition across the Agency include:

- Careful attention to acquisition planning
- Early market research and continual communication with industry
- The pursuit of industry's best solution, commitment and lower costs
- Emphasizing the need for sound contract management and oversight
- The utilization of performance as factor in determining whether to exercise options; re-compete when performance is not satisfactory
- Well planned re-competes, the award of shorter term contracts, and ensuring that we appropriately consider data rights

NASA remains committed to promoting and maintaining a competitive environment to the greatest extent possible and strengthening competitive practices.

Appendix -- 41 U.S.C. 418

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(B) not assign such officers or employees any duties or responsibilities that are inconsistent with the duties and responsibilities of the advocates for competition; and

(C) provide such officers or employees with such staff or assistance as may be necessary to carry out the duties and responsibilities of the advocate for competition, such as persons who are specialists in engineering, technical operations, contract administration, financial management, supply management, and utilization of small and disadvantaged business concerns.

(b) Duties and functions

The advocate for competition of an executive agency shall -

(1) be responsible for challenging barriers to and promoting full and open competition in the procurement of property and services by the executive agency;

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(3) identify and report to the senior procurement executive of the executive agency designated pursuant to section 414(3) of this title -

(A) opportunities and actions taken to achieve full and open competition in the procurement activities of the executive agency; and

(B) any condition or action which has the effect of unnecessarily restricting competition in the procurement actions of the executive agency; and (FOOTNOTE 1)

(4) prepare and transmit to such senior procurement executive an annual report describing -

(A) such advocate's activities under this section;

(B) new initiatives required to increase competition; and

(C) barriers to full and open competition that remain;

(5) recommend to the senior procurement executive of the executive agency goals and the plans for increasing competition on a fiscal year basis;

(6) recommend to the senior procurement executive of the executive agency a system of personal and organizational accountability for competition, which may include the use of recognition and awards to motivate program managers, contracting officers, and others in authority to promote competition in procurement programs; and

(7) describe other ways in which the executive agency has emphasized competition in programs for procurement training and research.

(c) Responsibilities

The advocate for competition for each procuring activity shall be responsible for promoting full and open competition, promoting the acquisition of commercial items, and challenging barriers to such acquisition, including such barriers as unnecessarily restrictive statements of need, unnecessarily detailed specifications, and unnecessarily burdensome contract clauses.

Part 1 – Introduction

The NASA Federal Acquisition Regulation Supplement (NFS) identifies those designated to serve as the agency competition advocate. The competition advocate program stresses training, procurement planning, acquisition forecasting, outreach efforts, and documentation of justifications for other than full and open competition. Those serving in these senior positions have direct influence over all center functions and activities that affect competition in contracting. NASA's competition advocate is also responsible for promoting the acquisition of commercial items. This report describes NASA's progress in competition and in acquiring commercial items to meet the needs of the agency.

Benefits of Competition

Among the benefits of competition are:

- Potential cost savings;
- Improved contractor performance; and
- A sense of “fair play” when merit, rather than favoritism, is the basis for award.¹

Related to competition is the degree of concentration of the industrial base.² An agency's ability to obtain competition can be very limited when there are only a few suppliers. Also, when agencies repeatedly buy from the same supplier, there may be no opportunity for other suppliers to enter the market. Under the guidance of the Assistant Administrator for Procurement, NASA has renewed the emphasis on maximizing competition across the Agency as requested in the Office of Federal Procurement Policy (OFPP) memorandums dated May 31, 2007 and July 18, 2008.

Benefits of Acquiring Commercial Items

Acquiring commercial items—

- Is easier than acquiring non-commercial items;
- Eliminates the need for research and development;
- Reduces acquisition lead-time;
- Reduces the use of detailed design specifications and extensive product testing.³

The acquisition of commercial items also enhances the Government's base of suppliers by—

- Encouraging Government contractors to develop dual-use products, i.e., for use in both Government and commercial applications; and
- Encouraging commercially oriented firms to do business with the Government.⁴

¹ Senate Report No. 98-50, accompanying S. 338, the Competition in Contracting Act of 1984, p. 3.

² Ibid., p. 16.

³ Senate Reports No. 103-258, p. 5, and 103-259, pp. 5 to 6, accompanying S. 1587, the Federal Acquisition Streamlining Act

⁴ Senate Report No. 103-259, p. 7

Part 2 – FY 2008 Competition Statistics

Overview

Federal Agency competition data is annually pulled from the Federal Procurement Data System (FPDS). OFPP deployed a new standard competition report that adjusts the inputs to base dollars and actions used to compute the overall percentages. Actions coded in FPDS as “Not Available for Competition” are now included in the calculation of the Competition Base and the new report removes from the competition base all actions and dollars where the “Extent Competed” field is not completed (left blank) on a record. In FY 2007, NASA had 716 actions obligating \$96.6 million with a blank extent competed field. This was not a mandatory field in FPDS for Delivery/Task Orders, BPA Calls, or Purchase Orders less than \$25K, so this change could significantly impact NASA’s competition performance percentages. NASA proactively issued Procurement Information Circular (PIC) 07-05 in July 2007 making this field mandatory on all FPDS records. Prior to generating the competition report for FY 2008, the Headquarters Analysis Division conducted a compliance review to ensure that this field had been completed for all FY 2008 records.

In FY 2008, NASA awarded 63.5% of its procurement actions competitively. FY 2008 competitive obligations were 51% of available dollars. In FY 2007 these percentages were 71% and 49.2% respectively. Figure 1 shows the historical data points.

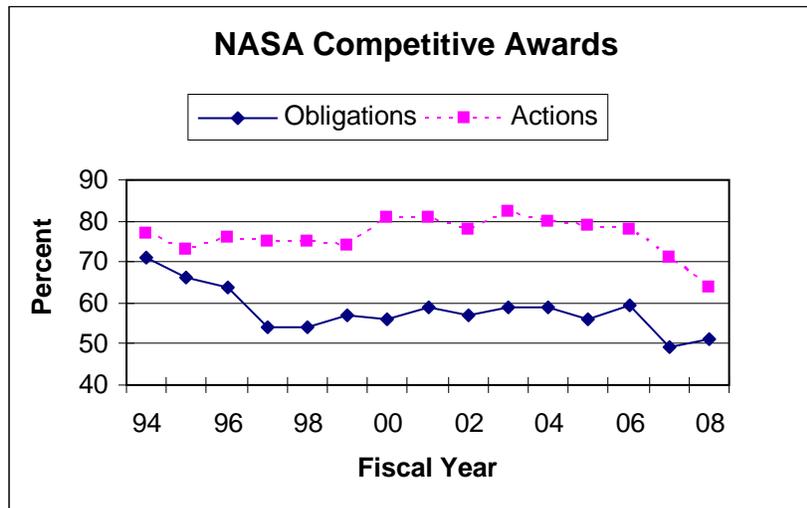


Figure 1

Individual Center Contributions

In accordance with NPR 5101.33A, Centers that met or exceeded 70% of dollars competitively obligated and 80% of actions awarded competitively were exempt from the requirement to submit an annual competition report (but not from the requirement to report on commercial item acquisitions). The NASA Shared Services Center (NSSC) met both thresholds for FY 2008.

In addition to the NSSC obligating 99.37% of their dollars competitively, the following Centers obligated more than 70% competitively during FY 2008:

- Goddard Space Flight Center (GSFC)
- Kennedy Space Center (KSC)
- Langley Research Center (LaRC)
- Glenn Research Center (GRC)
- Ames Research Center (ARC)
- Stennis Space Center (SSC)
- NASA Headquarters (HQ)

While only the NSSC awarded more than 80% of their actions competitively (97.27%), the nine Centers below exceeded 60% during FY 2008:

- Johnson Space Center (JSC)
- Goddard Space Flight Center (GSFC)
- Marshall Space Flight Center (MSFC)
- Kennedy Space Center (KSC)
- Langley Research Center (LaRC)
- Glenn Research Center (GRC)
- Ames Research Center (ARC)
- Stennis Space Center (SSC)
- NASA Headquarters (HQ)

Dollars Available for Competition

As in previous years, the NASA-wide statistic for competitive dollar obligations is influenced greatly by JSC, MSFC, GSFC, and KSC (see Figures 2 and 3 below). Competition improvements at these Centers will always positively impact the Agency-wide statistic for obligations as these Centers award high dollar value awards for mission critical programs and projects. Several of the major competitive efforts under U.S. Space Exploration Policy are managed by these Centers, and it is anticipated that the Agency will trend towards increased competitive dollar obligations.

One area where a great degree of change is not anticipated is with NASA's Federally Funded Research and Development Center with the Jet Propulsion Laboratory. This effort is managed by the NASA Management Office (NMO) and the majority of NMO funds are obligated on this sole source award.

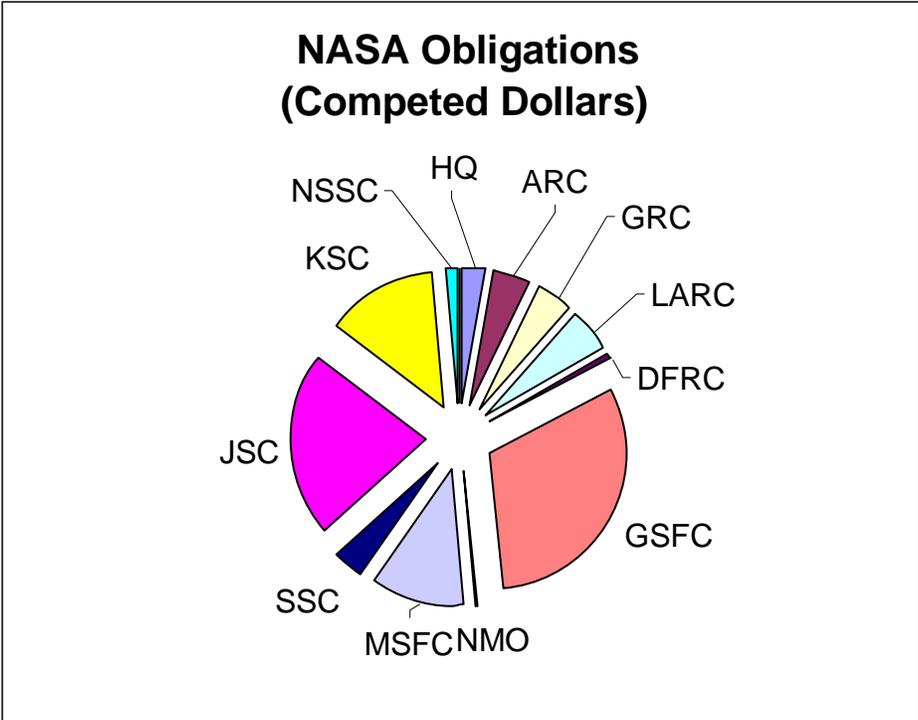


Figure 2

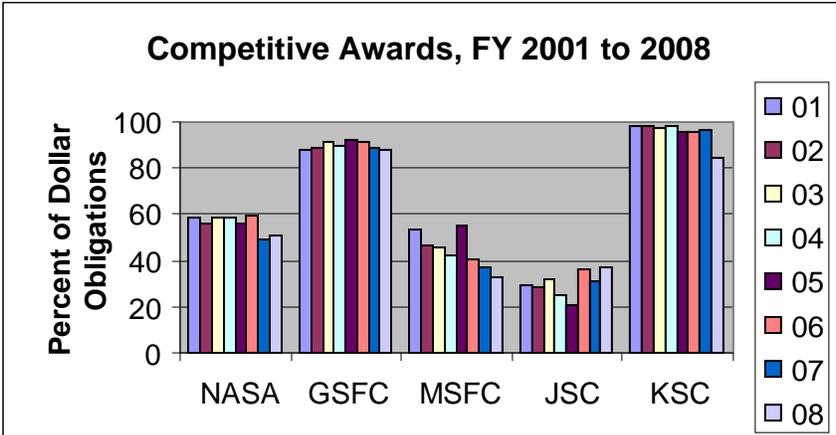


Figure 3

Part 3 – Review of FY 2008 Competitive Activities

HQ Approval of Justifications for Other than Full and Open Competition (JOFOC)

The NFS was changed in 2007 to increase the approval thresholds for JOFOCs for consistency with FAC 2005-13. NASA Headquarters approval is required on justifications with an estimated value over \$78,500,000 (previously \$75M). On October 3, 2008 the NFS was changed to require Contracting Officers to notify NASA HQ when the statutory authority of FAR 6.302-2, Unusual and Compelling Urgency (10 USC 2304(c)(2)), is used for a contract action. HQ notification is to be provided as soon as the requirement is known or the need is identified but prior to justification approval and award of any related contract action. Following the initial notification, a copy of the justification must be provided to HQ within three (3) days after approval. The NFS also provides specific content requirements in the justification supporting the use of the unusual and compelling urgency authority. This change will affect urgent and compelling JOFOCs in FY 2009 and beyond.

Two justifications were processed for approval in FY 2008 and only one JOFOC was processed in FY 2007.

Marshall Space Flight Center

- ❖ April 2008 – Period of performance extension for the Unified NASA Information Technology Services (UNITEs) contract with Science Applications International Corporation (SAIC) to align the requirements of the follow-on competition with the Agency-wide Information Technology Strategic Plan. Justification: Only One Responsible Source. Estimated value: \$215M
- ❖ September 2008 – Award of a sole source contract for the fabrication of the J-2X Engine and long lead materials for follow-on production to Pratt and Whitney Rocketdyne, Inc. Justification: Only One Responsible Source. Estimated value: \$332M

Efforts made by Centers in FY 2008 to increase competition and achieve full and open competition

Centers promote competition by identifying and posting acquisition forecasts (utilizing the NASA Acquisition Internet Service (NAIS)), conducting market research, hosting industry days, scrutinizing sole-source justifications, etc. Some specific activities conducted in FY 2008 include:

- JSC conducted 19 major competitive procurements with an estimated value of \$7.5B (excluding options). Of 358 new acquisitions over \$25K each, 244 were competitively awarded.
- MSFC also established a Small Business Alliance (MSBA). The focus of the MSBA is to create an environment for education and networking among small businesses.

- JSC deploys a dedicated website for all competitive procurements valued over \$3M. The website is developed early in the acquisition planning phase to facilitate industry participation and feedback throughout the acquisition.
- JSC utilizes an Acquisition Planning and Advocacy Team (APAT). This team assists in strategy development, ensures that competition is maximized and captures best practices. The APAT maintains an electronic library of frequently used acquisition documents (MS Project schedule template, Just-In-Time Source Evaluation Board (SEB) training materials) for a level of SEB consistency throughout the Center.
- The GRC Small Business Specialist provided extensive outreach counseling to the small business community through individual meetings, teleconferences, and electronic mailings to increase interest in GRC opportunities and to expand the pool of potential competitors for GRC requirements.
- LaRC awarded 27 NASA Research Announcements (NRA) valued at approximately \$18M. Research announcements are issued in a wide range of aeronautics-related disciplines. A peer-review process is used to evaluate and select research proposals that can help NASA achieve research objectives.
- SSC competitively awarded a number of contracts in support of the new Constellation Program A-3 test stand.

Competition under Delivery and Task Order Contracts

Section 843 of the 2008 National Defense Authorization Act provided that no task or delivery order contract in an amount estimated to exceed \$100,000,000 (including all options) may be awarded to a single source unless the head of the agency determines in writing that the task or delivery orders expected under the contract are so integrally related that only a single source can reasonably perform the work. During FY 2008 five such determinations were made.

- ❖ June 2008 – MSFC award of the Manufacturing Support and Facility Operation Contract at the NASA Michoud Assembly Facility. Estimated value: \$380M
- ❖ June 2008 – JSC award of the Constellation Space Suit System contract. Estimated value: \$510M
- ❖ August 2008 – JSC award of the Facilities Development Operations contract. Estimated value: \$170M
- ❖ September 2008 – JSC award of the Integrated Mission Operations contract. Estimated value: \$250M (NTE Pool) and \$34M (Level of Effort portion)
- ❖ September 2008 – ARC award of the Intelligent Systems Research and Development Support contract. Estimated value: \$300M

NASA Centers competitively award orders under multiple award IDIQ contracts. They have also instituted policies and procedures to ensure that task and delivery orders issued under multiple award contracts are properly planned and comply with applicable regulatory guidance. Several examples include:

- ❖ MSFC competed ten multiple award IDIQ contracts during FY 2008 each with a maximum value of \$24M.
- ❖ ARC focuses on the early identification of requirements appropriate for competition under multiple award construction contracts and seeks to establish partial small business set asides to enhance opportunities for small businesses under individual task orders.
- ❖ At GSFC increased customer education and the development of an online process guide for multiple award vehicles assists in ensuring compliance with competition requirements. Additionally, Center-level review and approval requirements increase for sole source and exception to fair opportunity requests as the dollar value of the effort increases.
- ❖ SSC placed ten competitive orders under NASA's Solutions for Enterprise-Wide Procurement Government-Wide Acquisition Contract.
- ❖ The Construction Support program at KSC awarded 12 General Construction contracts under a multiple award IDIQ solicitation. All 17 orders issued during FY 2008 were competed among the 12 contract holders.

Barriers to Competition

- At SSC, a barrier identified is the requirement for Space Shuttle Main Engine Testing. The engine data is proprietary making it unlikely that any other company could compete for this effort.
- At JSC, a great majority of the Space Shuttle Program requirements are covered under the existing Shuttle Program Operation Contract (SPOC), which limits the opportunities for competitive procurements for the program. Procurement personnel still review all acquisitions to ensure that acquisitions are competed when appropriate.
- Consolidating procurements at the Center or Agency level. Larger consolidated procurements reduce procurement opportunities for 8(a) or small business contractors and may also reduce the number of contractors maintaining capabilities that meet NASA's unique requirements.

Center suggestions for new Agency initiatives or future actions to increase competition

- LaRC and JSC deploy procurement-specific web sites for high dollar competitive procurements (any over \$3M at JSC). This has proven to be a valuable tool for communication with industry throughout the acquisition process.

- Expand the use of Industry Day events and draft request for proposals (RFPs) so that potential offerors can gather advance information on a given program when determining whether or not they can successfully satisfy the NASA requirement.
- Develop an Acquisition Strategy Program to facilitate communication with the technical community to identify upcoming program/project requirements at the earliest opportunity. GSFC has created a new acquisition planning spreadsheet that allows senior management to track upcoming procurement requirements. Goals for use of the spreadsheet include more effective competition strategies via early acquisition planning and kick off of competitive follow-on procurements in sufficient time to minimize sole source extension/bridge contracts.
- GSFC has a Senior Strategic Planner position that provides early strategic oversight and support to executive management, customers, and contracting officers when they are planning new acquisitions. This position focuses on various strategy issues including the most effective strategy to promote strong competition.
- Additional training and education for the procurement and technical communities in competitive acquisitions would be beneficial.
- The MSFC Acquisition Planning Tool (APT) has continued to grow since its launch in September 2006. This tool enhances competition by providing summary information on major MSFC contracts including future competitions. The unique information provides date-specific milestones such as current contract expiration or option date and ultimate completion date. Future milestone dates for the next competition such as when the Source Evaluation Board (SEB) will be formed, anticipated RFP release date, and estimated award date. On SEBs for competitions in progress, a specific Web page for each competition is provided containing additional documentation, the board chairman, and detail milestone dates both anticipated and accomplished.

Part 4 – FY 2008 Acquisition of Commercial Items

NASA encourages the fulfillment of mission requirements through the acquisition of commercial items whenever possible. NASA experienced high percentages in FY 2003 and FY 2004 (58 and 61% respectively) and believes that the dramatic drop in this percentage to 20% in FY 2005 was due to the check box construct of the “Commercial Item” field in FPDS. Absent a hard edit to require data in this field, it is believed that this box was inadvertently left blank on numerous procurements following FPDS deployment across the Agency. FPDS version 1.3 recently changed this field and other current check box fields to drop down fields requiring a selection, but the change couldn't be incorporated into NASA's contract writing system until December 2008. NASA's percentage rose slightly to 23 % in FY 2008 and we anticipate a higher percentage in FY 2009 as NASA fully utilizes the new mandatory drop down fields.

At NASA, a major reason for limited awards of commercial items is the necessity for the application of stringent safety of flight requirements in many of the products and services that the Agency procures. Because there are certain advantages in procuring items commercially, the Agency shall continue to award contracts for commercial items whenever possible by:

- 1) Encouraging our customers and contractors to acquire goods and services with a preference for commercial item acquisitions
- 2) Conducting outreach conferences
- 3) Posting sources sought announcements
- 4) Conducting market research

Efforts made in FY 2008 to increase the acquisition of commercial items

All centers noted their efforts to expand outreach efforts that include technology expositions, seminars, and joint counseling sessions that assist in recognizing potential contract vehicles for acquiring commercial items and in providing an additional method of market research. Some of the specific activities conducted in FY 2008 include:

- ARC increased outreach efforts to encourage contractors to develop dual-use products with government and commercial applications. Also participated in numerous contractor capability demonstrations where firms promoted commercial products/services that may meet Agency requirements.
- KSC acquired commercial payload processing services from a launch services provider under IDIQ contracts governed by FAR Part 12 terms and conditions.
- GRC's Contracting Officer Technical Representative course includes modules on commercial item acquisition. Additionally, a commercial item acquisition workshop was held within the Procurement Division to ensure that personnel are trained in conducting this type of acquisition.

- The NSSC developed and maintains a master vendor listing to further promote commercial items. This listing is available to the NSSC Community to use as a tool to expedite requirements to the commercial marketplace.
- SSC held a Small Business Forum to foster the exchange of ideas, discuss issues, air concerns and share lessons learned in the procurement community. The forum also promoted the use of commercial items.

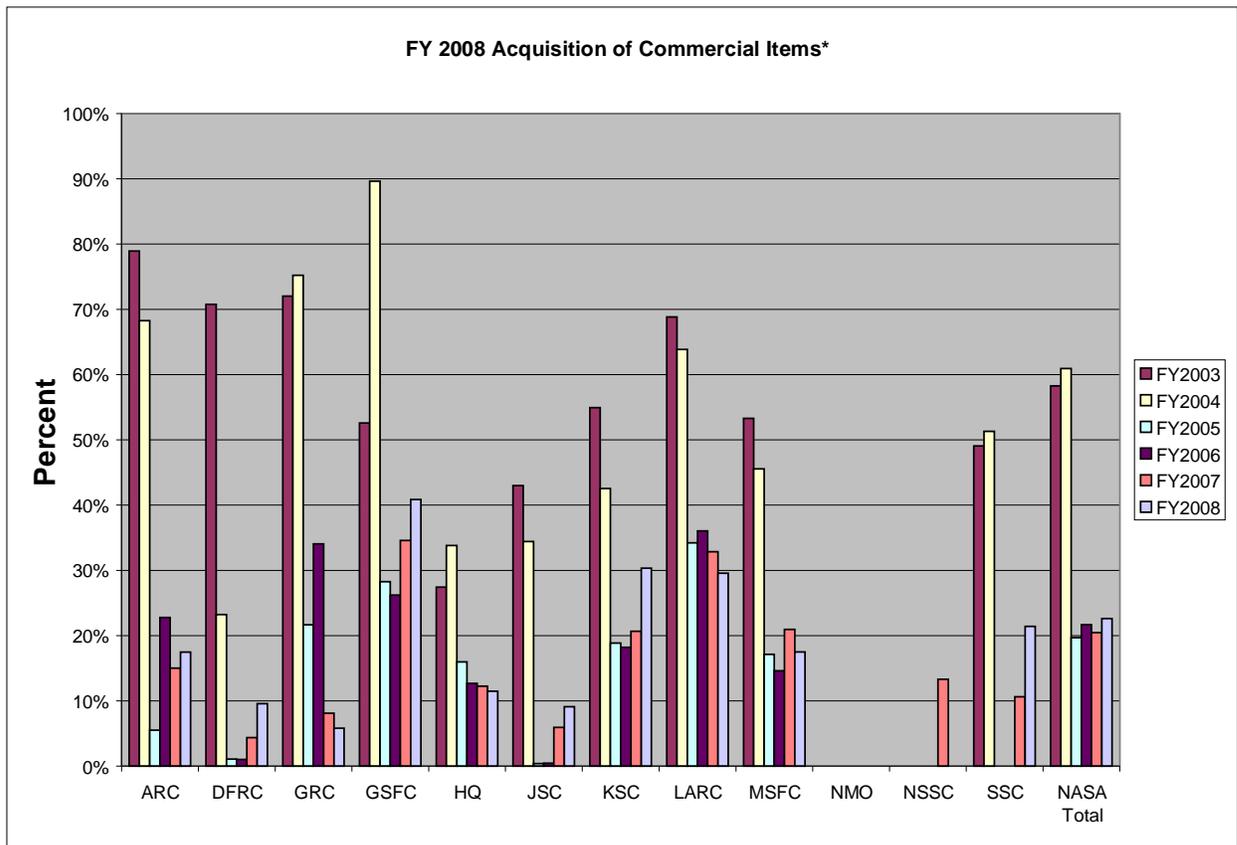


Figure 4

*Excludes SBIR/STTR's, R&D, construction, grants, agreements, intragovernmentals

Barriers to Commercial Item Acquisition

- FAR Part 12 limits the use of T&M and Labor Hour contracts for commercial item acquisitions.

Center Initiatives/Suggestions to Increase Commercial Items Acquisitions

- The use of Agency-specific clauses requires the use of FAR Part 15 procedures for the acquisitions of commercial products or services. Suggest a review of the necessity for the all agency-specific clauses.
- Ensure that the COTR basic and refresher training course have modules on commercial item acquisition and market research.

Part 5 – Other Actions Taken and Initiatives in FY 2008

--Actions taken by Centers to ensure that requirements are stated in terms of functions to be performed, performance required or physical characteristics and to challenge requirements not stated in terms of functions to be performed, performance required or essential physical characteristics:

- Procurement personnel work with the technical customers to assist with developing requirements documentation.
- All specifications and statements of work relative to specific procurement actions are reviewed to ensure that they are not overly restrictive or vague; that to the maximum extent possible, no more than minimum needs are specified.
- Draft Request for Proposals (DRFPs) are issued to solicit comments from industry and identify any restrictive requirements which can be reviewed and revised prior to release of the final RFP.
- Specific training has been offered to procurement and requirements personnel for developing performance-based requirements and Statements of Work.
- Communicating with industry to foster a better understanding of Agency requirements.

--Other ways in which the Agency has emphasized the acquisition of commercial items and competition in areas such as training and research:

- Each Center provides internal training related to commercial items, competition and internal procedures related to customer support while still meeting the requirements of the FAR.

--Other Noteworthy Activities Conducted by the Centers under FAR 6.502

Marshall Space Flight Center

- The MSFC Small Business Specialist (SBS) provided industry counseling to approximately 380 businesses by appointment, 40 by walk-ins, and 3,000 by telephone during FY 2008. The SBS also worked closely with large and small businesses in the identification of partnering opportunities for upcoming MSFC competitions. These efforts resulted in establishment of numerous partnering relationships between large and small businesses. Benefits derived from these efforts should ultimately enhance small business competitiveness in the government marketplace.
- The MSFC Industry Assistance Office represented NASA/MSFC at numerous government-sponsored trade shows, seminars, etc., during FY2008. At these events, industry counseling was provided to numerous small businesses interested in procurement opportunities at NASA/MSFC. Guidance on how to more effectively market their products/services to the Federal government was provided to each.

- To strengthen subcontracting programs, the MSFC SB staff initiated several site visits to major primes to assess their subcontracting programs, offer assistance in building their programs, and general advocacy of the socioeconomic interest. Higher level management of the prime contractors participated in these meetings.
- In March 2008, reactivation of the MSFC Small Business Coordinators was initiated. Coordinators are strategically located throughout the MSFC organizations, and serve as program advocates and liaisons to the MSFC Small Business Office. In this role, they assist visiting small business representatives in the identification of marketable areas at MSFC. Approximately 23 coordinators currently serve in this capacity.
- MSFC's Small Business Specialist headed up an appointed team of representatives from four agency centers to review and re-writing NPD 5000.2A, Uniform Methodology For Determination Of Small Disadvantaged Business Subcontracting Goals (Revalidated 06/09/2008). One of the key objectives was to develop a uniform policy on how NASA will assess and evaluate small business subcontracting plans on unrestricted competitive acquisitions.
- MSFC's Small Business Specialist also worked with the Office of Small Disadvantaged Business Utilization on the re-write of Procurement Information Circular 08-05, Small Business Utilization Factor, which provides a model clause and provision language to ensure the proper evaluation of small business utilization under competitive negotiated acquisitions.
- In addition, MSFC's Small Business Specialist also worked with an appointed group with representatives from four agency centers to re-write the roles and responsibilities of Center Small Business Technical Advisors and Small Business Specialists.

Johnson Space Center

- All procurements over \$25K (previously \$100K) must be coordinated with the Small Business Advisor to ensure that they are providing opportunities for small businesses.
- Semi-annual self-assessment reviews are conducted by the Procurement Policy and Systems Office to assess the use of Justifications for Other than Full and Open Competition and mitigating the barriers to competition for those actions.
- Center management annually reviews the acquisition forecast to ensure that the sourcing is appropriate. The forecast is published to allow industry insight into forthcoming procurements.
- The Office of Procurement utilizes an internal award system to recognize individuals who contribute new ideas and encourage innovation in procurement practices.

- The Industry Assistance Office (IAO) implements the Center’s outreach activity by attending and participating in various small business expos, training and conference opportunities.

Glenn Research Center

- On October 16, 2007, the Small Business Specialist (SBS) attended the NASA Kennedy Space Center Expo along with representatives of nearly all the other NASA centers and Headquarters. Nearly 1,000 persons attended this event and all the NASA Small Business Specialists took turns staffing the large NASA booth. The GRC SBS counseled over 40 firms.
- On October 22, 2007, the SBS attended a Veterans’ Administration business expo at Wright Patterson Air Force Base in Dayton, OH. This event comprised of buyers visiting the booths of businesses – mostly small businesses. The SBS provided advice and GRC points of contact for follow-up. A large number of these firms were veteran-owned companies.
- On March 18-19, 2008, the Procurement presented “How to Do Business with GRC” in Sandusky, OH to 50 local small business firms interested in contracting opportunities at GRC and at the Plum Brook Testing Facility.
- The SBO represented GRC at numerous other meetings, conferences, and symposiums.

Kennedy Space Center

- Kennedy Space Center took the initiative to restructure the Joint Base Operations and Support Contract (J-BOSC), resulting in more opportunities for small-business set-asides. As a result, four out of the six KSC acquisitions that resulted from the restructure were set-aside for various small businesses. Over \$1B in contracts were awarded to Small, HUB Zone, and Service-Disabled Veteran Owned Small businesses.
- Construction projects valued at less than \$500,000 are primarily reserved for small businesses in the 8(a) program. The Construction Support (CS) Program at KSC and the technical community conduct market research starting with a search of the Central Contractor Registration (CCR) Data Base for suitable contractors. Past performance research is then conducted on potential contractors via telephone and/or past performance questionnaires to their customers.
- KSC also invites potential contractors to provide capability demonstrations which are attended by both Contracting Officers and representatives from the technical community.

Goddard Space Flight Center

- GSFC hosted a Small Business Forum that provided information on the Mentor-Protégé Program and its benefits. Contractors were encouraged to bring capability statements.

Dryden Flight Research Center

- DFRC participates in various Vendor Days for local businesses on the procurement process and business opportunities.

The NASA Shared Services Center

- The NSSC maintains a Master Vendor List for the requirements community and continues commercial items outreach efforts by capturing commercial item supplier information and making available to the technical and procurement communities.
- Acquires on and off-site training for the Agency using streamlined, commercial item practices.

Ames Research Center

- Established an Acquisition Strategy Manager function to serve as a liaison with the technical community.
- Participated in the Office of Small Business (OBSP) Small Business Improvement Plan initiative.
- Center awards program recognizes individuals and teams for developing and implementing innovative practices in support of the Agency's small business program.
- Includes a small business competition enhancement factor in position descriptions and performance plans for those individuals involved in the acquisition process.

Langley Research Center

- The Small Business Specialist attended six conferences to promote upcoming opportunities at LaRC.
- Competition has recently been added to the quarterly metrics scorecard to monitor competition performance and allow for the early identification of a negative trend.

Stennis Space Center

- The SSC Small Business Specialist (SBS) routinely reviews contract requirements to identify small business opportunities.
- The SBS provided counseling to approximately 150 small businesses to determine if they provide commercial items/services needed at SSC.
- The SSC Small Business Forum which serves as an avenue to exchange ideas, discuss issues, express concerns, and share lessons learned in the procurement community. The forums also serve to provide general information to foster prime contractor small business and purchasing programs, and for promoting the use of commercial items.

Fiscal Year 2009

NASA Competition Advocate Report



**NASA Competition Advocate Report
Fiscal Year 2009**

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Center Acronyms

Ames Research Center (ARC)
Dryden Flight Research Center
Glenn Research Center (GRC)
Goddard Space Flight Center (GSFC)
Johnson Space Center (JSC)
Kennedy Space Center (KSC)
Langley Research Center (LaRC)
Marshall Space Flight Center (MSFC)
NASA Headquarters (HQ)
NASA Management Office/Applied Physics Lab (NMO/APL)
NASA Management Office/Jet Propulsion Lab (NMO/JPL)
NASA Shared Service Center (NSSC)
Stennis Space Center (SSC)

Executive Summary

The Office of Federal Procurement Policy (OFPP) Act (41 U.S.C. 418) requires executive agency competition advocates to transmit an annual competition report to their respective senior procurement executives. The Competition Advocate for the National Aeronautics and Space Administration (NASA) for FY 2009 was Ms. Sheryl Goddard, Director, Program Operations Division, within the Office of Procurement. This report summarizes the Agency's competition performance during FY 2009.

NASA practices full and open competition to the maximum extent practicable. While there are instances in the highly-complex and specialized business of space that non-competitive contract mechanisms are warranted, NASA is committed to ensuring competition in new, current, and follow-on procurement opportunities. This is evident in the favorable increase over the past two years of NASA's competition statistics (SEE CHART BELOW). In FY 2009, with approximately a \$15B dollar competition base (only a 1% increase from FY 2008), NASA awarded 67% of its procurement actions and obligated 54% of its available contract dollars competitively. In comparison, the FY 2008 percentages were 64% and 51% respectively. NASA's percentage for commercial awards also increased from 23% in FY 2008 to 54% in FY 2009. While the increase in commercial awards is impressive, it is not clear how much can be attributed to actual increases in commercial awards and how much is the result of the improved Federal Procurement Data System (FPDS) report capability incorporated into NASA's contract writing system in December 2008.

Description/FY	FY 2008	FY 2009
Competitive Actions	64%	67%
Competitive Obligated Dollars	51%	54%
Commercial Awards	23%	54%

Over the past few years, NASA has been in the midst of a transition from the Shuttle Program to new programs and projects provided for in the U.S. Space Exploration Policy. As the space shuttle approaches retirement, NASA has been concentrating on building the next fleet of vehicles to service the International Space Station (ISS) and return humans to the moon, and possibly to Mars and beyond.

The changing landscape provided a competitive environment less restrictive than that experienced under the Shuttle Program as it matured. Several large competitive awards have been made in support of the U.S. Space Exploration Policy to include the International Space Station (ISS) Commercial Resupply Services (CRS), ALTAIR Lunar Lander Development Study, Project Improvement and Project Services (PIPS), Crew, Robotics, Avionics and Vehicle Equipment (CRAVE), ISS Cargo Mission Contract and Flight Crew Equipment (CMC), ISS Mission Integration Contract (MIC) and the Michoud Assembly Facility Manufacturing Support and Facilities Operations. The Neutral Buoyancy Lab/Space Vehicle Mockup Facility (NSOC), and several acquisitions associated with the IT Infrastructure Integration Program (I3P) including the NASA Integrated Communication Services (NICS) and the Enterprise Application Service Technologies (EAST), Web Enterprises Services and Technology (WEST), and Agency

Consolidated Enterprise Services (ACES) are underway and are areas in which NASA is actively engaged in awarding large competitive acquisitions. NASA is also taking advantage of opportunities to acquire commercial items and services.

Multiple award competition under task and delivery order contracts remains a key focus area and each Center addresses competitive practices in this area in the Center Competition Advocate reports. This report also includes responses to the three key questions included in the October 27, 2009, OFPP memorandum on Increasing Competition and Structuring Contracts for the Best Results.

Over the next several years NASA will be implementing decisions made as a result of the President's proposed FY 2011 budget. There will be opportunities for competition in new frontiers such as commercial space flight, aeronautics and science, especially in the area of climate change and its impact. NASA remains committed to maintaining its increasing trend in competitive awards and achieving sustained improvements in the competitive arena to the greatest extent possible.

Appendix -- 41 U.S.C. 418

TITLE 41 - PUBLIC CONTRACTS CHAPTER 7 - OFFICE OF FEDERAL PROCUREMENT POLICY

Sec. 418. Advocates for competition

(a) Establishment, designation, etc., in executive agency

- (1) There is established in each executive agency an advocate for competition.
- (2) The head of each executive agency shall -

(A) designate for the executive agency and for each procuring activity of the executive agency one officer or employee serving in a position authorized for such executive agency on July 18, 1984 (other than the senior procurement executive designated pursuant to section 414(3) of this title) to serve as the advocate for competition;

(B) not assign such officers or employees any duties or responsibilities that are inconsistent with the duties and responsibilities of the advocates for competition; and

(C) provide such officers or employees with such staff or assistance as may be necessary to carry out the duties and responsibilities of the advocate for competition, such as persons who are specialists in engineering, technical operations, contract administration, financial management, supply management, and utilization of small and disadvantaged business concerns.

(b) Duties and functions

The advocate for competition of an executive agency shall -

(1) be responsible for challenging barriers to and promoting full and open competition in the procurement of property and services by the executive agency;

(2) review the procurement activities of the executive agency;

(3) identify and report to the senior procurement executive of the executive agency designated pursuant to section 414(3) of this title -

(A) opportunities and actions taken to achieve full and open competition in the procurement activities of the executive agency; and

(B) any condition or action which has the effect of unnecessarily restricting competition in the procurement actions of the executive agency; and (FOOTNOTE 1)

(4) prepare and transmit to such senior procurement executive an annual report describing -

(A) such advocate's activities under this section;

(B) new initiatives required to increase competition; and

(C) barriers to full and open competition that remain;

(5) recommend to the senior procurement executive of the executive agency goals and the plans for increasing competition on a fiscal year basis;

(6) recommend to the senior procurement executive of the executive agency a system of personal and organizational accountability for competition, which may include the use of recognition and awards to motivate program managers, contracting officers, and others in authority to promote competition in procurement programs; and

(7) describe other ways in which the executive agency has emphasized competition in programs for procurement training and research.

(c) Responsibilities

The advocate for competition for each procuring activity shall be responsible for promoting full and open competition, promoting the acquisition of commercial items, and challenging barriers to such acquisition, including such barriers as unnecessarily restrictive statements of need, unnecessarily detailed specifications, and unnecessarily burdensome contract clauses.

Part 1 – Introduction

The NASA Federal Acquisition Regulation Supplement (NFS) identifies those designated to serve as the agency competition advocate. The competition advocate program stresses training, procurement planning, acquisition forecasting, outreach efforts, and documentation of justifications for other than full and open competition. Those serving in these senior positions have direct influence over all center functions and activities that affect competition in contracting. NASA's competition advocate is also responsible for promoting the acquisition of commercial items. This report describes NASA's progress in competition and in acquiring commercial items to meet the needs of the agency.

Benefits of Competition

One of the primary benefits is a sense of “fair play” when merit, rather than favoritism, is the basis for award.¹ The Office of Federal Procurement Policy (OFPP) memorandum dated October 27, 2009, provides as an attachment, *Guidelines for Increasing Competition and Structuring Contracts for the Best Results*. The memo advocates that competition:

- Drives down costs;
- Motivates better contractor performance;
- Helps to curb fraud and waste; and
- Promotes innovation.

Related to competition is the degree of concentration of the industrial base.² An agency's ability to obtain competition can be very limited when there are only a few suppliers. Also, when agencies repeatedly buy from the same supplier, there may be no opportunity for other suppliers to enter the market.

Under the guidance of the Assistant Administrator for Procurement, NASA will continue to renew its emphasis on maximizing competition across the Agency as requested in the Office of Federal Procurement Policy (OFPP) memoranda dated July 18, 2008, and October 27, 2009. NASA's increasing competition statistics clearly demonstrate the importance of competition and the role it plays in the success of the NASA mission.

Benefits of Acquiring Commercial Items and Services

Acquiring commercial items—

- Is easier than acquiring non-commercial items;
- Eliminates the need for research and development;
- Reduces acquisition lead-time;
- Reduces the use of detailed design specifications and extensive product testing.³

¹ Senate Report No. 98-50, accompanying S. 338, the Competition in Contracting Act of 1984, p. 3.

² *Ibid.*, p. 16.

³ Senate Reports No. 103-258, p. 5, and 103-259, pp. 5 to 6, accompanying S. 1587, the Federal Acquisition Streamlining Act

The acquisition of commercial items also enhances the Government's base of suppliers by—

- Encouraging Government contractors to develop dual-use products, i.e., for use in both Government and commercial applications; and
- Encouraging commercially oriented firms to do business with the Government.⁴

⁴ Senate Report No. 103-259, p. 7

Part 2 – FY 2009 Competition Statistics

Overview

In FY 2009, with approximately a \$15B dollar competition base (only a 1% increase from FY 2008), NASA awarded 67% of its procurement actions and obligated 54% of its available contract dollars competitively. In comparison, the FY 2008 percentages were 64% and 51% respectively. Figure 1 below depicts the historical data points.

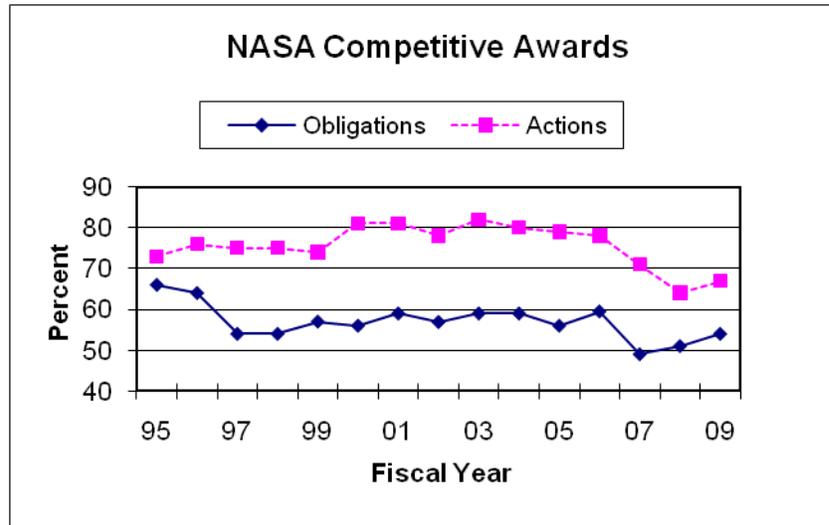


Figure 1

Competition Goals and Individual Center Contributions

NASA’s increase in its competition statistics can be easily seen from an analysis of the performance at the Center level. NASA Procedural Requirements (NPR) document 5101.33A, Procurement Advocacy Programs, sets forth the following competition goals annually:

- Competitive action rate 80%
- Competitive obligation rate 70%.

Centers that met or exceeded *both* of the above goals were exempt from the requirement to submit an annual competition report (but not from the requirement to report on commercial item acquisitions). For FY 2009, the following four Centers met both thresholds and accounted for almost 20% of the total dollars competed:

Center	% Dollars Competed	% Actions Competed
ARC	72%	83%
HQ	86%	82%
NSSC	98%	99%
KSC	82%	80%

In FY 2008 only one Center, the NSSC, met both thresholds.

The following Centers, while not meeting both NFS thresholds, did obligate more than 70% of their dollars competitively and award well over 50% of their actions competitively during FY 2009.

Center	% Dollars Competed	% Actions Competed
GSFC	87%	62%
LaRC	78%	72%
GRC	85%	75%
SSC	79%	72%

The following five Centers demonstrated an increase in dollars awarded competitively as follows:

Center	FY 2008 Competitive Dollars	FY 2009 Competitive Dollars	% Increase
JSC	37%	46%	9%
MSFC	33%	38%	5%
GRC	84%	85%	1%
HQ	85%	86%	1%
DFRC	31%	52%	21%

Worth noting is the fact that both JSC and HQ consistently increased their competitively awarded dollars over the past three years since FY 2007.

Dollars Available for Competition

As in previous years, the NASA-wide statistic for competitive dollar obligations is influenced greatly by JSC, MSFC, GSFC, and KSC (see Figures 2 and 3 below). Competition improvements at these Centers will always positively impact the Agency-wide statistics for obligations as these Centers award high dollar value awards for mission critical programs and projects. Several of the major competitive efforts under U.S. Space Exploration Policy are managed by these Centers.

NASA is also receiving more funding for its Earth Science Programs such as the next two decadal survey missions (Climate Absolute Radiance and Refractivity Observatory and the Deformation, Ecosystem Structure, and Dynamics of the Ice missions) and the Deep Space Climate Observatory. NASA fully expects that the Agency will continue its trend towards increased competitive dollar obligations.

One area where a change is under consideration for the follow-on award is with NASA's Federally Funded Research and Development Center with the California Institute of Technology's (Caltech) Jet Propulsion Laboratory (JPL). This effort is managed by the NASA

Management Office (NMO) and the majority of NMO funds have traditionally been obligated on a sole source award.

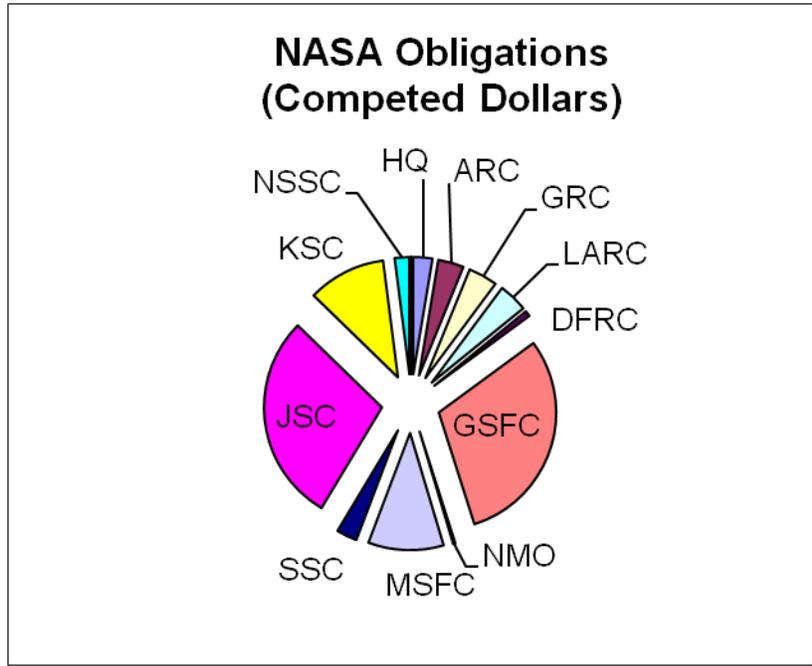


Figure 2

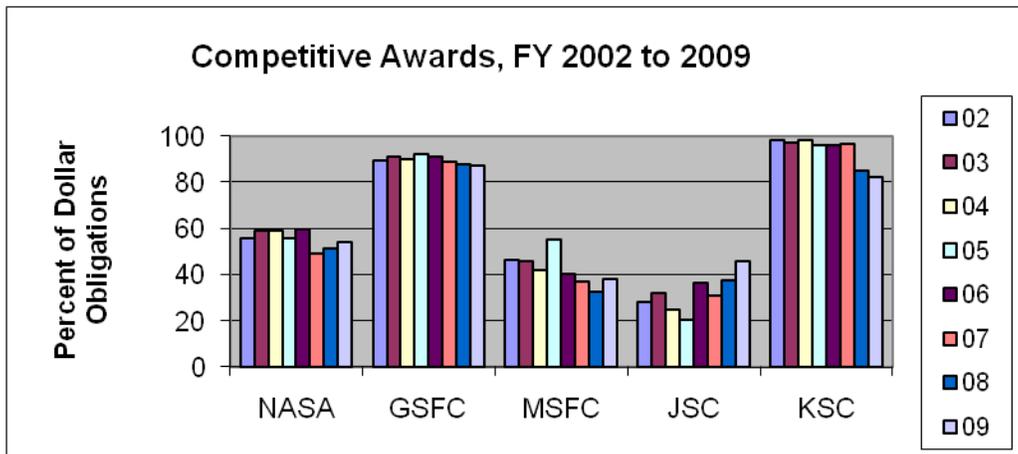


Figure 3

Barriers to Competition Across the Agency

- Seeking the best scientific and technological sources for innovative Research and Development projects can be barriers to competition.
- Government initiatives for “green” procurements have created challenges for many small businesses, which may not currently have certifications, such as the Leadership in Energy & Environmental Design (LEED) “star”, which will be required for Federal contracting eligibility. JSC is working to mitigate this issue by developing training materials and conducting industry outreach to educate small businesses on compliance with Safety and Health, LEED, affirmative procurement, and similar requirements.
- Retention of contractor data rights is a disincentive to federal contracting where typically the data rights are retained by the Government.
- Use of NASA’s Federally Funded Research and Development Center with the California Institute of Technology’s (Caltech) Jet Propulsion Laboratory (JPL) where we want to maintain a capability.

Part 3 – Review of FY 2009 Competitive Activities

HQ Approval of Justifications for Other than Full and Open Competition (JOFOC)

The NFS requires NASA Headquarters approval on justifications with an estimated value over \$78,500,000. In FY 2009 there were nine JOFOCs approved over \$78.5M, a significant increase over the two JOFOCs in the prior year. With the exception of the JOFOC for the Smithsonian Institution, this increase is due entirely to the transition from the Space Shuttle and International Space Station Programs to the Constellation Program over the past few years. The transition encompasses planning, utilization and disposition of numerous processes and resources while at the same time balancing the need to leverage the existing assets for the safety and success of future Exploration missions.

The following represents the nine justifications processed for approval in FY 2009 pursuant to the Federal Acquisition Regulation, 6.302-1 – Only One Responsible Source.

Marshall Space Flight Center

- ❖ December 2008 – Jacobs Technology, Inc, Engineering Science and Technical Services contract ceiling increase. *Estimated value: \$250M*
- ❖ February 2009 – Smithsonian Institution's Astrophysical Laboratory contract extension for Chandra X-Ray Observatory Program. *Estimated value: \$523M*
- ❖ February 2009 – ATK Launch Systems, ceiling increase only for additional mission in FY10 for the Space Shuttle Program necessitating purchase of Reusable Solid Rocket Motor. *Estimated value: \$87.5M*

Johnson Space Center

- ❖ December 2008 – Firm Fixed Price modification to Russian Space Agency to extend contract one additional year through 12/31/12 and procure three additional Soyuz seats for fall of 2011 to the ISS from Russian Space Agency. *Estimated value: \$140.9M*
- ❖ December 2008 – Jacobs Technology, Inc. 3 year contract extension for engineering products and technical services for Ares Directorates in support of the Space Shuttle and Constellation Programs. *Estimated value: \$750M*
- ❖ January 2009 – One year base and two option years 3/1/09 - 2/29/12 to CSC follow-on to span the transition operations between the retirement of the Shuttle, completion of the ISS and the start of the U.S. Space Exploration Policy.
Estimated value: \$175M
- ❖ May 2009 – Firm Fixed Price modification to Russian Space Agency to procure six Soyuz seats beginning spring of 2012 to the ISS. *Estimated value: \$306M*

- ❖ May 2009 – Sole Source contract with Hamilton Sundstrand Space Systems International for the Extravehicular Activity Space Operations Contract (ESOC) five year base and five, one year option periods. Estimated value: \$726M
- ❖ August 2009 – Boeing 4 year contract extension for ISS U.S. Vehicle Segment sustaining engineering. Estimated value: \$1.5B

Notification to HQ of Approval for Unusual and Compelling Urgency

The NFS also requires Contracting Officers to notify NASA HQ when the statutory authority of FAR 6.302-2, Unusual and Compelling Urgency (10 USC 2304(c)(2)), is used for a contract action. HQ notification is to be provided as soon as the requirement is known or the need is identified but prior to justification approval and award of any related contract action. Following the initial notification, a copy of the justification must be provided to HQ within three (3) days after approval. The NFS also provides specific content requirements in the justification supporting the use of the unusual and compelling urgency authority.

In FY 2009, the following three JOFOCs were approved.

Johnson Space Center

- ❖ November 2008 - Upgrades to JSC Facilities contract due to Hurricane Ike damage. Estimated value: \$49M

Dryden Flight Research Center

- ❖ March 2009 - Repair of remote sensing aircraft which failed inspection. Estimated value: \$55K
- ❖ April 2009 - Completion of Orion Pad Abort 1 and 2 launch stand. Estimated value: \$88K

Efforts made by Centers in FY 2009 to increase competition and achieve full and open competition

Centers promote competition by identifying and posting acquisition forecasts (utilizing the NASA Acquisition Internet Service (NAIS)), conducting market research, hosting industry days, scrutinizing sole-source justifications, etc. Some specific activities conducted in FY 2009 include:

- GSFC has taken a comprehensive strategic approach to conducting follow-on procurements for major engineering service contracts. In some cases they have deconsolidated major engineering services to limit the scope of work to one primary discipline. The smaller procurements have resulted in increased competition, often for small businesses and 8(a) set-asides. Similar past competitions resulted in 2-3 contract

proposals, and typically only 1-2 quality proposals. More recently, we have achieved 3-5 quality proposals for these types of efforts.

- At GRC the contracting officers analyze any competitively solicited procurement that results in only one proposal to ascertain what may have contributed to a lack of competition. The reasons are documented and necessary action taken to maximize competition for future requirements.
- JSC, over the last several years has seen a number of companies propose on JSC requirements for the first time. In FY 2009, JSC conducted 11 major competitive procurements each greater than \$50M. Of the 308 total procurements greater than \$25,000 in FY09, 225 were competitively awarded.
- LaRC stepped up its efforts this year and increased its competitive award actions by 5% from 67% in FY08 to 72% in FY09. Historically, it has been unable to meet the NFS goal for the number of actions with the bulk of this being in simplified acquisitions. A special emphasis on reviews of simplified actions was initiated in FY 09 and it paid off. For example, insufficient sole source justifications were returned for revision or converted into competitive specifications. Particular attention on challenging and rewriting *brand name only* specifications to allow *brand name or equal products* all served to increase the number of competitive actions.
- MSFC requires a large amount of funding on Space Shuttle and Ares I contracts posing a significant barrier to competition in FY 2009 and leaving only about \$959 Million or 43.4% of the dollars available for competition to fund other procurements. However, of this remaining \$959 Million, MSFC was successful in obligating \$843.7 Million on competitive awards. This equates to an 87.9% success rate on obligating funds on new competitive awards and modifications to competitive awards when you exclude the impacts associated with funding the Space Shuttle and Ares I.
- SSC is in the process of converting a previous sole source 8(a) Laboratory Services Contract to a competitive 8(a) firm-fixed price contract.

HQ Approval of Determination and Finding (D&F) of Single Award Indefinite Delivery Indefinite Quantity Contracts

NASA approved ten (see list below) D&Fs in FY 2009. This represents an increase from the five approved in FY 2008. Section 843 of the 2008 National Defense Authorization Act provides that no task or delivery order contract in an amount estimated to exceed \$100,000,000 (including all options) may be awarded to a single source unless the head of the agency determines in writing that the task or delivery orders expected under the contract are so integrally related that only a single source can reasonably perform the work. In NASA Policy Directive 5101.32D, the head of the agency delegated authority for approvals of this nature to the Assistant Administrator for Procurement.

Together with Department of Defense and Health and Human Services, NASA is among the top agencies obligating Research and Development dollars. It was determined that the risk of using multiple contractors for development, integration, testing, calibration, tracking, and in many cases, real-time on-orbit operations, was too high. The majority of these D&Fs are related to specific satellites or programs where the success of NASA's mission is integrally linked to the work being performed. All of these ten D&F's were thoroughly scrutinized to ensure they met the FAR requirements.

Goddard Space Flight Center

- ❖ October 2008 – Space Communication and Network Services Contract (SCNS).
Estimated value: \$1.3B
- ❖ October 2008 – Program Analysis and Control (PAAC). *Estimated value: \$200M*
- ❖ January 2009 – Earth Observation Systems Data and Information System (EOSDIS) Evolution and Development (EED). *Estimated value: \$250M*
- ❖ May 2009 – Hydrospheric and Biospheric Sciences contract (HBS).
Estimated value: \$120M
- ❖ June 2009 – NASA Sounding Rocket Operations Contracts (NSROC II). *Estimated value: \$309M*
- ❖ June 2009 – Wallop's Range Operations Service Contract (WROS).
Estimated value: \$117M

Ames Research Center

- ❖ October 2008 - Aerospace Testing and Facilities O&M (ATOM) Contract.
Estimated value: \$200M

Kennedy Space Center

- ❖ April 2009 - NASA Enterprise Data Center Acquisition (NEDC).
Estimated value: \$1.5B
- ❖ July 2009 - Exploration Ground Launch Services (EGLS). *Estimated value: \$500M*

Johnson Space Center

- ❖ May 2009 - International Space Station Program Integration and Control Contract.
Estimated value: \$180M

Competition under Delivery and Task Order Contracts

NASA Centers competitively award orders under multiple award IDIQ contracts. They have also instituted policies and procedures to ensure that task and delivery orders issued under multiple award contracts are properly planned and comply with applicable regulatory guidance. Several examples include:

- ❖ JSC awarded the ISS Commercial Resupply procurement, a FAR Part 12, Multi-award, Indefinite Quantity Indefinite Delivery (IDIQ) to SpaceX and Orbital Sciences Corporation, valued at \$3.1B each.
- ❖ JSC employs acquisition strategies that expand its competition capabilities by putting multiple parallel contracts in place, where it anticipates that future requirements warrant this strategy. For example, JSC awarded multiple IDIQ contracts for major and minor construction projects at the Center. As construction jobs arise, they are competed among the existing contracts, and awarded as task orders under the winning contract.
- ❖ KSC awarded 12 general construction IDIQ contracts under a multiple award IDIQ solicitation awarded in April 2007 and expiring April 2012. During FY 09, KSC awarded 25 general construction task orders to the IDIQ contract holders. KSC issued solicitations for the 25 projects to all 12 contract holders. The 25 task order awards, valued at approximately \$32 million, were spread amongst 6 of the 12 contractors.
- ❖ LaRC processed 160 actions (including 74 new FY09 tasks) related to tasks against multiple-award contracts of which only five were non-competitive (four new awards and one mod against an existing award).
- ❖ MSFC competes some task orders that are within the scope of an existing single-award IDIQ contract even though there is no requirement to do so. Rather than only solicit from the single-award IDIQ contractor, a task order solicitation that is within the scope of the single-award IDIQ contract is issued to an appropriate number of BPA contractors for effort that is within the scope of their agreements.
- ❖ MSFC has ten Firm-Fixed Price (FFP) multiple-award Indefinite Delivery, Indefinite Quantity (IDIQ) delivery-order type contracts for Construction of Facilities (COF). These contracts were competitively awarded and are the only multiple-award contracts at the Center. Each contract has a maximum overall order quantity of \$25 Million.

Part 4 – FY 2009 Acquisition of Commercial Items

NASA’s statistics in the area of commercial item acquisition rose significantly in FY 2009. The numbers reflect a 31 point increase from 23% in FY 2008 to 54% in FY 2009. Since FY 2005 NASA’s commercial acquisition numbers vacillated between 20 and 23 percent. Part of the lower percentages can be attributed to a poor FPDS process. Prior to December 2008, the FPDS process was that of a check box construct without any hard edits that would require data input in that field. If the field was left blank, it was reported as a “no” in terms of commercial competition. The FPDS field is now a drop down box that requires a “yes or no” selection which more accurately reflects NASA’s commercial competition statistics.

The goal is to continue this increasing trend as we recognize the advantages of commercial acquisition. NASA will continue to award contracts for commercial items whenever possible by:

- 1) Encouraging our customers and contractors to acquire goods and services with a preference for commercial item acquisitions;
- 2) Conducting outreach conferences;
- 3) Posting sources sought announcements; and
- 4) Conducting market research.

Figure 4 below graphically depicts the increase across the board for all the centers for FY 2009.

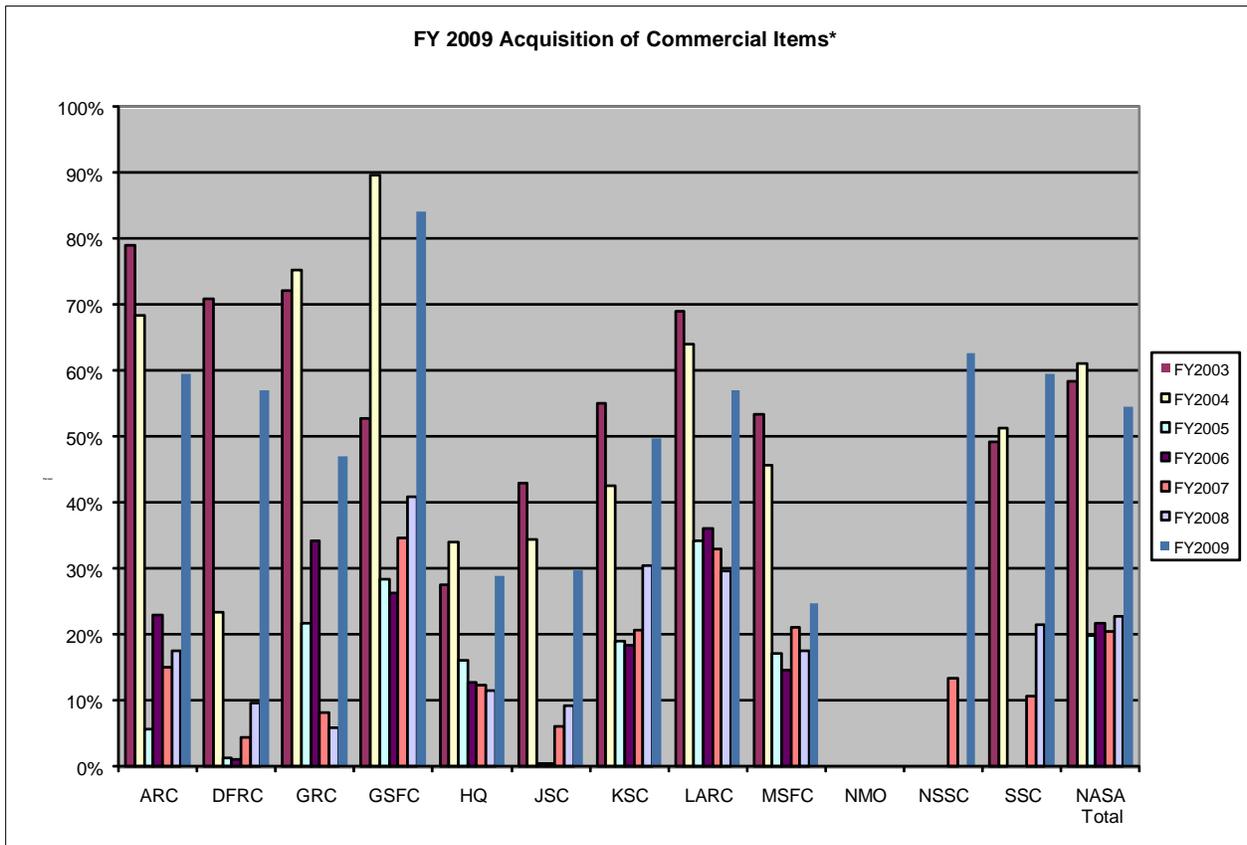


Figure 4

*Excludes SBIR/STTR's, R&D, construction, grants, agreements, intragovernmentals

Efforts made to increase commercial item competition and Center suggestions for initiatives to increase commercial item acquisition

- ARC emphasizes in-reach efforts and participation of technical organization to encourage Government requesters to see the capability demonstrations of dual-use products for use in both government and commercial applications. ARC also suggests use of Sources Sought announcements, Requests for Information (RFI), and posting of draft Statements of Work (SOW) to solicit industry comments, input and recommendations.
- SSC's Small Business Specialist (SBS) conducts meetings with prospective small business companies to determine if they provide commercial items or services that would be of use to NASA. The SBS also routinely reviews contract requirements and assists in market research functions to identify small business vendor opportunities. The SBA Procurement Center Representative (PCR) assigned to SSC also reviews new contract requirements.
- The Office of Small Business Programs at NASA Headquarters plans to continue internal marketing efforts regarding its newly launched (December 2009) Master Vendor database listing. It is also conducting extensive outreach efforts to small and large businesses encouraging them to input their information. NASA suppliers and viable companies interested in doing business with NASA can now register and upload capability statements, update contact information and respond to questions from interested parties. This system is for NASA acquisition and small business personnel only. This database is available to all NASA buyers to use as a tool to expedite requirements to the commercial marketplace and will facilitate commercial item competitions.
- MSFC's NASA Acquisition Internet Service (NAIS) continues to be the primary method for electronic dissemination of procurement information. The NAIS is used to post NASA's sources sought, pre- and post award synopses as well as solicitations, solicitation amendments, sole source justifications, and other related documents onto the Internet. The information entered into NAIS is included in the Federal Business Opportunities (FedBizOpps) Web site which is the Federal-wide entry point to business opportunities. Use of NAIS has broadened the Agency's market exposure, particularly to small business. This is evidenced by significant increases in the number of solicitation copies distributed and offers received.
- KSC's NASA Launch Services (NLS) Program solicitation for commercial launch services remains open to competition and contains a unique provision that allows new providers to submit proposals on a semi-annual basis. This process creates opportunities for award of additional large dollar commercial item contracts or delivery orders. These FAR Part 12 launch services contracts are firm-fixed-price, multiple award, indefinite-delivery/indefinite-quantity (IDIQ) and performance-based.
- JSC is shifting work previously under its sole source Space Programs Operations Contract (SPOC) into the competitive marketplace. The SPOC Flight Crew Equipment requirements,

valued at approximately \$21.7M dollars per year, will be included in the ISS Program Cargo Mission Contract which is a full and open competition. Also, the SPOC facility work, valued at approximately \$86.4M per year, is being added to the competitively awarded Facilities Development and Operations Contract (FDOC). Flight operations support was de-scoped from the SPOC contract and a sole source Integrated Mission Operations Contract (IMOC) was awarded; however, it is expected that the IMOC follow-on procurement will be competed upon its completion.

Barriers to Commercial Item Acquisition

- FAR Part 12 limits the use of T&M and Labor Hour contracts for commercial item acquisitions.
- FAR Part 32 limits commercial advance payments before any performance of work to 15 percent of the contract price. Some commercial industry standards require 50 percent deposits upon order placement, e.g., model making services.
- Known barriers to commercial item acquisitions include the requirement for reporting construction of facilities as noncommercial.
- NASA obligates a significant portion of its budget in the R&D arena and research facilities and equipment are unique and compatibility is sometimes limited to one source which can limit use of commercially available items.
- FPDS-NG automatically identifies an award to the Federal Prison Industries (UNICOR) as “Not Available for Competition.” FAR 8.602 requires that the Contracting Officer conduct market research and make a best value determination prior to selecting UNICOR products, and in some cases, requires a competition between Federal Prison Industries and other sources. This has the effect of unnecessarily restricting commercial item competition.

Part 5 – Other Actions and Initiatives taken in FY 2009

The OFPP memorandum issued on October 27, 2009, included guidelines for agencies to use in evaluating the effectiveness of competition practices and processes for selecting contract types. NASA contracts and acquisitions are often unique and complex due to the significant amount of Research and Development (R&D) required to accomplish the Agency's mission. To meet these requirements, some of our contracts require the use of limited sources and flexible contract structures to facilitate critical research, leading edge innovation, and uncertain requirements.

In FY 2009, NASA awarded 67% of its procurement actions competitively and obligated 54% of available dollars competitively. Both of these statistics are improved from FY 2008, when NASA awarded 64% of its actions competitively and obligated 51% of its available dollars competitively. This trend is expected to continue as NASA moves away from the Space Shuttle era and into the Constellation Program. In addition, NASA is succeeding in reducing high risk contracts in other mission areas as well.

Using the three key questions from the October 27, 2009, OFPP memo, examples are provided below demonstrating NASA's commitment to maximizing the use of full and open competition and other competitive procurement processes, and to the appropriate use and oversight of all contract types.

1. Examples of how the Agency is maximizing the effective use of competition and choosing the best contract type for the acquisition:

a. At NASA, market research continues to be an important tool in enhancing efforts to acquire commercial items. Program, projects and procurement specialists utilize the NASA Acquisition Internet Service (NAIS) tools to conduct market research; contract specialists have access to the NASA Procurement Data View, the online NASA database system containing data on all active NASA contracts.

b. Utilization of NASA Market Research Web site provides links to commercial sites such as:

- Aviation Asset Solutions – Aircraft Spare Parts Locator System
- CNET Shopper – Computers and Related Products
- Galaxy – Product and Service Sources
- i-MART – Product and Service Search
- Industry Link – Links to Industry Web Sites
- National Industries for the Blind – Products and Services
- ThomasNet.com – Register of Industrial Suppliers
- Google and Yahoo – General Search Engines

c. MSFC is presently leading the competitive procurement activity for the NASA Integrated Communication Services (NICS) and the Enterprise Application Service Technologies (EAST) contracts. These will be Agency-wide contracts and are part of the IT Infrastructure Integration Program (I3P) strategic sourcing strategy. The NICS and EAST contracts will consolidate

requirements that are presently under numerous contracts across the Agency. The follow-on EAST contract will be fixed price. The follow-on NICS contract effort will remain CPAF during its base period of performance and transition to a cost plus incentive fee (CPIF) during the options with the provision to convert to a fixed price (FP) contract or hybrid CPIF/FP contract.

d. Also included in NASA's Plan for Improving Government Acquisition is an examination of why only one offeror was received in response to a solicitation to ensure the Government is not engaging in restrictive practices that reduce competition and work with requirements officials to explore opportunities for new solution that might be met by two or more sources.

e. GSFC continues to make every effort to engage industry during market research and acquisition planning. A recent example is the Rapid Spacecraft procurement which is implementing a complex set of technical requirements. To engage industry early in the process, multiple Requests for Information were released, along with a special capability assessment to consider each vendor's capability to meet the Mission Assurance Requirements. Feedback was provided to vendors early in the process, which is expected to maximize competition.

f. MSFC developed a detailed option execution process clause (requires submittal of a proposal providing technical, management, price control/reduction improvements 10 months prior to the required option execution date) that provides hard data to be analyzed by NASA and thus placing emphasis in the Government option execution decision. This clause has been used in 5 contracts thus far, each over \$50M.

g. JSC is using incentives to lower cost and tailor to the level of uncertainty (fixed price verses cost-reimbursement). This is evident in recent RFPs issued. For example, the Information Technology and Multimedia Support (ITAMS) contract will be using Award Incentive Fee to encourage cost control during the life of the contract. This decision was based on a thorough review of the SOW and evidence that this incentive would be worth the administrative costs to the government.

h. The GRC Small Business Specialist (SBS) attended the SBA Columbus District's Ohio Business Matchmaker in Dayton, Ohio. Over 1400 people attended this event. The GRC SBS staffed a booth, counseled and discussed business opportunities with small businesses representing many socioeconomic categories (small business, service-disabled veteran-owned small businesses, veteran-owned small businesses, historically underutilized business zones, and women-owned small businesses). The SBS counseled approximately 80 firms.

i. DFRC reviews prime contractor purchasing systems to insure that the appropriate degree of competitive subcontracting and purchasing is occurring. These reviews allow it to verify that adequate safeguards and controls are in place for maximizing subcontract competition and commercial item procurement, whenever feasible.

j. LaRC issues draft Request for Proposals (RFP's) for procurements over \$10M. Potential offerors are requested to identify unnecessary or restrictive requirements.

k. ARC is developing a mandatory training requirement for all requesting organizations to emphasize competition and development of performance based acquisitions. This training will

emphasize the competition requirements related to federal procurements and the risks associated with cost reimbursement, T&M or LH contracts, as well as the lead times for various procurement types.

2. Examples of how the agency is mitigating risk when noncompetitive, cost-reimbursement, or T&M/LH contracts are used:

a. As part of NASA's Plan for Improving Government Acquisition submitted in November 2009, an analysis will be done of organizations within the Agency that have repeatedly renewed T&M/LH contracts to consider the continued need and cost-effectiveness of such arrangements and whether other contract types are more suitable.

NASA is working diligently to avoid use of high risk noncompetitive and cost reimbursement contracts where appropriate. NASA is continually challenging programs and projects to re-assess acquisition strategies, particularly regarding the use of high risk contracts, through the Procurement Tenets and the NASA Strategic Acquisition Planning Process. These tools have established a strong framework for ensuring that NASA carefully examines the high risk nature of all upcoming acquisitions and provides guidance necessary to transition these contracts as we move forward.

b. At GRC performance-based acquisitions have become the norm and performance incentives have been incorporated into major service and hardware contracts. The Procurement Division maintains a Center procedure encouraging and supporting competitive performance-based acquisitions (GLPR 5137.1) and a work instruction pertaining to Contractor Performance Evaluations (GLWI-CH-5142.3).

c. GSFC, for Cost type IDIQ contract competitions, has recently considered using Representative Task Orders in the competition that are real, rather than fictitious (i.e., sample tasks), and can therefore be awarded based on the pricing received in the competitive environment. This reduces the cost risk of negotiating these tasks at a later date, when the environment may be less competitive.

d. At GRC risk is mitigated by limiting contract length, ensuring price reasonableness, regularly assessing contractor performance, receiving audit support as necessary, and providing contracting officers and COTRs with the skills necessary to administer cost-type contracts. The Procurement Division recently provided NASA Form 533 (entitled 'Contractor Financial Management Report') training to requisitioners and COTR's and will provide further training to its own staff. Also, GRC is currently designing a matrix to clearly define responsibilities for analyzing cost reports to strengthen its administration of cost reimbursement contracts.

e. JSC requires that surveillance plans be in place to monitor contractor's performance. Many JSC contracts link payment to performance by having milestones that must be reached for payment. These milestones are established at contract inception and determine how the payments will be made.

f. At KSC, cost-reimbursement contracts play an important role in helping KSC address complex launch requirements, ground support equipment requirements, and unforeseen emergencies that arise due to launch operations. The contract risk is mitigated by limiting the contract's performance period, ensuring price reasonableness, using cost and price analysts to review and analyze major cost items and requiring annual DCAA audits. Time and materials contracts when implemented, are one year contracts, with one year options. KSC regularly assesses the contractor's performance on cost-reimbursement and T&M contracts by assigning a Contracting Officer's Technical Representative (COTR) to perform technical surveillance of each contract. COTRs and technical monitors assess and report on the contractor's quality, timeliness, cost control, and customer concerns. The contractor's performance metrics established by their customer improve the center's ability to motivate quality contractor performance during the life of a contract. KSC relies on past performance on the current contract when re-competing future work.

g. In addition to the processes described above, the Agency has established additional tools to better manage our high risk contracts. One significant initiative addresses NASA's need to strengthen our life-cycle cost/schedule management processes. Another initiative is being undertaken to improve NASA's use of Earned Value Management Systems. In addition, the Headquarters Office of Procurement has recently developed some procurement improvement initiatives to provide our Center procurement offices with the "tools" necessary to better analyze costs and negotiate high risk contracts. Both the Peer Review Process and the Cost/Price Analysis Development Programs are examples of such "tools."

3. Examples of how the agency is creating opportunities to transition to more competitive and lower risk contracts:

a. In the last few years, a significant number of competitive awards have been made in support of Constellation. Under these contracts, NASA is aggressively emphasizing the need to move toward firm-fixed-price (FFP) contracts as soon as practical in the acquisition process. The contracts have the built-in capability to transition to FFP upon the exercise of future options if there is sufficient historical data to establish reasonable prices at that time. If it is not possible to transition to FFP in the current generation of Constellation contracts, the acquisition strategy is to award the Constellation production contracts on a FFP basis as soon as practical.

b. SSC suggests that for the J-2X and other future engines, NASA should investigate whether it can acquire engine testing services from other than the builder of the engine. This may entail acquiring rights in the builder's data.

c. The NSSC is responsible for the cost-plus-fixed-fee service contract that provides agency-wide contact closeout services at each of the NASA's centers. It is currently conducting preliminary acquisition planning for the follow-on procurement and anticipates that the new contract will be firm-fixed-price with payment based on the quantity of contractual instruments closed-out by the contractor. The requirements for this procurement will be sufficiently mature

so that a cost type contract will no longer be needed. It is also anticipated, performance will be improved through use of a “pay for performance” payment mechanism. Also, as part of this preliminary planning, the NSSC will review the existing contract, resource requirements, and schedule constraints in order to focus our efforts on developing a FFP solicitation for the follow-on procurement.

d. MSFC is in the process of awarding GSA Network contracts (task orders) for the NASA Integrated Service Network effort. This is a follow-on effort to the work previously procured under the GSA FTS 2001 contract. The Network awards have already resulted in significant savings to the Agency over the FTS 2001 awards due to better defined requirements for the Network procurements and increased competition for those requirements.

e. MSFC awarded a competitive contract for the Michoud Assembly Facility Manufacturing Support and Facilities Operations Contract (MSFOC) in May 2009. Previously, this was a non-competitive effort. The current MSFOC contract is a cost plus award fee (CPAF) contract with a period of performance through April 2014. It is MSFC’s intent to convert the follow-on competitive award of MSFOC to fixed price, provided adequate metrics and performance criteria can be established for the requirement.

f. KSC restructured and debundled the Joint Base Operations Service Contract (J-BOSC), resulting in more opportunities for commercial acquisition. The restructuring and debundling resulted in the award of six separate contracts, three of which were firm-fixed priced, commercial item acquisitions. Over 30 competitors submitted proposals on the six contracts awarded.

Fiscal Year 2010
NASA Competition Advocate Report



**NASA Competition Advocate Report
Fiscal Year 2010
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Center Acronyms

Ames Research Center (ARC)
Dryden Flight Research Center (DFRC)
Glenn Research Center (GRC)
Goddard Space Flight Center (GSFC)
Johnson Space Center (JSC)
Kennedy Space Center (KSC)
Langley Research Center (LaRC)
Marshall Space Flight Center (MSFC)
NASA Headquarters (HQ)
NASA Management Office/Applied Physics Lab (NMO/APL)
NASA Management Office/Jet Propulsion Lab (NMO/JPL)
NASA Shared Service Center (NSSC)
Stennis Space Center (SSC)

Executive Summary

The Office of Federal Procurement Policy (OFPP) Act (41 U.S.C. 418) requires executive agency competition advocates to transmit an annual competition report to their respective senior procurement executives. Ms. Sheryl Goddard, Director, Program Operations Division, within the Office of Procurement is the Competition Advocate for the National Aeronautics and Space Administration (NASA). This report summarizes the Agency's competition performance during FY 2010.

NASA practices full and open competition to the maximum extent practicable. While there are instances in the highly-complex and specialized business of space that non-competitive contract mechanisms are warranted, NASA is committed to ensuring competition in new, current, and follow-on procurement opportunities. This is evident in the favorable increase over the past three years of NASA's competition statistics (See Chart Below). In FY 2010, with approximately \$17.4B dollars in procurement obligations (only a 4.2% increase from FY 2009), NASA awarded 72% of its procurement actions and obligated 55% of its eligible contract dollars competitively. In comparison, the FY 2008 percentages were 64% and 51% respectively. NASA's percentage for commercial awards also increased from 23% in FY 2008 to 69% in FY 2010.

Description/FY	FY 2008	FY 2009	FY2010
Competitive Actions	64%	67%	72%
Competitive Obligated Dollars	51%	54%	55%
Commercial Awards	23%	54%	69%

Over the past few years, NASA has been in the midst of a transition from the Shuttle Program to new programs and projects. Building the legacy of the Space Shuttle and Constellation Programs is opening up new frontiers of innovation and discovery. NASA is pursuing new approaches to space exploration, research and development on heavy-lift technologies, commercial spaceflight capability, and accelerating the next wave of Climate change research and observations spacecraft. We made history in December of 2010 as our partner in commercial orbital transportation system programs, Space X, became the first commercial company to successfully launch a rocket and retrieve a capsule after intact reentry.

The changing landscape provides a competitive environment less restrictive than that experienced under the Shuttle Program as it matured. Several large competitive awards for FY 10 were: Two NASA Launch Services (NLS) multiple award Indefinite Delivery Indefinite Quantity (IDIQ) contract Task Orders, Information Technology and Multimedia Support (ITAMS), Crew, Robotics, Avionics and Vehicle Equipment (CRAVE), Cargo Mission Contract (CMC), Mission Integration Contract (MIC), Neutral Buoyancy Laboratory/Space Vehicle Mockup Facility (NSOC), Test and Evaluation Support Team (TEST), Environmental Compliance and Operations (ECO), and Multiple Award General Construction, IDIQ Contracts. Of these competitive actions, the CRAVE, MIC, and NSOC contracts represent awards with potential contract value in excess of \$500 million. All of the above were conducted under Full and Open Competitions and the following were also competed as Commercial Item Acquisitions: NLS, ITAMS CRAVE, MIC, NSOC, ECO, IDIQ construction contract. These are areas in which NASA is actively engaged in awarding large competitive acquisitions. Multiple award

competition under task and delivery order contracts remains a key focus area and each Center addresses competitive practices in this area in the Center Competition Advocate reports.

Over the next several years NASA will be implementing decisions made as a result of the President's proposed FY 2011 budget. NASA remains committed to maintaining its increasing trend in competitive awards and achieving sustained improvements in the competitive arena to the greatest extent possible.

Appendix -- 41 U.S.C. 418

TITLE 41 - PUBLIC CONTRACTS CHAPTER 7 - OFFICE OF FEDERAL PROCUREMENT POLICY

Sec. 418. Advocates for competition

(a) Establishment, designation, etc., in executive agency

(1) There is established in each executive agency an advocate for competition.

(2) The head of each executive agency shall -

(A) designate for the executive agency and for each procuring activity of the executive agency one officer or employee serving in a position authorized for such executive agency on July 18, 1984 (other than the senior procurement executive designated pursuant to section 414(3) of this title) to serve as the advocate for competition;

(B) not assign such officers or employees any duties or responsibilities that are inconsistent with the duties and responsibilities of the advocates for competition; and

(C) provide such officers or employees with such staff or assistance as may be necessary to carry out the duties and responsibilities of the advocate for competition, such as persons who are specialists in engineering, technical operations, contract administration, financial management, supply management, and utilization of small and disadvantaged business concerns.

(b) Duties and functions

The advocate for competition of an executive agency shall -

(1) be responsible for challenging barriers to and promoting full and open competition in the procurement of property and services by the executive agency;

(2) review the procurement activities of the executive agency;

(3) identify and report to the senior procurement executive of the executive agency designated pursuant to section 414(3) of this title -

(A) opportunities and actions taken to achieve full and open competition in the procurement activities of the executive agency; and

(B) any condition or action which has the effect of unnecessarily restricting competition in the procurement actions of the executive agency; and (FOOTNOTE 1)

(4) prepare and transmit to such senior procurement executive an annual report describing -

(A) such advocate's activities under this section;

(B) new initiatives required to increase competition; and

(C) barriers to full and open competition that remain;

(5) recommend to the senior procurement executive of the executive agency goals and the plans for increasing competition on a fiscal year basis;

(6) recommend to the senior procurement executive of the executive agency a system of personal and organizational accountability for competition, which may include the use of recognition and awards to motivate program managers, contracting officers, and others in authority to promote competition in procurement programs; and

(7) describe other ways in which the executive agency has emphasized competition in programs for procurement training and research.

(c) Responsibilities

The advocate for competition for each procuring activity shall be responsible for promoting full and open competition, promoting the acquisition of commercial items, and challenging barriers to such acquisition, including such barriers as unnecessarily restrictive statements of need, unnecessarily detailed specifications, and unnecessarily burdensome contract clauses.

Part 1 – Introduction

The NASA Federal Acquisition Regulation Supplement (NFS) identifies those designated to serve as the agency competition advocate. The competition advocate program stresses training, procurement planning, acquisition forecasting, outreach efforts, and documentation of justifications for other than full and open competition. Those serving in these senior positions have direct influence over all center functions and activities that affect competition in contracting. NASA's competition advocate is also responsible for promoting the acquisition of commercial items. This report describes NASA's progress in competition and in acquiring commercial items to meet the needs of the agency.

Benefits of Competition

One of the primary benefits is a sense of “fair play” when merit, rather than favoritism, is the basis for award.¹ The Office of Federal Procurement Policy (OFPP) memorandum dated October 27, 2009, provides as an attachment, *Guidelines for Increasing Competition and Structuring Contracts for the Best Results*. The memo advocates that competition:

- Drives down costs;
- Motivates better contractor performance;
- Helps to curb fraud and waste; and
- Promotes innovation.

Related to competition is the degree of concentration of the industrial base.² An agency's ability to obtain competition can be very limited when there are only a few suppliers. Also, when agencies repeatedly buy from the same supplier, there may be no opportunity for other suppliers to enter the market.

Under the guidance of the Assistant Administrator for Procurement, NASA will continue to renew its emphasis on maximizing competition across the Agency as requested in the Office of Federal Procurement Policy (OFPP) memoranda dated July 18, 2008, and October 27, 2009. NASA's increasing competition statistics clearly demonstrate the importance of competition and the role it plays in the success of the NASA mission.

Benefits of Acquiring Commercial Items and Services

Acquiring commercial items—

- Is easier than acquiring non-commercial items;
- Eliminates the need for research and development;
- Reduces acquisition lead-time;
- Reduces the use of detailed design specifications and extensive product testing.³

¹ Senate Report No. 98-50, accompanying S. 338, the Competition in Contracting Act of 1984, p. 3.

² *Ibid.*, p. 16.

³ Senate Reports No. 103-258, p. 5, and 103-259, pp. 5 to 6, accompanying S. 1587, the Federal Acquisition Streamlining Act

The acquisition of commercial items also enhances the Government's base of suppliers by—

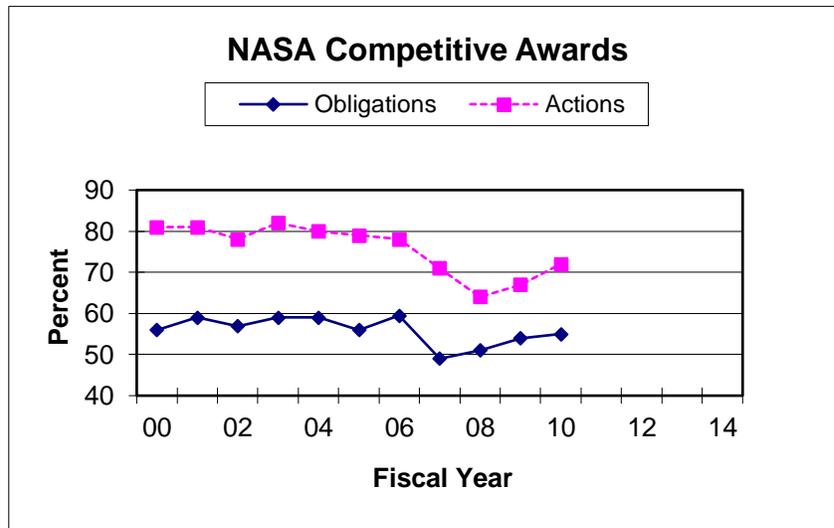
- Encouraging Government contractors to develop dual-use products, i.e., for use in both Government and commercial applications; and
- Encouraging commercially oriented firms to do business with the Government.⁴

⁴ Senate Report No. 103-259, p. 7

Part 2 – FY 2010 Competition Statistics

Overview

In FY 2010, with approximately a \$16B dollar competition base (only a 6% increase from FY 2009), NASA awarded 72% of its procurement actions and obligated 55% of its available contract dollars competitively. In comparison, the FY 2009 percentages were 67% and 54% respectively. Figure 1 below depicts the historical data points.



Competition Goals and Individual Center Contributions

NASA's increase in its competition statistics can be easily seen from an analysis of the performance at the Center level. NASA Procedural Requirements (NPR) document 5101.33A, Procurement Advocacy Programs, sets forth the following competition goals annually:

- Competitive obligation rate 70%
- Competitive action rate 80%.

Completion of the Short Form - Competition Advocate Report is the reward to Centers that meet or exceed *both* of the above goals. For FY 2010, the following three Centers met both goals and accounted for 16% of the total dollars competed.

Center	Goal of 70% Dollars Competed	Goal of 80% Actions Competed
ARC	78%	87%
KSC	84%	81%
NSSC	98%	99%

It's worth noting that the following three Centers far exceeded the 70% goal for competed dollars and came very close to meeting the 80% goal of actions competed. These 3 Centers accounted for almost 10% of the total dollars competed.

Center	Goal of 70% Dollars Competed	Goal of 80% Actions Competed
GRC	91%	79%
HQ	84%	79%
SSC	87%	79%

In FY 2010, the following Centers, while not meeting both NFS thresholds, obligated more than 70% of their dollars competitively and awarded well over 50% of their actions competitively.

Center	% Dollars Competed	% Actions Competed
GRC	85%	75%
GSFC	87%	62%
LaRC	78%	72%
SSC	79%	72%

Seven of the twelve reporting locations demonstrated an increase in dollars awarded competitively between

FY 2009 and 2010 as follows:

Center	FY 2009 Competitive Dollars	FY 2010 Competitive Dollars	% Increase
ARC	72%	78%	6%
DFRC	52%	57%	5%
GRC	85%	91%	6%
KSC	82%	84%	2%
LaRC	78%	88%	10%
MSFC	38%	43%	5%
SSC	79%	87%	8%

Dollars Available for Competition

NASA's procurement obligations have increased 13.5% between FY 2005 (\$15,342B) and FY 2010 (\$17,417B). As in previous years, the NASA-wide statistic for competitive dollar obligations is influenced greatly by JSC, MSFC, GSFC, and KSC (see Figures 2 and 3 below). Competition improvements at these Centers will always positively impact the Agency-wide statistics for obligations as these Centers award high dollar value awards for mission critical programs and projects. Several of the major competitive efforts under U.S. Space Exploration Policy are managed by these Centers.

For Exploration, migrating away from the Constellation Program to future exploration programs will require major new competitive acquisitions, contract restructures, and/or sole source justifications to continue the existing contracts. Future acquisition plans emphasize significant and sustained investments in:

- Transformative technology development to pursue new approaches to space exploration;
- Robotic precursor missions to multiple destinations in the solar system;
- Research and development on heavy-lift and propulsion technologies;
- U.S. commercial spaceflight capabilities to take crew and cargo to International Space Station (ISS);
- Increased utilization of ISS by other federal entities and the private sector;
- Cross-cutting technology development aimed at improving NASA, other government, and commercial space capabilities;
- Accelerating the next wave of Climate change research and observations spacecraft; and
- NextGen and green aviation.

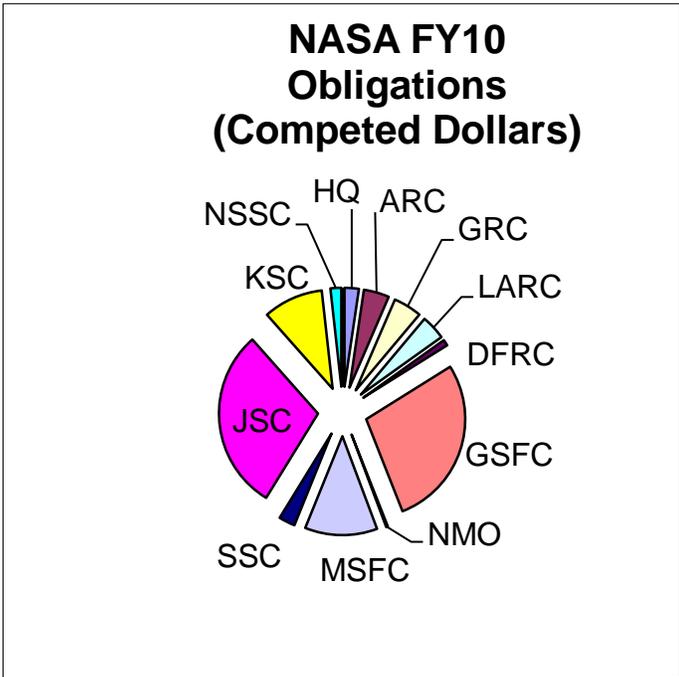


Figure 2

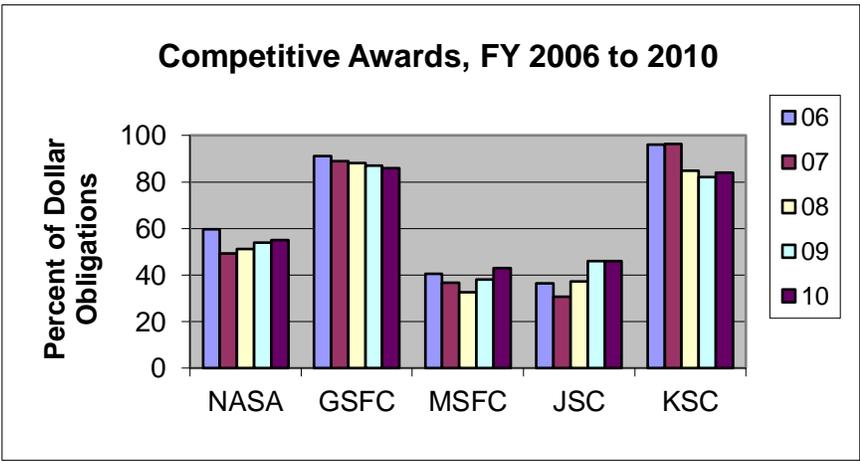


Figure 3

Part 3 – Review of FY 2010 Other Than Full and Open Competitive, Single Source IDIQ Awards, and Only One Offer Received Activities

HQ Approval of Justifications for Other than Full and Open Competition (JOFOC) - The NFS requires NASA Headquarters approval of justifications pursuant to FAR 6.302-1, Only One Responsible Source, with an estimated value over \$78.5M.

	FY 09	% of Change	FY 10
Number of JOFOCS	9	+ 77.7%	16
Total Estimated Value	\$4.5B	+ 81.0%	8.1B

For FY 10, the total estimated value of the 16 JOFOCs represents about 46% of the \$17.4B procurement obligations. Fifty percent of the increase can be attributed to the Joint Polar Satellite System (JPSS) due to restructuring of the National Polar-Orbiting Operational Environmental Satellite System (NPOESS) and almost 14% for Soyuz seats in support of the ISS.

The following represents the sixteen JOFOCs processed at HQ in FY 10:

Goddard Space Flight Center (10 JOFOCs)

- ❖ 10/08/09 - Near Earth Network Services (NENS) extension (predecessor contract to Space Communications Network Services (SCNS)) due to protest. *Estimated value: \$88M*

- ❖ 02/01/10 - Aerospace Corporation, Specialized Engineering Evaluation & Test Services (SEETS). *Estimated value: \$526M*

- ❖ 04/08/10 - Near Earth Network Services (NENS) extension (predecessor contract to Space Communications Network Services (SCNS)) due to protest *Estimated value: \$164M*

- ❖ 06/09/10 - Electrical Systems Engineering Services (ESES) - follow-on contract change from 8(a) program to small business set-aside requires extension of existing contract *Estimated value: \$99M*

- ❖ 06/29/10 - Joint Polar Satellite Systems Program (JPSS) and the Visible Infrared Imager Radiometer Suite contract necessitated by the directed restructuring of NPOESS
Estimated value: \$1.8B
- ❖ 06/29/10 - JPSS Ground Systems contract *Estimated value: \$2B*
- ❖ 06/29/10 - 3 contracts for JPSS - Cross-Track Infrared Sounder (CrIS) (\$600M); Ozone Mapping and Profiler Suite (OMPS)(\$300M); Advanced Technology Microwave Sounder (ATMS)(120M), all necessitated by the directed restructuring of NPOESS
Estimated value: \$1B
- ❖ 08/03/10 - Follow-on contract for Hubble Space Telescope Mission Operations Systems Engineering and Software (MOSES) II. *Estimated value: \$146M*
- ❖ 08/23/10 - JPSS program support for manufacture and integration of a BCP 2000 spacecraft to be used as a platform in polar orbit for weather and climate instruments as the follow-on to NPOESS Preparatory Project Spacecraft *Estimated value: \$214M*
- ❖ 09/21/10 - Extension of Mission Operations and Mission Services (MOMS) contract due to a delay in awarding the follow-on contract *Estimated value: \$84M*

Johnson Space Center

- ❖ 01/21/10 - Increase Bioastronautics contract for services for JSC Space Life Sciences Directorate in support of SSP, ISS, and CxP. *Estimated value: \$210M*
- ❖ 03/09/10 - Crew transportation services for Soyuz seats in support of ISS from Russian Space Agency. *Estimated value: \$1.1B*
- ❖ 09/27/10 - Amend original JOFOC for CxP work added to Space Program Operations Contract (SPOC) until either CxP is cancelled or a new KSC ground operations contract is in place, whichever comes first. *Estimated value: \$85M*

Kennedy Space Center

- ❖ 08/05/10 Maximum 2 year extension of Interim Protective Services Contract. Estimated value: \$84M

Marshall Space Flight Center (2 JOFOCs)

- ❖ 11/05/09 - Extend United NASA Information Technology Services (UNITEs) until NASA Integrated Communications Service (NICS) and Enterprise Application Services Technology (EAST) are awarded to maintain agency-wide IT services. Estimated value: \$284M
- ❖ 07/29/10 - Jacobs Technology, Inc. 1 year contract extension for Engineering Science and Technical Services (ESTS) for continuation and stability of service until Shuttle retirement and decisions regarding CxP cancellation new NASA direction. Estimated value: \$170M

Notification to HQ of Approval for Unusual and Compelling Urgency - When using the authority at FAR 6.302-2, Unusual and Compelling Urgency, the NFS requires a copy of the justification to be provided to HQ within three (3) days after approval.

	FY 09	% of Change	FY 10
Number of JOFOCS	3	None	3
Total Estimated Value	\$49M	- 98.9%	\$533K

In FY 10, the following three JOFOCs were approved.

Ames Research Center

- ❖ Design of prototype multimedia presentation for a STEM event Estimated value: \$315K

Dryden Flight Research Center

- ❖ Roof repairs on three buildings Estimated value: \$200K
- ❖ Purchase brackets for an aircraft Estimated value: \$18K

HQ Approval of Determination and Finding (D&F) of Single Award Indefinite Delivery Indefinite Quantity Contracts - Section 843 of the 2008 National Defense Authorization Act provides that no task or delivery order contract in an amount estimated to exceed \$103M (including all options) may be awarded to a single source unless the head of the agency determines in writing that the task or delivery orders expected under the contract are so integrally related that only a single source can reasonably perform the work. In NASA Policy Directive 5101.32D, the head of the agency delegated authority for approvals of this nature to the Assistant Administrator for Procurement.

NASA approved six D&Fs in FY 10. All of these D&F's were thoroughly scrutinized to ensure they met the FAR requirements.

	FY 09	% of Change	FY 10
Single Source IDIQ Awards	12	- 50%	6
Total Estimated Value	\$5.2B	- 40%	\$3.1B

Johnson Space Center

- ❖ December 2009 - International Space Station Mission Integration and Control Contract. *Estimated value: \$215M*
- ❖ August 2010 – The White Sands Test Facility, Test Evaluation Support Team (TEST) contract. *Estimated value: \$200M*
- ❖ September 2010 – Information Technology and Multimedia Services (ITAMS). *Estimated value: \$252M*

Kennedy Space Center

- ❖ November 2009 - Engineering Services Contract for Laboratories and Development Shops Maintenance Services. *Estimated value: \$1.8B*

Langley Research Center

- ❖ October 2009 – Information Technology Enhanced Services (LITES) contract. *Estimated value: \$183M*
- ❖ March 2010 – Science, Technology and Research Support Services (STARSS) II contract. *Estimated value: \$425M*

Only One Offer Received (FPDS data - Purchase Orders, Delivery Orders, Task Orders, Orders against Blanket Purchase Agreements and Definitive Contracts). Daniel Gordon, Administrator of the Office of Federal Procurement Policy, contends that one bid is not enough to constitute competition and that the practice limits agencies' ability to consider qualified alternatives. The July 2010, Government Accountability Office report entitled, Opportunities Exist to Increase Competition and Assess Reasons When Only One Offer is Received, examined trends for FYs 05 through 09. The GAO found that obligations under contracts competed with only one offer received remained steady, at about 13 percent of the total obligations in each year.

While slightly higher than the federal-wide 13% referenced in the GAO report, NASA data for FY 08 through 10 reflect a decreasing trend (see following chart).

Competitive Obligations –Based on New Awards & Only One Offer Received

Fiscal Year	% of New Award Dollars	% of Total Procurement Obligations
2008	16.70%	1.29%
2009	15.38%	0.93%
2010	14.95%	1.03%

Efforts made by Centers in FY 10 to increase competition and achieve full and open competition

Centers promote competition by identifying and posting acquisition forecasts (utilizing the NASA Acquisition Internet Service (NAIS)), conducting market research, hosting industry days, scrutinizing sole-source justifications, etc. Some specific activities conducted in FY 2010 include:

- ARC converted its Institutional Support Services Contracts from cost reimbursement to Firm Fixed Price.
- DFRC has experienced a continual upward trend in competitive award actions and dollars since FY 08. Its competition base for FY 10 increased by 29% (dollars) and 12% (actions), a significant portion of which is attributed to American Recovery and Reinvestment Act (ARRA) procurement activities valued at \$19M. Competitive procurement dollars comprised 59.5% of all procurement dollars awarded in FY 10 compared to 52.3% in FY 09. Competitive actions comprised 67.6% of all awards in FY 10 compared to 51.2% in FY.
- DFRC implemented a stricter review policy with regard to the approval of Justifications for Other Than Full and Open Competitions (JOFOCs). The policy requires the PO or Deputy PO to review each JOFOC or sole source statement prior to the action being

solicited. This has resulted in more actions being accomplished via competition and as a side benefit educates the requiring organizations about the regulatory requirements to promote competition.

- GRC's Competition Advocate reviews JOFOCs throughout the FY to ensure adequacy of documentation and justification support. GRC contracting officers determine reasons for receipt of only one offer in competitive acquisitions, and identify actions to maximize future competition.
- GSFC's percentage of competitive actions and obligations has been consistent for FY 09 and 10 for GSFC and HQ procurements. We continue to perform well in the percentage of competitive obligations (86% for GSFC and 85% for HQ), while performing somewhat lower for the percentage of competitive actions (68% for GSFC and 80% for HQ). The primary reason for the lower percentage of competitive actions for GSFC is the larger number of sole source small purchases. The number of simplified acquisitions at GSFC contributes to GSFC having significantly more contract actions than any other NASA center.
- JSC conducted nine major competitive actions valued at \$50 million or more. Of these competitive actions, Crew, Robotics, Avionics and Vehicle Equipment (CRAVE), Mission Integration Contract (MIC), and Neutral Buoyancy Laboratory/Space Vehicle Mockup Facility (NSOC) contracts were signed in FY2010, representing awards with potential contract value in excess of \$500 million.
- JSC's ISS Cargo Mission Contract (CMC) is being recompeted as a full and open competition. It is a technically complex engineering and technical services contract performing cargo planning, integration and packing of the various spacecraft which travel to the ISS for resupply and logistics missions. It has a potential contract value of \$400 million.
- JSC's Test and Evaluation Support Team (TEST) is a new acquisition being conducted as a full and open competition. The TEST contract provides the White Sands Test Facility (WSTF) with required test and support services. It has a potential contract value of \$200 million.
- KSC's NASA Launch Services (NLS) solicitation for commercial launch services remains open to competition and contains a unique on-ramp provision that allows new providers to submit proposals on an annual basis. This process creates opportunities for award of additional large dollar commercial item contracts or task orders. These launch services contracts are firm-fixed-price, multiple award, indefinite-delivery/indefinite-quantity (IDIQ) performance-based contracts, governed by Federal Acquisition Regulation (FAR) Part 12 terms and conditions.

- KSC conducted two significant NLS acquisitions utilizing the features of the NLS contracts in Fiscal Year (FY) 2010. When specific launch service requirements are identified, contract provisions require existing NLS contractors to respond to a Request for Launch Service Proposal (RLSP). Each contractor is provided an opportunity for fair consideration in response to the RLSP. The Government evaluates all proposals to determine which launch service contractor provides the best value, and the selected contractor is awarded a Launch Services Task Order (LSTO) under the terms of the multiple award IDIQ contract. As a result of the two LSTO competitions in FY 2010, two LSTOs were awarded. One acquisition resulted in the award of the Interface Region Imaging Spectrograph (IRIS) launch service with a value of \$32.7 million and the other resulted in the award of the Orbiting Carbon Observatory 2 (OCO-2) launch service at a total value of \$59 million.
- LaRC awarded 102 ARRA actions valued at approximately \$67M of which 97% were competed. LaRC also conducted 6 service recompetes with an estimated potential combined value of \$710M.
- LaRC increased competition in FY 10 under its Evaluation, Assessments, Studies and Services contract in Support of Science Office for Mission Assessments (SOMA) that, under the prior award had only received one offer. This award is a Small Business Set-Aside, IDIQ/CPFF Single Award with a potential value of \$91M.
- LaRC decided not to re compete the previous sole source Hypersonic Scramjet Flow Path Development & Testing Services contract. Instead, new requirements will be competed under-recently awarded (5 awards) \$400M, Full and Open, IDIQ Cost Plus Fixed Fee, Structures, Materials, Aerodynamics, Aerothermodynamics, and. Acoustics contracts (SMAAART) contracts.
- MSFC requires Center managers and directors to review all JOFOCs and Limited Source Justifications to assess the adequacy of their rationale for precluding competition and for assuring greater competition on subsequent procurement actions. They must also verify that the facts and supporting data that form the basis for the justifications are accurate and complete.
- MSFC increased its competition by 5.1% in FY 10 by obligating \$1.042B or 43.3% of its dollars available for competition competitively. In FY 09, MSFC awarded 38.2% of its dollars competitively.
- SSC increased its competed actions by 7.8% and its competed dollars by 8.1% between FY 09 and 10. A major competitive procurement contributing to the increase is the Information Technical Services (ITS) contract. ITS was converted from a GSA Federal Supply Schedule award to a \$56M competitive small business set-aside.

Competition under Delivery and Task Order Contracts

NASA Centers competitively award orders under multiple award IDIQ contracts. They have also instituted policies and procedures to ensure that task and delivery orders issued under multiple award contracts are properly planned and comply with applicable regulatory guidance.

The following are examples of some center initiatives:

- JSC's Crew, Robotics, Avionics and Vehicle Equipment (CRAVE), was a follow-on procurement conducted under two separate multiple award solicitations, one as a full and open competition and the other as a competition reserved for educational and non-profit institutions. The contracts require analysis, design, development, fabrication, test, certification, provision, and delivery of Government-Furnished Equipment (GFE) for current and future human space flight programs. Programs under the contract include International Space Station (ISS), Space Shuttle Program (SSP), and other advanced development programs. Multiple awards were made under the solicitations, for total potential contract value across all contracts of \$70 million. The awardees will be provided fair opportunity to compete for future orders.
- JSC competed two task orders for Additional Pressurized Cargo Services under the two Firm Fixed Price, IDIQ, Commercial Resupply Services (CRS) contracts awarded in FY 09. Each contractor was awarded a task order for up to 800kg of additional pressurized cargo services for a total value of approximately \$20 million. Both contracts provide commercial resupply services to the ISS, disposal of unneeded cargo, and return of cargo from the ISS. The CRS contracts are ongoing and therefore have a continuing need to compete new requirements based on specific task order needs, allowing the multiple award contractors a fair opportunity to be considered for task orders issued under the contracts.
- KSC's Construction Support Program addressed competitive practices in the placement of orders under task and delivery order contracts, awarding 12 general construction IDIQ contracts under a multiple award IDIQ solicitation awarded in April 2007 and expiring April 2012. During FY 2010, KSC awarded 12 general construction task orders to the IDIQ contract holders. All awards were properly planned, issued and comply with FAR 16.505. In accordance with the fair opportunity requirements in FAR Part 16, KSC issued solicitations for the 12 projects to all 12 contract holders. The 12 task order awards, valued at approximately \$27.3 million, were spread amongst 4 of the 12 contractors.
- KSC's NASA Launch Services (NLS) solicitation for commercial launch services remains open to competition and contains a unique on-ramp provision that allows new providers to submit proposals on an annual basis. This process creates opportunities for award of additional large dollar commercial item contracts or task orders. These launch services contracts are firm-fixed-price, multiple award, indefinite-delivery/indefinite-quantity (IDIQ), performance-based contracts. When specific launch service

requirements are identified, contract provisions require existing NLS contractors to respond to a Request for Launch Service Proposal (RLSP). Each contractor is provided an opportunity for fair consideration in response to the RLSP. The Government evaluates all proposals to determine which launch service contractor provides the best value, and the selected contractor is awarded a Launch Services Task Order (LSTO) under the terms of the multiple award IDIQ contract. As a result of the two LSTO competitions in FY 10, two LSTOs were awarded. One acquisition resulted in the award of the Interface Region Imaging Spectrograph (IRIS) launch service with a value of \$32.7 million and the other resulted in the award of the Orbiting Carbon Observatory 2 (OCO-2) launch service at a total value of \$59 million.

- All of LaRC’s FY 10 GSA awards greater than \$1M were competed. Langley has 6 sets of multiple-award contracts. There were 79 new tasks issued against the various contracts with only six issued as non-competitive.
- MSFC has eleven Firm-Fixed Price (FFP) multiple-award Indefinite Delivery, Indefinite Quantity (IDIQ) delivery-order type contracts for Construction of Facilities (CoF). These contracts were competitively awarded and are the only multiple-award contracts at the Center. Each contract has a maximum overall order quantity of \$25 Million.
- MSFC competes orders under multiple-award task and delivery order type contracts as appropriate unless as sole source or limited source justification has been approved. On proposed non-competitive task/delivery orders exceeding \$550,000, MSFC requires that proposed sole-source justifications be provided for advance review and comments to the Center Competition Advocate, the Procurement Policy and Review Office, and the Procurement Officer for a period of not less than three days before the synopsis may be posted on the NASA Acquisition Internet Service (NAIS). These reviews ensure that senior procurement management and the Center Competition Advocate are aware of the proposed procurement and that the proposed justification is considered to be sufficient before the synopsis is posted.

Part 4 – FY 10 Acquisition of Commercial Items

NASA’s statistics in the area of commercial item acquisition rose significantly over in FYs 09 and 10. Every center demonstrated an increase in commercial items competition contributing to a 46 point NASA-wide increase from 23% in FY 08 to 69% in FY 10.

2006	2007	2008	2009	2010
22%	20%	23%	54%	69%

Center Statistics for FY 08 through FY10:

Center	2008	2009	2010
ARC	17%	59%	79%
DFRC	10%	57%	66%
GRC	6%	47%	71%
GSFC	41%	84%	82%
HQ	11%	29%	49%
JSC	9%	30%	62%
KSC	30%	50%	72%
LaRC	30%	57%	66%
MSFC	18%	25%	50%
NSSC	0%	63%	85%
SSC	21%	59%	62%

Since FY 2006 NASA’s commercial acquisition numbers vacillated between 20 and 23 percent. Part of the lower percentages can be attributed to a poor FPDS process. Prior to December 2008, the FPDS process was that of a check box construct without any hard edits that would require data input in that field. If the field was left blank, it was reported as a “no” in terms of commercial competition. The FPDS field is now a drop down box that requires a “yes or no” selection which more accurately reflects NASA’s commercial competition statistics.

The goal is to continue this increasing trend as we recognize the advantages of commercial acquisition. NASA will continue to award contracts for commercial items whenever possible by:

- 1) Encouraging our customers and contractors to acquire goods and services with a preference for commercial item acquisitions;
- 2) Improving training in the acquisition of commercial items;
- 3) Utilizing the \$6.5M commercial items test program;
- 4) Conducting industry days outreach conferences;
- 5) Using contract review boards and peer reviews;
- 6) Issuing Requests for Information and posting sources sought announcements; and
- 7) Using the full range of market research tools.

Figure 4 below graphically depicts the increase across the board for all the centers for FY 2010.

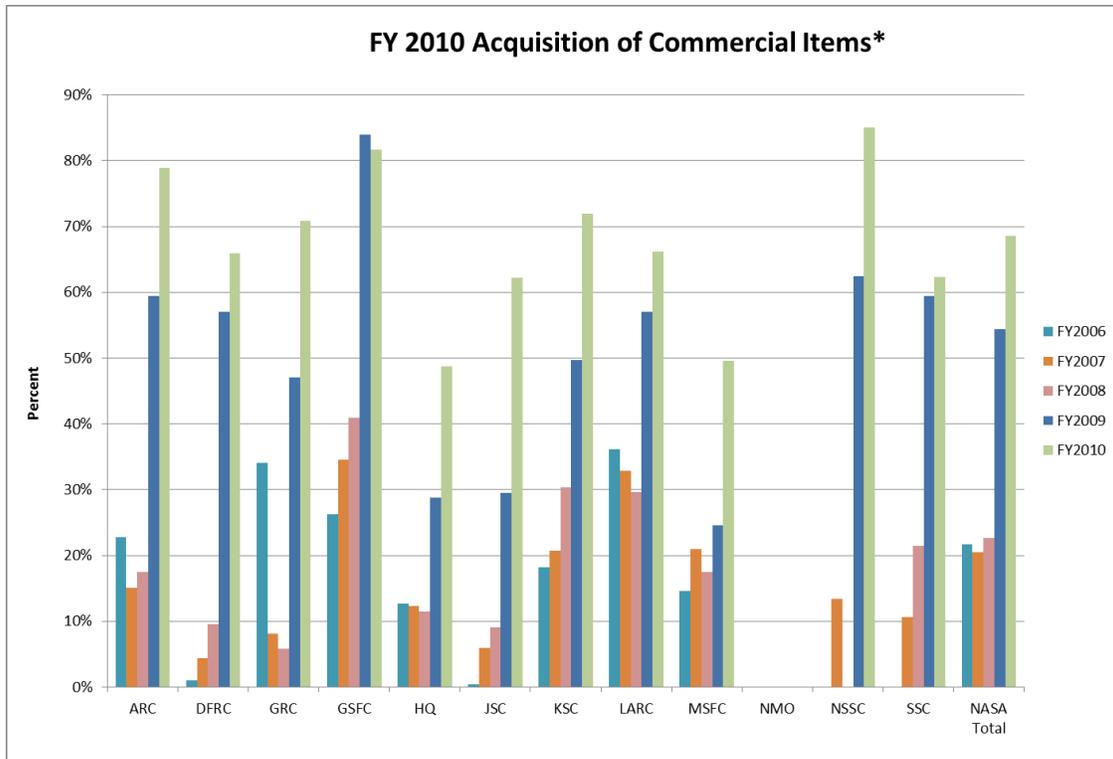


Figure 4

*Excludes SBIR/STTR's, R&D, construction, grants, agreements, intra-governmentals

Efforts made to increase commercial item competition and Center suggestions for initiatives to increase commercial item acquisition

- ARC converted its commercial Institutional Support Contracts from cost reimbursement to firm fixed price.
- GRC combined its initiatives to increase commercial item acquisition with the initial review of the procurement requirements and the selection of contract type. By incorporating lower risk contract types, GRC identified entire procurements or elements of procurements that can be classified as commercial. Two major examples follow:
 - The GRC Icing Research Tunnel Design Build Contract: This construction contract was identified as a commercial procurement and was awarded with a Firm Fixed Price value of \$16.1M.
 - The GRC Medical Services contract: The current contract is a Cost Plus Fixed Fee award with an approximate total value of \$7.4M and is being converted to a Firm Fixed Price contract with an IDIQ component.

- JSC's ISS Mission Integration Contract (MIC) was recompeted as a small business set-aside. It is a technically complex engineering and technical services contract performing mission and increment management planning for the ISS and Russian language and logistics services. It was one of the largest contracts awarded to small businesses across the Agency with a potential contract value of \$259 million.
- JSC's Neutral Buoyancy Laboratory/Space Vehicle Mockup Facility (NSOC) was recompeted as a full and open competition. It is a technically complex and safety critical contract for services for two human space flight training facilities at JSC. It was awarded with a potential contract value of \$120 million.
- JSC's Information Technology and Multimedia Support (ITAMS) is being conducted as a small business set-aside competition. It is a multi-faceted procurement for products and services required for general information technology and multimedia services supporting NASA's human space flight programs, exploration and science programs and the JSC institutional operations. It will be one of the largest contracts awarded to small businesses across the Agency with a potential contract value of \$251.5 million.
- KSC's Commercial payload processing services continue to promote competition and are acquired to support NASA spacecraft prior to launch by commercial launch services providers. The West Coast Payload Processing contracts are firm-fixed price, multiple award IDIQ, performance based contracts. During FY 10, a competitive acquisition was conducted resulting in the award of National Polar-Orbiting Operational Environmental Satellite System (NPOESS) Preparatory Project (NPP), valued at \$1.3 million.
- Historically, LaRC has not been able to meet the 80% competitive action goal because of the many non-competitive simplified acquisitions. Last year LaRC began placing special emphasis on reviews related to simplified acquisitions. For example, LaRC's Purchase Request (PR) screener (position that assigns PR's and reviews associated work statements and justifications for sole source) or the applicable Senior Contracting Officer scrutinize all sole source justifications upon receipt of the purchase request package. If the justification is not acceptable, the package is returned for revision or competitive specifications. The PR screener also challenged and worked with requesting organizations on rewriting brand name only specifications to allow bidders to propose brand name or equal products.
- MSFC obligated \$40.4M in FY 10 on new and existing purchase/delivery orders of which over \$38.5M or 95.3% was obligated on commercial item or service awards. This is an improvement percentage wise compared to the \$45.6M obligated in FY 09 on new and existing purchase/delivery orders of which \$23M or 50.47% was obligated on commercial item or service awards.
- NSSC, compared to all the other centers, has the highest percentage, at 85%, of commercial item acquisitions.
- SSC awarded a \$26M Lab Services contract, previously a sole source 8(a), as a competitive, firm fixed price, 8(a) commercial item procurement.

Part 5 – Barriers to Competition and Commercial Items Acquisition across the Agency

- Known barriers to commercial item acquisitions include the requirement for reporting construction of facilities as noncommercial. (KSC)
- NASA obligates a significant portion of its budget in the R&D arena. Requirements for unique hardware and/or software capabilities or soliciting the best scientific and technological sources for innovative research and development projects are barriers to competition. (multiple centers).
- NASA’s movement toward a more conservative, risk avoidance approach related to spacecraft procurements has reduced the ability to procure these items from the commercial market. A recent example of this is GSFC’s follow on to the Rapid Spacecraft procurement that required extensive NASA developed Mission Assurance Requirements that exceed typical commercial standards.
- Including the category “Not Available for Competition” in the competition base when establishing competition performance by Center unfairly penalizes and does not give an accurate picture. The Government encourages utilization of the 8(a) program which is the majority of the awards in this category. Utilities are also included here which are natural monopolies with extremely high barriers due to infrastructure costs. If this category had been excluded from the base for FY 10, LaRC would have achieved 79.6% actions competed and 91.6% obligations competed.
- Changes in the President’s space policy and legislation and uncertainty of future requirements impact acquisition strategies and may restrict competition. A dynamically-changing environment may require noncompetitive contract extensions to bridge a period of rapidly-evolving requirements combined with the need to ensure continuity of services to minimize risk. Those external factors necessitated the extensions of several existing program contracts—the Shuttle Program Operations Contract, the ISS Program Contract, and the Safety and Mission Assurance Contracts were extended to accommodate policy and programmatic uncertainty while providing continuity until future human space flight programs are fully defined. JSC has aggressively taken actions to ensure restriction to competition is eliminated as much as possible. JSC is utilizing noncompetitive extensions for the shortest possible time periods while working to develop performance-based requirements which can be the subject of future competitive acquisitions.
- The impending completion of the Shuttle Program and retirement of the orbiter fleet have narrowed the Agency’s options for delivering crew and cargo to the ISS. This necessitated a noncompetitive acquisition of flight crew transportation services from the Russian Space Agency, the only other current source of human space flight transportation. Several steps are being taken to remove barriers to competition, including the award of multiple commercial resupply service contracts and the signing of several Space Act Agreements aimed at developing an industry capability for human and cargo transportation to space. While it is unlikely that robust industry capability will enable

extensive competition in the next few years, opportunities for competitive procurements in this general area will be feasible in the future. (JSC)

- Government initiatives for “green” procurements have created challenges for many small businesses, which may not currently have certifications, such as the Leadership in Energy & Environmental Design (LEED) “star”, which will be required for Federal contracting eligibility. JSC is working to mitigate this issue by developing training materials and conducting industry outreach to educate small businesses on compliance with Safety and Health, LEED, affirmative procurement, and similar requirements. (multiple centers)
- Over 50% of the dollars available for competition are obligated on three existing Space Shuttle contracts and two existing ARES I contracts, significantly restricting the ability to provide more funding on competitive actions. (MSFC)
- NASA’s move toward a more conservative, risk avoidance approach related to spacecraft procurements has reduced our ability to procure items from the commercial market (e.g., NASA developed Mission Assurance Requirements that exceed typical commercial standards). (GSFC)
- Retention of contractor data rights is a disincentive to federal contracting where typically the data rights are retained by the Government. (ARC)

Part 6 - High Risk Contract Types and Mitigation Actions

This area is addressed specifically in the Center Competition Advocate Reports. There are also specific center examples cited throughout this report. Listed below are a few examples of some of the more creative initiatives:

- ❖ ARC implemented a Price Reasonableness template to capture information and data necessary for ensuring fair and reasonable pricing on all acquisitions.
- ❖ GSFC is increasing the scrutiny on the use of single award cost type IDIQ contracts. In some cases, they have moved to completion contracts and in other cases to multiple award contracts that maintain a competitive environment. The Architect and Engineering (A&E) procurement for non technical support and the Construction procurement were both competed as multiple award IDIQ contracts. In addition, the A&E multiple award contracts for technical support procurement were awarded to 3 of the 22 firms that proposed. These requirements were previously performed under single award contracts.
- ❖ JSC is currently benchmarking other government agencies to ascertain the potential benefits of increasing competition through the use of reverse auctioning.
- ❖ JSC’s hybrid contract types are used until requirements become more stable and more easily defined. Parts of contracts that had been all cost type are now having areas

separated out to be fixed price to lower the risk to the government. Examples of this are the CRAVE and ISS MIC which have fixed-price IDIQ portions which were previously cost-plus-award fee.

- ❖ At LaRC, competition is a metric evaluated on a quarterly basis as part of LaRC's Procurement's metrics scorecard. The competition trend metric provides a platform to identify and address negative trends early.
- ❖ LaRC Procurement's Senior Management conducts workload reviews which include reviews of the Upcoming Procurements Chart. This chart tracks the timeliness of procurement strategy meetings. Competition is enhanced when adequate time is available for market research, requirements development, and conduct of the procurement.
- ❖ MSFC is targeting (1) improved requirements definitions and (2) option exercise language regarding conversion of contract type. MSFC awarded GSA Networx contracts (task orders) for the NASA Integrated Service Network effort. This is a follow-on effort to the work previously procured under the GSA FTS 2001 contract. The Networx awards have already resulted in significant savings to the Agency over the FTS 2001 awards due to better defined requirements and increased competition for those requirements.
- ❖ MSFC awarded a competitive contract for the Michoud Assembly Facility Manufacturing Support and Facilities Operations Contract (MSFOC) in May 2009. This effort had been a non-competitive effort performed by Lockheed Martin under the Shuttle External Tank contract. The MSFOC contract is a cost plus award fee (CPAF) contract with a period of performance through April 2014. It is MSFC's intent to convert the follow-on competitive award of MSFOC to fixed price, provided adequate metrics and performance criteria can be established for the requirement.
- ❖ NSSC administers NASA's agency-wide, cost-plus-fixed fee, service contract that provides contract closeout services at each of the NASA's field centers. NSSC is currently conducting preliminary acquisition planning for the follow-on procurement. It anticipates that the new contract will be firm-fixed-price with payment based on the quantity of contractual instruments closed-out by the contractor. The requirements for this procurement will be sufficiently mature that a cost type contract will no longer be needed. It is also anticipated, performance will be improved through the use of a "pay for performance" payment mechanism. Also, as part of this preliminary planning, the NSSC will review the existing contract, resource requirements, and schedule constraints in order to focus our efforts on developing a FFP solicitation for the follow-on procurement.
- ❖ SSC's decision to not exercise the final option year of the sole source Hardware Assurance Testing (HAT) contract is a step that was taken to mitigate the barrier to competition and commercial item acquisition. The scope of the work was transferred to the Test Operations Contract (TOC) follow-on, which was a competed action awarded 11/15/10 with a \$24M potential contract value.

- ❖ SSC's competitive 8(a), firm fixed price award of its lab services contract, previously cost reimbursement, sole source 8(a), was a step taken to mitigate the barrier to competition and commercial item acquisition. SSC also converted the Information Technology Services contract from a cost plus award fee to a cost plus incentive fee contract, which lowered the risk to the government.

Fiscal Year 2011
NASA Competition Advocate Report



Venus Transit; 5 June 2012

NASA Competition Advocate Report Fiscal Year 2011

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Center Acronyms

Ames Research Center (ARC)

Dryden Flight Research Center (DFRC)

Glenn Research Center (GRC)

Goddard Space Flight Center (GSFC)

Johnson Space Center (JSC)

Kennedy Space Center (KSC)

Langley Research Center (LaRC)

Marshall Space Flight Center (MSFC)

NASA Headquarters (HQ)

NASA Management Office/Applied Physics Lab (NMO/APL)

NASA Management Office/Jet Propulsion Lab (NMO/JPL)

NASA Shared Service Center (NSSC)

Stennis Space Center (SSC)

Executive Summary

The Office of Federal Procurement Policy (OFPP) Act (41 U.S.C. 418) requires executive agency competition advocates to transmit an annual competition report to their respective senior procurement executives. Ms. Monica Manning, Program Operations Division, within the Office of Procurement is the Competition Advocate for the National Aeronautics and Space Administration (NASA). This report summarizes the Agency's competition performance during FY 2011.

NASA practices full and open competition to the maximum extent practicable. While there are instances in the highly-complex and specialized business of space that non-competitive contract mechanisms are warranted, NASA is committed to ensuring competition in new, current, and follow-on procurement opportunities. This is evident in the favorable increase over the past three years of NASA's competition statistics (See Chart Below). In FY 2011, with approximately \$15.3B dollars in procurement obligations (a 1.2% decrease from FY 2010), NASA awarded 72% of its procurement actions and obligated 57% of its eligible contract dollars competitively. In comparison, the FY 2010 percentages were 72% and 55% respectively. NASA's percentage for commercial remained at 69% from FY 2010.

Description/FY	FY 2009	FY2010	FY2011
Competitive Actions	67%	72%	72%
Competitive Obligated Dollars	54%	55%	57%
Commercial Awards	54%	69%	69%

Transition remained the key theme at NASA this past year as the Agency's focus shifted away from the Space Shuttle Program to the next phase in the Nation's more than 50 years of space exploration. With the final Space Shuttle mission ending successfully in July 2011, NASA began planning in earnest for the crewed space program. At the same time, the Agency continues to support the development of commercially operated cargo and crew transportation to the International Space Station. Moreover, NASA is pursuing new approaches to space exploration, research and development on heavy-lift technologies, commercial spaceflight capability, and accelerating the next wave of climate change research and observations spacecraft.

The changing landscape provides a competitive environment less restrictive than that experienced under the Shuttle Program as it matured. Several large competitive awards for FY 11 that resulted in both contracts and space agreements were: Commercial Crew Development 2, International Space Station Cargo Mission, Test and Evaluation Support Team, Multiple Award General Construction, Protective Services, Doppler Radar Wind Profiler operations and maintenance, Architect and Engineering (A&E), support for aircraft, liquid hydrogen and many more. In addition, we have competitively awarded many Delivery/Task Orders, for launch services, payload processing services, construction, computer equipment/software, and more. Additionally, NASA remains committed to maintaining its increasing trend in competitive awards and achieving sustained improvements in the competitive arena to the greatest extent possible.

Part 1 – Introduction

The NASA Federal Acquisition Regulation Supplement (NFS) identifies those designated to serve as the agency competition advocate. The competition advocate program stresses training, procurement planning, acquisition forecasting, outreach efforts, and documentation of justifications for other than full and open competition. Those serving in these senior positions have direct influence over all center functions and activities that affect competition in contracting. NASA's competition advocate is also responsible for promoting the acquisition of commercial items. This report describes NASA's progress in competition and in acquiring commercial items to meet the needs of the agency.

Benefits of Competition

One of the primary benefits is a sense of “fair play” when merit, rather than favoritism, is the basis for award.¹ The Office of Federal Procurement Policy (OFPP) memorandum dated October 27, 2009, provides as an attachment, *Guidelines for Increasing Competition and Structuring Contracts for the Best Results*. The memo advocates that competition:

- Drives down costs;
- Motivates better contractor performance;
- Helps to curb fraud and waste; and
- Promotes innovation.

Related to competition is the degree of concentration of the industrial base.² An agency's ability to obtain competition can be very limited when there are only a few suppliers. Also, when agencies repeatedly buy from the same supplier, there may be no opportunity for other suppliers to enter the market.

Under the guidance of the Assistant Administrator for Procurement, NASA will continue to renew its emphasis on maximizing competition across the Agency as requested in the Office of Federal Procurement Policy (OFPP) memoranda dated July 18, 2008, and October 27, 2009. NASA's increasing competition statistics clearly demonstrate the importance of competition and the role it plays in the success of the NASA mission.

Benefits of Acquiring Commercial Items and Services

Acquiring commercial items—

- Is easier than acquiring non-commercial items;
- Eliminates the need for research and development;
- Reduces acquisition lead-time;
- Reduces the use of detailed design specifications and extensive product testing.³

¹ Senate Report No. 98-50, accompanying S. 338, the Competition in Contracting Act of 1984, p. 3.

² *Ibid.*, p. 16.

³ Senate Reports No. 103-258, p. 5, and 103-259, pp. 5 to 6, accompanying S. 1587, the Federal Acquisition Streamlining Act

The acquisition of commercial items also enhances the Government's base of suppliers by—

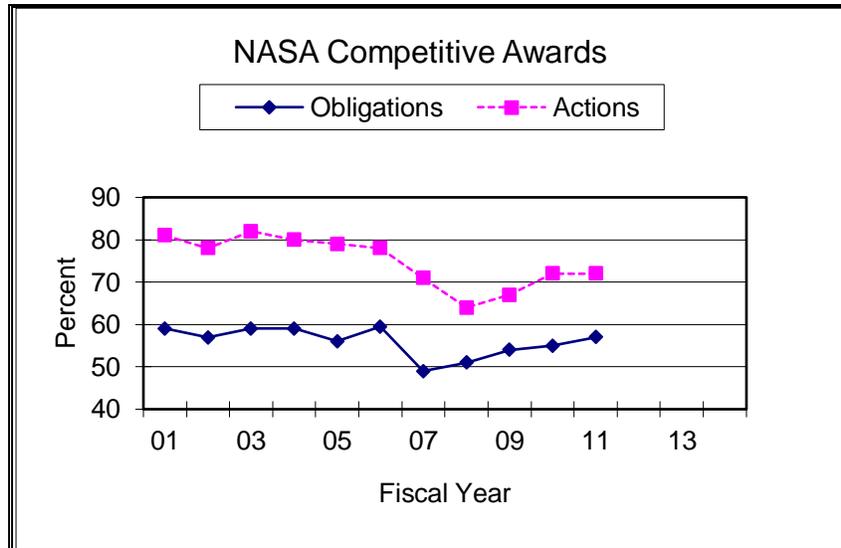
- Encouraging Government contractors to develop dual-use products, i.e., for use in both Government and commercial applications; and
- Encouraging commercially oriented firms to do business with the Government.⁴

⁴ Senate Report No. 103-259, p. 7

Part 2 – FY 2011 Competition Statistics

Overview

In FY 2011, with approximately a \$15.3B dollar competition base (a 1.2% decrease from FY 2010), NASA awarded 72% of its procurement actions and obligated 57% of its available contract dollars competitively. Figure 1 below depicts the historical data points.



Competition Goals and Individual Center Contributions

NASA has consistently maintained the percentage of actions competed with a slight increase from FY 10 in the amount of obligations. NASA Procedural Requirements (NPR) document 5101.33A, Procurement Advocacy Programs, sets forth the following competition goals annually:

- Competitive obligation rate 70%
- Competitive action rate 80%.

Completion of the Short Form - Competition Advocate Report is the reward to Centers that meet or exceed *both* of the above goals. For FY 2011, the following three Centers met both goals and accounted for 7% of the total dollars competed.

Center	Goal of 70% Dollars Competed	Goal of 80% Actions Competed
ARC	79%	83%
HQ	83%	82%
NSSC	96%	99%

It's worth noting that the following three Centers far exceeded the 70% goal for competed dollars and came very close to meeting the 80% goal of actions competed. These 3 Centers accounted for almost 17% of the total dollars competed.

Center	Goal of 70% Dollars Competed	Goal of 80% Actions Completed
GRC	80%	75%
KSC	91%	75%
SSC	91%	79%

In FY 2011, the following Centers, while not meeting both NFS thresholds, obligated more than 70% of their dollars competitively and awarded well over 50% of their actions competitively.

Center	% Dollars Competed	% Actions Completed
GRC	80%	75%
GSFC	79%	68%
LaRC	84%	70%
SSC	81%	79%

Six of the twelve reporting locations demonstrated an increase in dollars awarded competitively between FY 2010 and 2011 as follows:

Center	FY 2010 Competitive Dollars	FY 2011 Competitive Dollars	% Increase
ARC	78%	79%	1%
DFRC	57%	65%	8%
JSC	46%	49%	3%
KSC	84%	91%	7%
MSFC	43%	49%	6%
SSC	87%	91%	4%

Dollars Available for Competition

NASA's procurement obligations have decreased from the previous FY10 obligations of \$17,417B by (\$.718M) to \$16,699B, a reduction of 0.4%. As in previous years, the NASA-wide statistic for competitive dollar obligations is influenced greatly by JSC, MSFC, GSFC, and KSC which comprise 80% of the Agency's obligations (see Figures 2 and 3 below). Competition improvements at these Centers will always positively impact the Agency-wide statistics for obligations as these Centers award high dollar value awards for mission critical programs and projects. Several of the major competitive efforts under U.S. Space Exploration Policy are managed by these Centers.

Figure 2

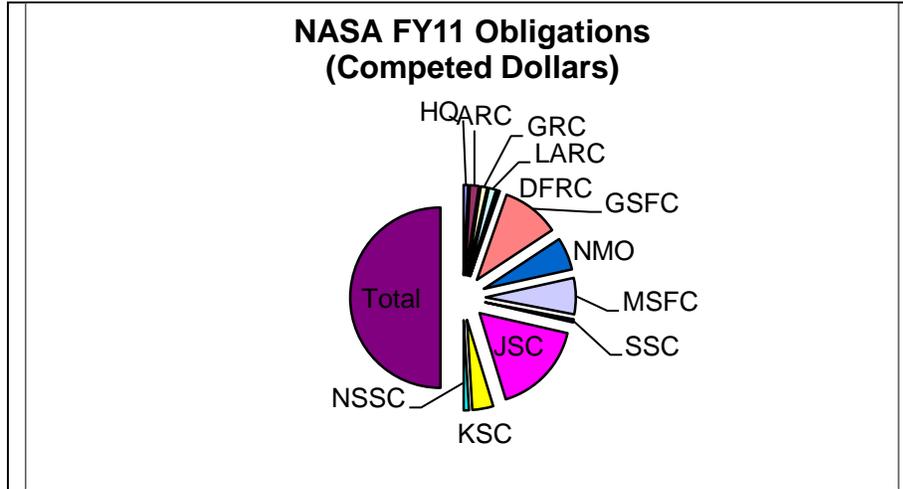
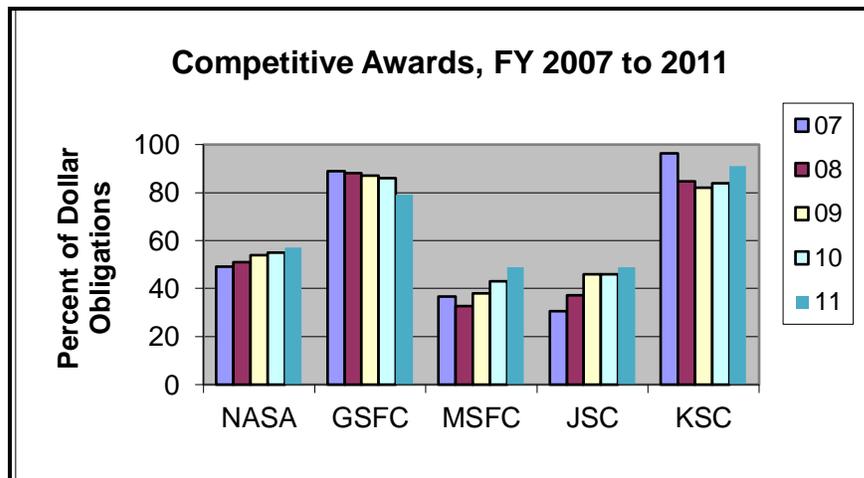


Figure 3



Part 3 – Review of FY 2011 Other Than Full and Open Competitive, Single Source IDIQ Awards, and Only One Offer Received Activities

3a. HQ Approval of Justifications for Other than Full and Open Competition (JOFOC) -

The NFS requires NASA Headquarters approval of justifications pursuant to FAR 6.302-1, Only One Responsible Source, with an estimated value over \$78.5M.

	FY 10	% of Change	FY 11
Number of JOFOCS	16	-69%	5
Total Estimated Value	\$8.1B	-90%	\$ 788 M

For FY 11, the total estimated value of the 5 JOFOCs represents only about 5% of the \$15.3B procurement obligations.

The following represents the five JOFOCs processed at HQ in FY 11:

Goddard Space Flight Center

- ❖ 10/01/10 – Mission Operations and Mission Services (MOMS): The follow-on procurement included multiple delays, including a protest. *Estimated value: \$84M*
- ❖ 01/2011 –Mechanical Systems Engineering Services (MSES) II/A: The original MSES contracts were split between the MSES II/A and II/B contracts. A unique situation occurred in which the prime offeror for the II/A Contract acquired the II/B Contract, requiring an increase in scope to the II/A Contract to include the II/B Contract. *Estimated value: \$230M*
- ❖ 07/2011 – Wallops Institutional Consolidated Contract (WICC): The follow-on procurement has experienced multiple delays in strategic planning, resulting in a need to significantly extend the current contract. *Estimated value: \$164M*

Johnson Space Center

- ❖ 12/9/2010 --Space Program Operations Contract, acquisition of human space flight processing services for (1) Operations and Maintenance of assigned Space Shuttle program Ground systems, and (2) Ground Operations capabilities and Special Studies associated with existing ground operations capabilities at Kennedy Space Center. *Estimated value Not to Exceed (NTE): \$150M*
- ❖ 04/29, 2011—Specialized Engineering Evaluation and Test Services contract issued to The Aerospace Corporation. *Estimated value NTE: \$210M*

3b. Notification to HQ of Approval for Unusual and Compelling Urgency - When using the authority at FAR 6.302-2, Unusual and Compelling Urgency, the NFS requires a copy of the justification to be provided to HQ within three (3) days after approval.

	FY 10	% of Change	FY 11
Number of JOFOCS	3	+66%	5
Total Estimated Value	\$533K	+480%	\$26.122M

In FY 11, the following JOFOCs were approved.

Dryden Flight Research Center

- ❖ Four actions issued under this authority *Estimated value: \$122K*

Johnson Space Center

- ❖ Environmental Compliance Operations bridge contract. *Estimated value: \$26M*

3c. HQ Approval of Determination and Finding (D&F) of Single Award Indefinite Delivery Indefinite Quantity Contracts - Section 843 of the 2008 National Defense Authorization Act provides that no task or delivery order contract in an amount estimated to exceed \$103M (including all options) may be awarded to a single source unless the head of the agency determines in writing that the task or delivery orders expected under the contract are so integrally related that only a single source can reasonably perform the work. In NASA Policy Directive 5101.32D, the head of the agency delegated authority for approvals of this nature to the Assistant Administrator for Procurement.

NASA approved seven D&Fs in FY 11. All of these D&F's were thoroughly scrutinized to ensure they met the FAR requirements.

	FY 10	% of Change	FY 11
Single Source IDIQ Awards	6	+17%	7
Total Estimated Value	\$3.1B	-67.7%	\$1B

Glenn Research Center

- ❖ GRC awarded five single award IDIQ contracts with a combined potential value of \$125.7M.

Goddard Space Flight Center

- ❖ 01/2011– Omnibus Multidiscipline Engineering Services *Estimated value: \$183M*
- ❖ 06/2011--Electrical Systems Engineering Services II contract. *Estimated value: \$425M*

3d. Only One Offer Received. In accordance with NASA Procedural Requirement (NPR) 5101.3A, Appendices A and B, Only One Offer Received from a Competitive Requirement, this metrics is required from only “definitive contracts.” It is noted that last year’s report included Purchase Orders, Task/Delivery Orders, Orders against Blanket Purchase Agreements and

Definitive Contracts. The July 2010, Government Accountability Office report entitled, Opportunities Exist to Increase Competition and Assess Reasons When Only One Offer is Received, examined trends for FYs 05 through 09. The GAO found that obligations under contracts competed with only one offer received remained steady, at about 13 percent of the total obligations in each year.

In the past year, NASA’s percentage was approximately 1.3% of the new awards (significantly lower than GAO’s finding. NASA data for FY 09 through 11 reflect a decreasing trend.

Competitive Obligations –Based on New Awards & Only One Offer Received

Fiscal Year	% of New Award Dollars	% of Total Procurement Obligations
2009	15.38%	0.93%
2010	14.95%	1.03%
2011	1.3%	0.014%

3e. Efforts made by Centers in FY 11 to increase competition and achieve full and open competition

Centers promote competition by identifying and posting acquisition forecasts (utilizing the NASA Acquisition Internet Service (NAIS)), conducting market research, hosting industry days, scrutinizing sole-source justifications, etc. Some specific activities conducted in FY 2011 include:

- ARC has implemented a continuous process improvement in which their acquisition sites are constantly updated to provide customers and staff with updates on regulations and guidance.
- DFRC encourages, to the maximum extent possible, contract specialists and program offices to make sure all statements of work and specifications are sufficiently clear, provide potential offerors sufficient time to perform their due diligence. In addition, they are grouping requirements in a consistent way as to how services have been performed or provided by industry with sufficient reliance placed on commercial standards and evaluation factors that permit meaningful comparison and discrimination between and among competing proposals.
- DFRC is now requiring market research documentation to be included and routed with JOFOCs to ensure adequate market research has been performed. In addition, responses to the sole source synopsis is now included in the JOFOC.
- At GRC, the NF-1787 form entitled Small Business Coordination is being completed by contracting officers, and routed for approval by the small business specialist. The form is required for all acquisitions not set-aside for small businesses, new work modifications; all orders under basic ordering agreements and blanket purchase agreements expected to

exceed the small acquisition threshold; and at the contracting officer's discretion for any other.

- GSFC completed its development and release of an Acquisition Planning Guide, including a major acquisition schedule template. This guide is intended as a customer education tool as well as a procurement training tool. One of the primary goals of this documentation is to facilitate early communications between the customer and procurement communities on upcoming major acquisitions. The schedule template includes a two-year acquisition schedule starting from requirements development and ending with contract awards and debriefings.
- GSFC has implemented a new approach for providing feedback to industry on its planned procurement strategies early in the procurement process, when specific/unique procurement issues exist. This process was created as a means for ensuring industry receives the maximum information possible to allow potential Offerors the opportunity to effectively submit a competitive proposal. For both the Rapid Spacecraft Development Office (RSDO) and Omnibus Multidiscipline Engineering Services (OMES) acquisitions, industry was asked to submit their approach on a specific aspect of the acquisition prior to the release of the Final RFP.
- JSC extensively uses market research and review of technical specifications. Reviews of industry practices and conditions are used to ensure that clear and concise requirements are established. This is commonly pursued by issuing a Request for Information prior to issuing a solicitation.
- JSC holds an Industry Day to promote competition by developing a mutual understanding of existing Government requirements and industry capabilities. JSC routinely hosts an Industry Day for competitive procurements over \$3 million, as early as possible in the planning process. This provides visibility to potential offerors into the present work requirements and environment. Industry Day also promotes networking for teaming possibilities within the contractor community.
- KSC's senior contracting officers are assigned as mentors for lower grades and new hires. Some of the areas emphasized are market research, the importance of acquiring items utilizing full and open competition, and commercial acquisition methods.
- At KSC, the most appropriate contract types for the acquisition are discussed at all procurement strategy meetings. Further, the use of standard performance based contracting language increases the probability of maximizing competition.
- KSC conducts outreach with their Engineering, 21st CGSP, Ground Processing, and institutional directorates to discuss acquisition planning, maximizing competition, and choosing the best contract type for the acquisition as soon as the requirement is anticipated. This eliminates barriers to competition and encourages market research to determine if a competitive environment exists.

- LaRC has created a metric for competition that is evaluated on a quarterly basis as part of their scorecard. The metric provides a platform to identify and address negative trends early.
- LaRC's Procurement Senior Management conducts workload reviews which include reviews of the Upcoming Procurement Chart that tracks the timeliness of procurement strategy meetings.
- MSFC recently re-competed the effort previously known as the Unified NASA Information Technology Services contract by splitting this requirements into three separately competed acquisitions.
- SSC's Hardware Assurance Test scope of work transitioned to NASA and the final delivery order performance period ended in Dec 2011, thus eliminating non-competitive obligations and cost plus award fee liability for future hardware assurance testing. It has been replaced by a cadre of NASA civil servants and the competitively awarded Test Operations contract.
- At SSC, before high risk procurements are re-competed. SSC utilizes a "turn the contract upside down" review to determine if the high risk is still appropriate. In addition, they have increased training and review of Contractor 533 reports for cost-reimbursement contracts.

3f. Competition under Delivery and Task Order Contracts

NASA Centers competitively award orders under multiple award IDIQ contracts. They have also instituted policies and procedures to ensure that task and delivery orders issued under multiple award contracts are properly planned and comply with applicable regulatory guidance.

The following are examples of some center initiatives:

- ARC awarded a Blanket Purchase Agreement for Multi-Center Support to ARC, LaRC and GRC for NASA Wind Tunnel Research covering purchase of commercial items including software and hardware that will be used for the wind.
- GRC Awarded five task/delivery orders on three separate multiple award contracts. These were competed (after excluding some sources due to national security) and multiple companies were selected.
- JSC placed the Multiple Award General Construction (IDIQ) Contracts-Minor Projects under the 8(a) program. The 8(a) firms will provide general construction services, modifications, repair, and demolition for multiple minor projects during the 5 year contracts. Six awards were made under the competitive solicitation and the awardees will be provided fair opportunity to compete for future task orders.
- KSC conducted a competitive acquisition resulting in the award of a payload processing services task order for the Landsat Data Continuity Mission (LDCM).

- LaRC’s data reflects that all FY11 GSA awards greater than \$1M were competed. In addition, LaRC has 11 sets of multiple award contracts. There were 89 new tasks issued against the various contracts, of which only 14 were issued non-competitively.
- MSFC has eleven Firm-Fixed Price (FFP) multiple-awards Indefinite Delivery, Indefinite Quantity (IDIQ) delivery-order type contracts for Construction of Facilities (CoF). These contracts were competitively awarded and are the only multiple-award contracts at the Center. Each contract has a maximum overall order quantity of \$25 Million.
- MSFC competes orders under multiple-award task and delivery order type contracts as appropriate unless as sole source or limited source justification has been approved. On proposed non-competitive task/delivery orders exceeding \$550,000, it is required by MSFC that the proposed sole-source justification be provided for advanced review and comments to the Center’s Competition Advocate.

Part 4 – FY 11 Acquisition of Commercial Items

NASA’s statistics in the area of commercial item acquisition experienced growth in previous FYs; however, FY11 remained at the same level as FY10.

2008	2009	2010	2011
23%	54%	69%	69%

Center Statistics for FY 08 through FY11:

Center	2008	2009	2010	2011
ARC	59%	59%	79%	79%
DFRC	57%	57%	66%	72%
GRC	47%	47%	71%	63%
GSFC	84%	84%	82%	91%
HQ	29%	29%	49%	62%
JSC	30%	30%	62%	56%
KSC	50%	50%	72%	69%
LaRC	57%	57%	66%	67%
MSFC	25%	25%	50%	35%
NSSC	63%	63%	85%	84%
SSC	59%	59%	62%	77%

The goal is to continue this trend as we recognize the advantages of commercial acquisition. NASA will continue to award contracts for commercial items whenever possible by:

- 1) Encouraging our customers and contractors to acquire goods and services with a preference for commercial item acquisitions;
- 2) Improving training in the acquisition of commercial items;
- 3) Conducting industry days outreach conferences;

- 4) Using contract review boards and peer reviews;
- 5) Issuing Requests for Information and posting sources sought announcements; and
- 6) Using the full range of market research tools.

Figure 4 below graphically depicts the increase across the board for all the centers for FY 2011.

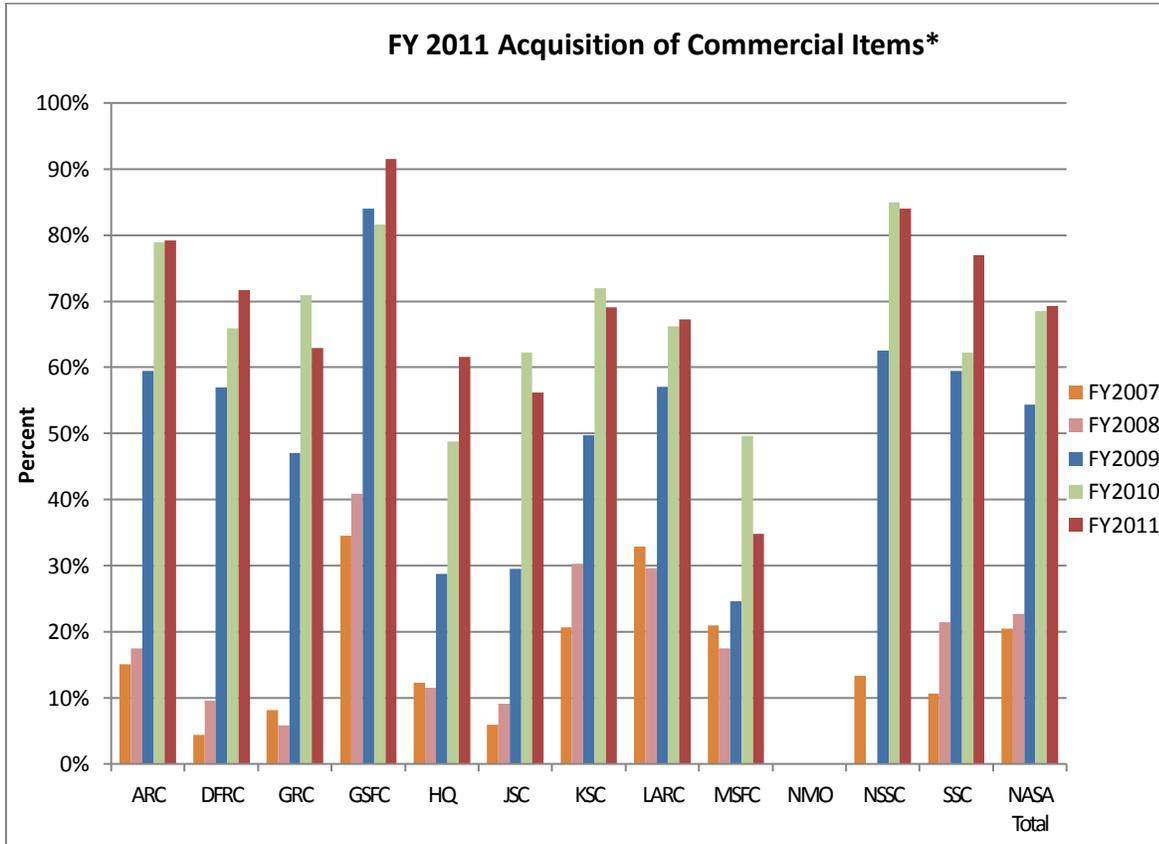


Figure 4

*Excludes SBIR/STTR's, R&D, construction, grants, agreements, intra-governmentals

4a. Efforts made to increase commercial item competition and Center suggestions for initiatives to increase commercial item acquisition

- As an Agency we have increased communications with Center General Services Administration (GSA) representative to discuss upcoming procurements and utilization of Federal Supply Schedules (FSS) and Government wide Acquisition Contracts (GWACs).
- GRC took opportunities to maximize competition of many commercial item awards. Examples include:
 - A Blank Purchase Agreement (BPA) entitled “General Fabrication and Machining” was processed to combine many simplified acquisitions/low dollar contracts. Nine companies received awards, in as many as four General Fabrication and Machining areas. Each area

- had a maximum value of \$500K, and the awards ranged from \$500K to \$2M depending on the number of work areas each company was awarded.
- The GRC awarded two separate management study contracts utilizing GSA procedures. The first was entitled “Start/Stop Study” while the second was entitled “Technology Development Business Plan.” Both were competed amongst four to five companies on the GSA Schedule. The first was valued at \$300K with the remaining valued at \$820K.
 - In order to fulfill a need for a very high volume of liquid nitrogen, after market research, the GRC awarded firm purchase orders to two companies that could fulfill our requirement.
 - The GRC Occupational Health Services contract is currently being converted from a cost plus fixed fee award with an approximate value of \$7.4M to a firm fixed price contract with an IDIQ component.
 - Two contracts for \$600K, for specialized services to support small R&D facilities updates were completed using commercial procedures.
- KSC’s NASA Launch Services (NLS) solicitation remains open and contains a unique on-ramp provision that allows new providers to submit proposals on a semi-annual basis. This process creates opportunities for award of additional large dollar value commercial items contracts. Additionally, commercial payload processing services are acquired to support NASA spacecraft prior to launch by a commercial launch services provider. These launch services contracts are firm fixed price IDIQ performance based contracts, governed by FAR Part 12 terms and conditions.
 - KSC procures liquid nitrogen and oxygen, bulk and gaseous helium, liquid hydrogen, and gaseous nitrogen.
 - LaRC awarded 984 commercial item acquisitions of which 59% were competed actions. To highlight these commercial competitions LaRC referenced (1) the award of thirteen small business FFP/IDIQ General and Precision Machining/Fabrication BPAs (NTE \$5M each for a total of \$65M) and (2) the award of two NASA Academy of Program/Project Engineering Leadership (APPEL) multiple award BPAs to an 8(a) firm.
 - At MSFC a significant source for professional engineering support services are tasks orders awarded under the Specialized Engineering and Project Support (SEPS) BPAs held by GSA FSS contractors, many of which are local. These multiple award BPAs primarily provide for firm fixed price task orders competed among the SEPS BPA contractors. In FY 2011, MSFC had twenty seven SEPS BPAs in place under which there were forty nine active task orders. Task orders under fourteen of them received \$54,286,378 of funding bringing the total cumulative funding to \$280,830,686. In addition MSFC also has nine multiple award BPAs for construction with values between \$5,000 and \$25,000.
 - SSC, in an effort to reduce contractor pass through costs and increase competition, five BPAs were established. Two BPAs are for rental of mobile crane services with operators and three BPAs are for rental of crane and other heavy equipment without operators.

- SSC awarded the following commercial procurements; Delivery of Uninterruptible Supply of Natural Gas to SSC with a potential value of \$6,833,398; and A-3 Diffuser and Chemical Steam Pressure Transmitters, valued at \$376,538 .

Part 5 – Barriers to Competition and Commercial Items Acquisition across the Agency

- Consider contractor’s retention of data rights to reduce disincentives to federal contracting where typically the data rights are retained by the government.
- NASA obligates a significant portion of its budget in the R&D arena. Requirements for unique hardware and/or software capabilities or soliciting the best scientific and technological sources for innovative research and development projects are barriers to competition.
- External environmental factors such as changes in the U.S.’s space policy, the cancellation of the Constellation Program, and uncertainty of future requirements impact acquisition strategies and may restrict competition. A dynamically changing environment may require noncompetitive contract extensions to bridge a period of rapidly-evolving requirements or to ensure continuity of services to minimize risk.(JSC)
- The completion of the Space Shuttle Program and retirement of the orbiter fleet have narrowed the Agency’s options for delivering crew and cargo to the International Space Station (ISS). This required JSC, for example to acquire flight crew transportation noncompetitively from the Russian Space Agency, the only other current source of human space flight transportation.
- The requirement for reporting construction of facilities as noncommercial. (KSC)
- Including the category “Not Available for Competition” in the competition base when establishing competition performance by Center unfairly penalizes and does not give an accurate picture. The Government encourages utilization of the 8(a) program which is the majority of the awards in this category. Utilities are also included here which are natural monopolies with extremely high barriers due to infrastructure costs.
- Government initiatives for “green” procurements have created challenges for many small businesses, which may not currently have certifications, such as the Leadership in Energy & Environmental Design (LEED) “star”, which will be required for Federal contracting eligibility. JSC is working to mitigate this issue by developing training materials and conducting industry outreach to educate small businesses on compliance with Safety and Health, LEED, affirmative procurement, and similar requirements.
- Over 44% of the dollars available for competition are obligated on three existing Space Shuttle contracts and two existing ARES I and Space Shuttle contracts, significantly restricting the ability to provide more funding on competitive actions. (MSFC)

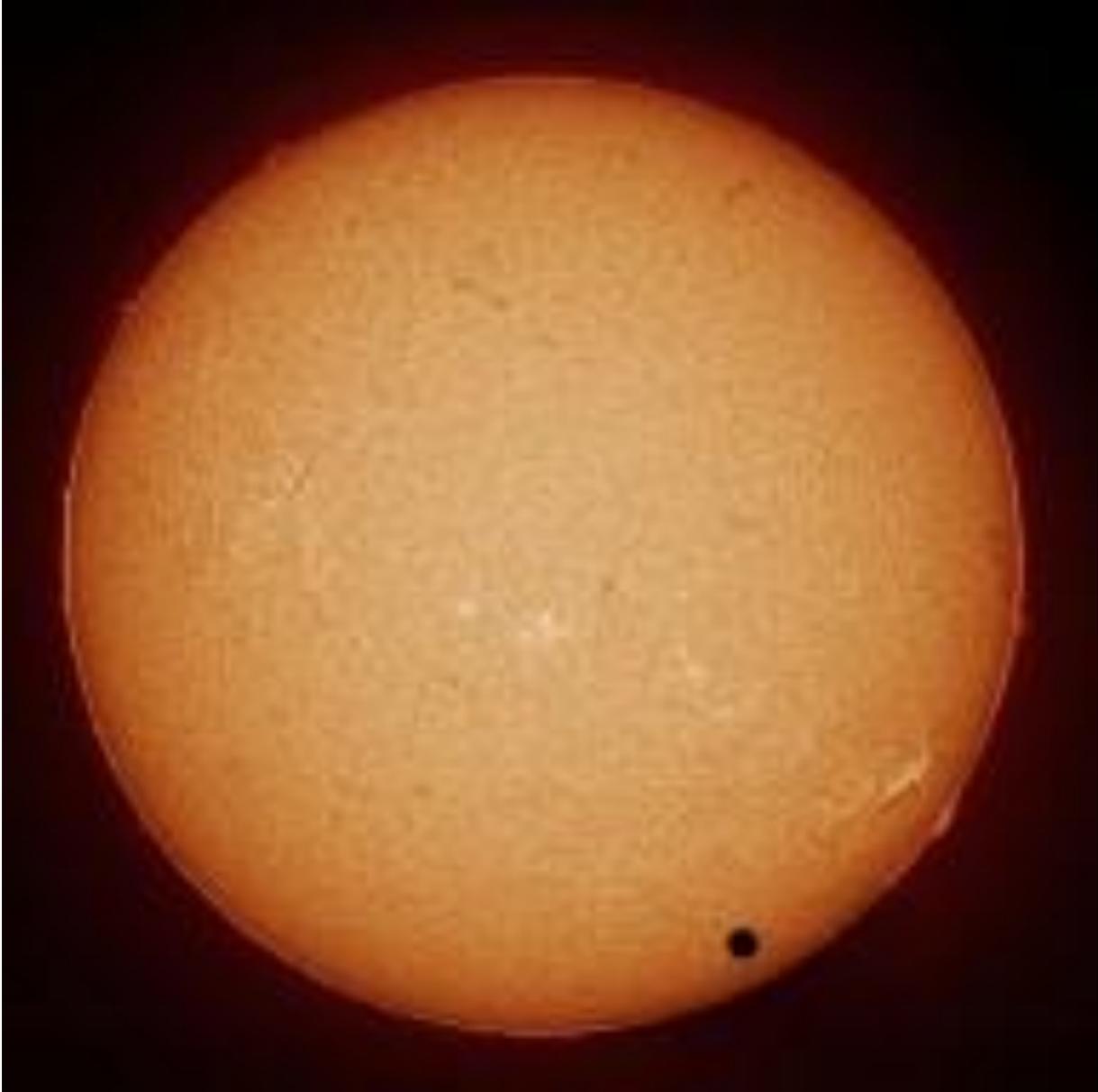
Part 6 - High Risk Contract Types and Mitigation Actions

This area is addressed specifically in the Center Competition Advocate Reports. There are also specific center examples cited throughout this report. Listed below are a few examples of some of the more creative initiatives:

- ❖ ARC implemented a Price Reasonableness template to capture information and data necessary for ensuring fair and reasonable pricing on all acquisitions. In addition, they provide concurrent review of acquisition strategy documents for major requirements to engage the stakeholders early to discuss the requirement and the best approach for meeting that requirement.
- ❖ DFRC prior to issuing any cost-reimbursement, time and material or labor hour contract, determines that the contractor's accounting system is adequate for determining costs related to the contract. In addition they also make sure to have appropriate government surveillance to provide reasonable assurance that efficient method and effective cost controls are in place.
- ❖ GRC involves their technical, financial, and procurement organizations in the close monitoring of high risk contract types, therefore mitigating the risk.
- ❖ GSFC has increased its scrutiny on the use of single award cost type IDIQ contracts. They have converted some previous single award IDIQ contracts into multiple award IDIQ contracts, in order to enhance continued competition and reduce cost, schedule, and performance risk.
- ❖ JSC's procurement strategy requires the acquisition team to address rationale for selecting cost reimbursement contracts, which must be vetted through Senior Management for review and approval.
- ❖ JSC utilizes acquisition strategies which link payment to performance using various methods including establishing contract milestones that must be reached for payment and defining metrics which gauge satisfactory contract performance.
- ❖ JSC has discouraged the use of Time & Material/Labor Hour contracts in commercial item acquisitions. Only items that cannot be procured by any other contract type are allowed to use these contract types, subject to approval of the Procurement Officer.
- ❖ KSC conducts training on various contract types to assure that contracting officers become familiar with the proper use of and advantages of each type of contract.
- ❖ At KSC, their existing major cost-reimbursement severable contracts have a five year base and one year options for the remainder of the contract. The contract risk is mitigated by limiting the contract's performance period, ensuring price reasonableness, using cost and price analysts to review and analyze major cost items and requiring annual audits.

- ❖ LaRC Procurement's Senior Management conducts a thorough and critical review of contract type and extent of competition at the beginning of the procurement strategy process for all procurements. Risks and how to mitigate them are identified at the Procurement Strategy Meetings.
- ❖ MSFC has taken actions to mitigate the risk when noncompetitive, cost-reimbursement, or time and material/labor hour contracts are used. There is a renewed emphasis on contract type in the acquisition planning; limiting the period of performance; consideration to convert support service contracts to fixed price; scrutiny of Determination and Findings required for the use of Time and Materials/Labor Hours and Cost Plus Award Fee contracts; implementation of surveillance methods appropriate for the requirement; payments based on deliveries of supplies/reports; customer satisfaction surveys and increasing the staff of highly qualified cost/price analysts, and many more considerations made when determining the use of these types of contracts.
- ❖ SSC's establishes appropriate cost and performance incentives to ensure reduced risk is achieved during contract administration.

Fiscal Year 2012
NASA Competition Advocate Report



Venus Transit; June 5, 2012

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Center Acronyms

Ames Research Center (ARC)
Dryden Flight Research Center (DFRC)
Glenn Research Center (GRC)
Goddard Space Flight Center (GSFC)
Johnson Space Center (JSC)
Kennedy Space Center (KSC)
Langley Research Center (LaRC)
Marshall Space Flight Center (MSFC)
NASA Headquarters (HQ)
NASA Management Office (NMO)
NASA Shared Services Center (NSSC)
Stennis Space Center (SSC)

Executive Summary

The Office of Federal Procurement Policy (OFPP) Act (41 U.S.C. 418) requires executive agency competition advocates to transmit an annual competition report to their respective senior procurement executives. Monica Manning, Program Operations Division Director, within the Office of Procurement is the Competition Advocate for the National Aeronautics and Space Administration (NASA). This report summarizes the Agency's competition performance during FY 2012.

NASA practices full and open competition to the maximum extent practicable. While there are instances in the highly-complex and specialized business of developing space systems that warrant non-competitive contract mechanisms, NASA is committed to ensuring competition in new, current, and follow-on procurement opportunities. During FY 2012, competitive statistics showed a 5 percent decrease in Competitive Actions with a 5 percent increase in Competitive Obligations from the last two fiscal years.

	FY 2010	FY 2011	FY 2012
Competitive Actions	72%	72%	67%
Competitive Obligated Dollars	55%	57%	62%
Commercial Awards	69%	69%	70%

There are several possible reasons for the statistics shown above. FY 2012's decrease in Competitive Actions indicates that NASA's limited budget, extension of older contracts, and additional issues listed below contributed significantly to the decrease in Competitive Actions during FY 2012. The increase in Competitive Obligated Dollars by 5 percent during FY 2012 is primarily due to the award of larger dollar contracts, including large construction contracts; Omnibus Multidiscipline Engineering Services contract; Technology, Engineering, and Aerospace Mission Support 2 contract; and the Space and Earth Science Data Analysis III contract (all \$250 million or more).

Numerous issues presented challenges to NASA's competition effort in FY 2012. These issues include:

The Future of U.S. Human Space Flight. NASA's Space Shuttle era began with the maiden voyage of Columbia in April 1981. It ended after 135 missions when Atlantis landed at the Kennedy Space Center in July 2011. In the ensuing year, NASA delivered the four retired orbiters to their permanent homes for public display. NASA's current spaceflight activities are focused on maximizing the productivity of the International Space Station (ISS), encouraging development of commercial companies seeking to provide cargo and crew transportation to the ISS, and developing new systems such as the Space Launch System (SLS) for exploration beyond low Earth orbit. However, both of these major programs were awarded some time ago and are not contributing to the competitive actions/dollars statistics cited above. Moving each of these programs forward in a "flat" or diminishing budget environment will be a significant, ongoing challenge for the Agency.

Infrastructure and Facilities Management issues. These include Cross Agency Support and acquisition and contract management that face constrained funding levels and will do so for the

foreseeable future. Overall, FY 2012 competition performance was influenced by declining budgets and fiscal uncertainties that have compounded NASA's ability to meet the challenges above. More than any other factor, these fiscal pressures will present NASA leaders with difficult choices in the years ahead.

Part 1 – Introduction

The NASA Federal Acquisition Regulation Supplement (NFS) identifies the person designated to serve as the Agency competition advocate. The competition advocate program stresses training, procurement planning, acquisition forecasting, outreach efforts, and documentation of justifications for other than full and open competition. Those serving in these senior positions have direct influence over all Center functions and activities that affect competition in contracting. NASA's competition advocate is also responsible for promoting the acquisition of commercial items. This report describes NASA's progress in competition and in acquiring commercial items to meet the needs of the Agency.

Benefits of Competition

One of the primary benefits is a sense of “fair play” when merit, rather than favoritism, is the basis for award.¹ The Office of Federal Procurement Policy memorandum dated October 27, 2009, provides as an attachment, “Guidelines for Increasing Competition and Structuring Contracts for the Best Results.” The memo advocates that competition:

- Drives down costs;
- Motivates better contractor performance;
- Helps to curb fraud and waste; and
- Promotes innovation.

Related to competition is the degree of concentration of the industrial base.² An agency's ability to obtain competition can be very limited when there are only a few suppliers. Also, when agencies repeatedly buy from the same supplier, there may be no opportunity for other suppliers to enter the market.

Under the guidance of the Assistant Administrator for Procurement, NASA will continue to renew its emphasis on maximizing competition across the Agency as requested in the Office of Federal Procurement Policy memoranda dated July 18, 2008, and October 27, 2009. NASA's increasing competition statistics clearly demonstrate the importance of competition and the role it plays in the success of the NASA mission.

Benefits of Acquiring Commercial Items and Services

Acquiring commercial items –

- Is easier than acquiring non-commercial items;
- Eliminates the need for research and development;
- Reduces acquisition lead-time;

¹ Senate Report No. 98-50, accompanying S. 338, the Competition in Contracting Act of 1984, p. 3.

² Ibid., p. 16.

- Reduces the use of detailed design specifications and extensive product testing.³

The acquisition of commercial items also enhances the Government's base of suppliers by—

- Encouraging Government contractors to develop dual-use products, i.e., for use in both Government and commercial applications; and
- Encouraging commercially oriented firms to do business with the Government.⁴

³ Senate Reports No. 103-258, p. 5, and 103-259, pp. 5 to 6, accompanying S. 1587, the Federal Acquisition Streamlining Act

⁴ Senate Report No. 103-259, p. 7

Part 2 – FY 2012 Competition Statistics

Overview

In FY 2012, NASA spent approximately \$16.6 billion on procurement actions. Of that, \$15.1 billion was available for competition and \$9.3 billion was competed. The \$5.8 billion available for competition, but not competed, includes dollars for awards where only one responsible source is available, as well as for unusual or compelling urgency, international agreement, and authorized or required by statute. Figure 1 below depicts the historical data points.

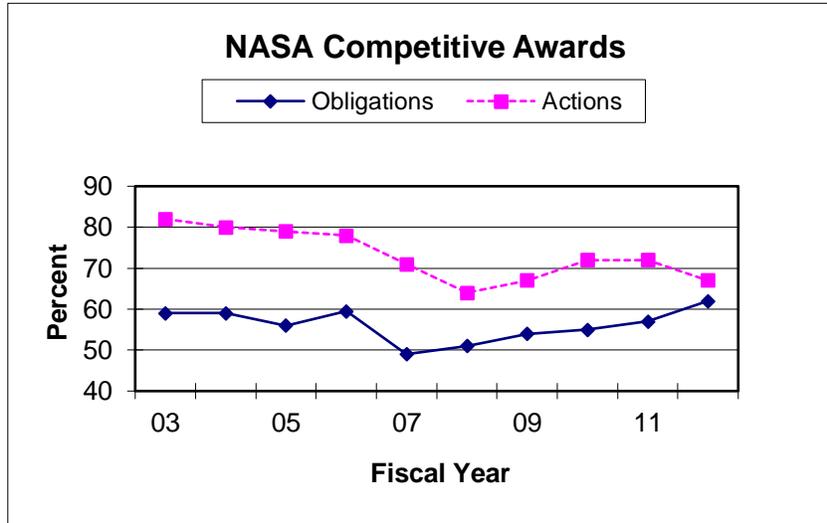


Figure 1

Competition Goals and Individual Center Contributions

For the first time in four years, NASA has seen a decrease in the percentage of actions competed while continuing to see an increase in the amount of competitive obligations.

NASA Procedural Requirements (NPR) document 5101.33A, Procurement Advocacy Programs, sets forth the following competition goals annually:

- Competitive obligation rate: 70%
- Competitive action rate: 80%

Completion of the Short Form - Competition Advocate Report is the reward to Centers that meet or exceed *both* of the above goals. For FY 2012, the following three Centers met both goals and accounted for 11 percent of the total dollars competed.

Center	Goal of 70% Competitive Obligation Rate (Dollars Competed)	Goal of 80% Competitive Action Rate
ARC	82%	81%
HQ	76%	83%
NSSC	97%	96%

The following three Centers far exceeded the 70 percent goal for competed dollars and came very close to meeting the 80 percent goal of actions competed. These three Centers accounted for almost 19.2 percent of the total dollars competed.

Center	Goal of 70% Competitive Obligation Rate (Dollars Competed)	Goal of 80% Competitive Action Rate
GRC	81%	74%
KSC	96%	77%
SSC	96%	79%

In FY 2012, the following Centers, while not meeting both NFS thresholds, obligated more than 70 percent of their dollars competitively and awarded well over 50 percent of their actions competitively.

Center	Goal of 70% Competitive Obligation Rate (Dollars Competed)	Greater than 50% of Competitive Action Rate
GSFC	73%	65%
LaRC	87%	70%

Eight of the 12 reporting locations demonstrated an increase in dollars awarded competitively between FY 2011 and 2012 as follows:

Center	FY 2011 Competitive Dollars	FY 2012 Competitive Dollars	% Increase
ARC	79%	82%	3%
DFRC	65%	67%	2%
JSC	49%	57%	8%
KSC	91%	96%	5%
LaRC	84%	87%	3%
MSFC	49%	64%	6%
NSSC	96%	97%	1%
SSC	91%	96%	4%

Dollars Available for Competition

NASA's procurement obligations have slightly decreased from the previous FY 2011 obligations of \$16.699 billion to \$16.570 billion, a reduction of \$129 million, or 0.1 percent. GSFC, JSC, KSC, and MSFC comprise 79 percent of the Agency's obligations (see Figures 2 and 3 below). Competition improvements at these Centers will always positively impact the Agency-wide statistics for obligations as these Centers award high dollar value awards for mission critical programs and projects. Several of the major competitive efforts under U.S. Space Exploration Policy are managed by these Centers.

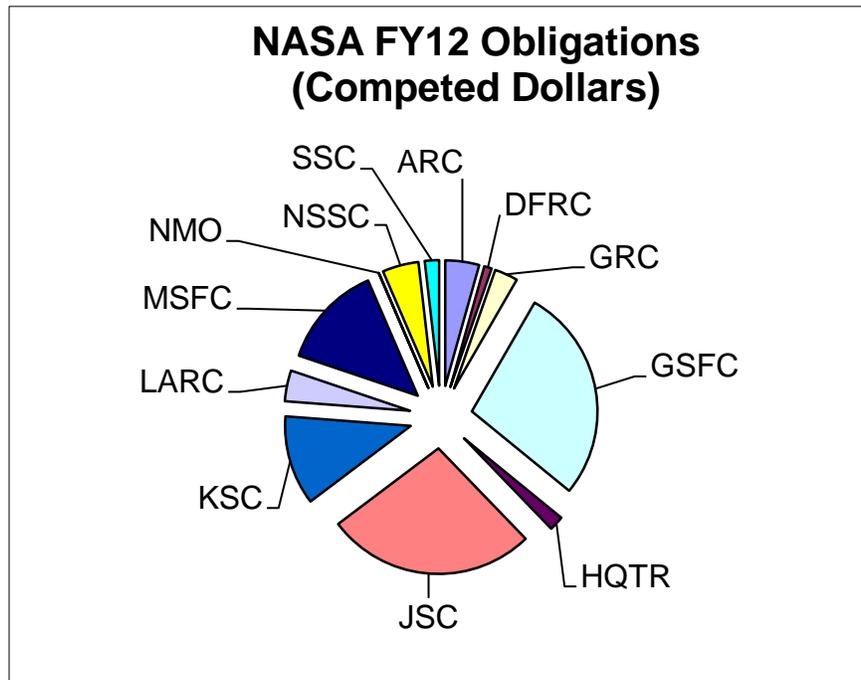


Figure 2

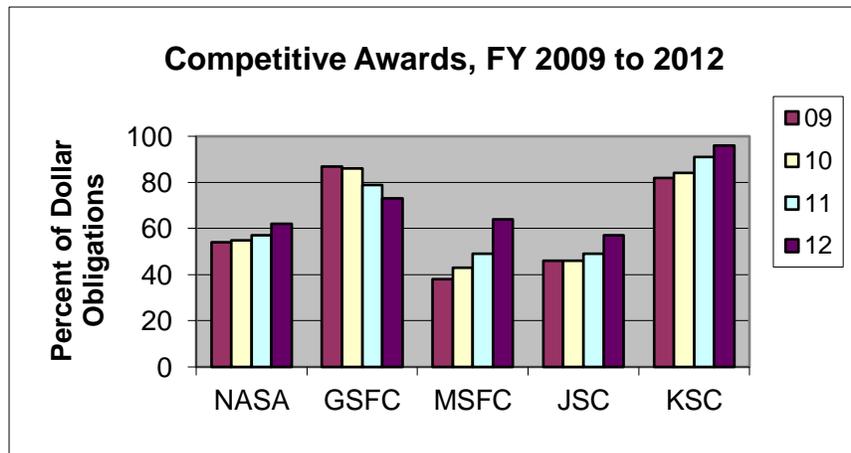


Figure 3

Part 3 – Review of FY 2012 Other Than Full and Open Competitive, Single Source IDIQ Awards, and Only One Offer Received Activities

In this and the following sections, examples are provided from some, but not necessarily all, Centers.

HQ Approval of Justifications for Other than Full and Open Competition (JOFOC) - The NFS requires NASA Headquarters approval of justifications pursuant to FAR 6.302-1, Only One Responsible Source, with an estimated value over \$78.5 million.

	FY 2009	FY 2010	FY 2011	FY 2009- FY 2011 Three Year Average	% of Change FY 2011-2012	FY 2012
Number of JOFOCS	9	16	5	10	20%	6
Total Estimated Value	\$4.5B	\$8.1B	\$ 788 M	\$4.46B	367%	\$3.6B

For FY 2012, the total estimated value of the six JOFOCs represents approximately 21 percent of the \$16.6 billion procurement obligations. The majority of this is a \$2.5 billion JOFOC for the transition of the Ares I Upper Stage contract to the Space Launch System contract.

The following are the six JOFOCs processed at Headquarters in FY 2012:

Goddard Space Flight Center

- 11/2011 – Electric Systems Engineering Services (ESES) Extension: The JOFOC was needed because the follow-on competition was delayed and these engineering support services were required to continue while the follow-on competition was completed. *Estimated value: \$89.7 million*
- 07/2012 – Joint Polar Satellite System (JPSS): Multiple instruments and contracts including the Cross-Track Infrared Sounder (CrIS), Ozone Mapping and Profiler Suite (OMPS), and the Advanced Technology Microwave Sounder (ATMS). The JOFOC was based on a need for copies of previous instruments on a tight mission schedule. *Estimated combined value: \$406 million*

Johnson Space Center

- 5/2012 – SPOC-Extend POP: This is an addendum to a previous JOFOC approved 12/9/2012 nine more months (6/30/13) because the TOSC contract is delayed. *Estimated value: No change in \$150 million value*

Marshall Space Flight Center

- 10/2011 – Ares I Upper Stage: Contract NNM07AB03C with the Boeing Company modification (includes requirements for the development, manufacture, and assembly of both the SLS Core and Upper Stages). *Estimated value: \$2.5 billion*
- 11/2011 – Modification of the existing Ares J2X Engine: Contract NNM06AB13C with Pratt Whitney Rocketdyne to include requirements for RS-25 engines for the SLS engine system. *Estimated value: \$130 million*
- 7/2012 – Integrated Cryogenic Propulsion Systems. *Estimated value: \$307 million*

Notification to HQ of Approval for Unusual and Compelling Urgency - When using the authority at FAR 6.302-2, Unusual and Compelling Urgency, the NFS requires a copy of the justification to be provided to Headquarters within three days after approval. There were no JOFOCs under this requirement for FY 2012.

	FY 2009	FY 2010	FY 2011	FY 2009- FY 2011 Three Year Average	% of Change FY 2011-2012	FY 2012
Number of JOFOCS	3	3	5	3.67	N/A	0
Total Estimated Value	\$49M	\$533K	\$26.1M	\$25.2M	N/A	0

HQ Approval of Determination and Finding (D&F) of Single Award Indefinite

Delivery Indefinite Quantity Contracts - Section 843 of the 2008 National Defense Authorization Act provides that no task or delivery order contract in an amount estimated to exceed \$103 million (including all options) may be awarded to a single source unless the head of the agency determines in writing that the task or delivery orders expected under the contract are so integrally related that only a single source can reasonably perform the work. In NASA Policy Directive 5101.32D, the head of the Agency delegated authority for approvals of this nature to the Assistant Administrator for Procurement.

NASA approved nine D&Fs in FY 2012. All of these D&Fs were thoroughly scrutinized to ensure they met the FAR requirements.

	FY 2009	FY 2010	FY 2011	FY 2009- FY 2011 Three Year Average	% of Change FY 2011-2012	FY 2012
Single Source IDIQ Awards	12	6	7	8.34	29%	9
Total Estimated Value	\$5.2B	\$3.1B	\$1B	\$3.1B	490%	\$5.9B

Glenn Research Center

- 03/29/12 – GESS-3. *Estimated value: \$230 million*

Goddard Space Flight Center

- 10/2011 – Wallops Institutional Consolidated Contract II (WICC II). *Estimated value: \$281 million*
- 12/2011– Mechanical and Related Services (MARs) contract. *Estimated value: \$450 million*
- 01/2012 – Safety and Mission Assurance (SMAS) contract. *Estimated value: \$185 million*
- 04/2012 – Mechanical Systems Engineering Services (MSES) contract. *Estimated value: \$371 million*

Johnson Space Center

- 11/2011 – JSC Engineering, Technology, and Science (JETS). *Estimated value: \$1.93 billion*
- 2/2012 – Health and Human Performance Contract (HHPC). *Estimated value: \$1.76 billion*
- 6/2012 – Safety and Mission Assurance Engineering Contract (SMAEC). *Estimated value: \$150 million*

Marshall Space Flight Center

- 05/2012 – Engineering & Science Services & Skills Augmentation (ESSSA). *Estimated value over five years: \$ 639 million*

Only One Offer Received -

Each fiscal year, NASA reports the number of new contracts where competition was sought, but only one offer was received. Between FY 2010 and FY 2011, there was a dramatic decrease in that number as NASA removed Purchase Orders, Task/Delivery Orders, and Orders against Blanket Purchase Agreements to get a more accurate representation of this number.

Fiscal Year	% of New Award Dollars	% of Total Procurement Obligations
2009	15.38%	0.93%
2010	14.95%	1.03%
2011	1.3%	0.014%
2012	5.27%	0.12%

Efforts Made by Centers in FY 2012 to Increase Competition and Achieve Full and Open Competition

Centers promote competition by identifying and posting acquisition forecasts (utilizing the NASA Acquisition Internet Service (NAIS)), conducting market research, hosting industry days, scrutinizing sole-source justifications, etc. Some specific activities conducted in FY 2012 include:

Dryden Flight Research Center

As with last year, a notable condition that has led to an increase in competitive dollars being awarded in FY 2012 over FY 2011 is the continuation of a stricter review policy with regard to the approval of Justifications for Other Than Full and Open Competitions (JOFOC). A new Procurement Officer was hired in FY 2012, and with his concurrence, the JOFOC review policy remains in effect including a requirement to have a copy of all JOFOCs available in a centralized location for periodic review. The intent of this periodic review is to analyze trends to determine if there are opportunities to reduce single or limited source acquisitions.

Glenn Research Center

Frequent interactions are held between contracting officers and the requesting organizations regarding competitive acquisitions. Branch Chiefs have also been proactive in meeting with their technical customers to both learn of upcoming procurement requirements and to educate them on procurement issues, including competition requirements.

The GRC has made efficient use of the NASA Research Announcement (NRA) program for research and development procurements. The increased possibility of receiving an award in a range of technical areas of NRAs prompts entities to compete who otherwise may not have responded if only a single award was available.

The GRC completed the procurement for its third Glenn Engineering and Scientific Support (GESS-3) procurement. The Center worked with the Small Business Administration (SBA) to enable joint ventures to propose under this 8(a) competition. At the Industry Day, the joint venture option was presented by both GRC and the SBA. Thirty-three potential offerors attended. Four proposals were received with the selected offeror, a joint venture, having a value of \$230 million. The procurement utilized a cost-plus-fixed-fee contract type with a cost-plus-award-fee Indefinite Delivery/Indefinite Quantity (IDIQ) component.

The GRC is in the process of consolidating pieces of nine-to-10 different cooperative agreements/grants and contracts in support of the GRC Educational Programs Office. The new procurement is competitive and will eliminate the sole source awards previously made through cooperative agreements/grants. The procurement, entitled "NASA Glenn Education Support Services (ES2)," has an estimated value of \$20-35 million and is planned to be cost-plus-fixed-fee with an IDIQ component.

Kennedy Space Center

The Commercial Crew Program Office competitively awarded three Space Act Agreements (SAAs) in the fourth quarter of FY 2012 with a total value of \$1.1 billion, including optional milestones. Although SAAs are not considered contracts, these agreements were solicited and awarded competitively.

KSC successfully awarded a competitive \$1 million firm-fixed-price contract to Telemetry Antenna Company for a steerable tracking antenna system for the Radio Frequency and Telemetry Station (RFTS). The antennas will be utilized as part of the overall RFTS, which is used to check out, test, monitor, troubleshoot, and provide launch support of spacecraft and launch vehicle radio frequency communication systems. This small business set-aside solicitation resulted in three offers, with the award going to the offeror with the lowest price technically acceptable. This award is the first prime contract for this small start-up company of nine employees. The period of performance is March 3, 2012, through September 30, 2013.

Langley Research Center

Environmental requirement was historically a full and open competition where SAIC has been selected for at least the last 20 years with usually two proposals received. This requirement was released as a small business set-aside where seven proposals were received.

Langley's use of price past performance trade off on four procurements decreased bid and proposal costs for industry, which increases industry interest and ability to participate in competitions. The four procurements were Logistics, Security, Environmental, and Reliance Consolidated Models (RECOM) 4 (to be awarded in FY 2013).

Competition under Delivery and Task Order Contracts

NASA Centers competitively award orders under multiple award IDIQ contracts. They have also instituted policies and procedures to ensure that task and delivery orders issued under multiple award contracts are properly planned and comply with applicable regulatory guidance.

The following are examples of some Center initiatives:

Ames Research Center

ARC reviewed GSA FSS Schedule contracts (MOBIS, PESS, IT Schedule 70, Alliant GWAC, and STARS) for potential commercial products and firms for Program Management, Financial Services, Intelligent Systems Research and Development Services contract (ISRDS) and IT Services.

ARC issued Requests for Information (RFIs) via ebuy or in accordance with FAR Part 8.4 to obtain industry input on the identification of available commercial items or the feasibility of development of commercial items to meet the Government's requirement.

Dryden Flight Research Center

DFRC had two task or delivery orders (IDIQ) single award contracts over \$1 million in FY 2012. One is for Global Hawk (Predator) Engineering and Technical Support (\$9 million). The other is in support of the Office of Facilities Engineering and Asset Management to provide General Construction—Additions, Alterations, Maintenance, and Repairs (\$4 million).

Glenn Research Center

The GRC has awarded two task/delivery orders with a value of \$1 million or greater on a single-award IDIQ contract. They were awarded under the Spaceflight Systems Development and Operations Contracts for significant flight hardware. One order was for \$2.4 million and the other for \$3.1 million. This is a single-award IDIQ contract that was competitively awarded in December 2008. No task/delivery orders over \$1 million were issued under multiple-award IDIQ contracts.

Goddard Space Flight Center

GSFC maintains local policies and guidance associated with the proper utilization of Government wide acquisition contracts, multi-agency contracts, GSA multiple award schedule contracts, and interagency agreements. This policy/guidance covers a wide breadth of issues, including general information, fair opportunity and sole source requirements, review/approval requirements, and documentation requirements.

Johnson Space Center

The Crew, Robotics, and Vehicle Equipment (CRAVE) was a follow-on procurement conducted under two separate multiple award solicitations, one as a full and open competition and the other as a competition reserved for educational and non-profit institutions. The contracts require analysis, design, development, fabrication, test, certification, provision, and delivery of Government-Furnished Equipment (GFE) for current and future human space flight programs. Programs under the contract include ISS and advanced development programs. Multiple awards were made under the solicitations, for total potential contract value across all contracts of \$70 million. Delivery orders continue to be competitively awarded under those contracts.

The Cargo Resupply Service (CRS), fixed-price multi-award IDIQ contracts, provide critical cargo to the ISS. One contract line item under the CRS contracts is for special studies. These special studies are competed between the two CRS contractors, Orbital and Space X. Nearly \$120 million was awarded this fiscal year.

Kennedy Space Center

During FY 2012, KSC awarded six general construction task orders to the IDIQ contract holders. In accordance with the fair opportunity requirements in FAR Part 16, KSC issued solicitations for the six projects to all contract holders. The six task order awards, valued at approximately \$24 million, were spread amongst five of the 10 contractors.

Ground Systems Development and Operations (GSDO) awarded eight new task orders with an approximate total value of \$23 million (the largest being \$13.3 million) and added funding in the amount of \$111.3 million to new and existing task orders under the IDIQ portion of the Engineering Services Contract for work on GSDO projects at KSC.

Langley Research Center

Langley has 11 sets of multiple-award contracts. Five tasks awarded against the various contracts were greater than \$1 million of which only one was issued as non-competitive. There were 98 tasks awarded against the various contracts with only 12 issued as non-competitive.

Marshall Space Flight Center

MSFC has 11 active FFP multiple-award IDIQ type contracts for Construction of Facilities (CoF). These contracts were competed. Each contract has a maximum overall order quantity of \$25 million.

MSFC competes orders under multiple-award task and delivery order type contracts as appropriate unless a sole source or limited source justification has been approved. On proposed non-competitive task and delivery orders with estimated values exceeding \$650,000, MSFC has an organizational work instruction that requires that proposed sole-source justifications be provided for advance review and comments to the Center Competition Advocate, the Procurement Officer, and the Office of the Chief Counsel for a period of not less than three days before the synopsis may be posted on the NAIS. These reviews ensure that senior procurement management and the Center Competition Advocate are aware of the proposed procurement and that the proposed justification is considered to be sufficient before the synopsis is posted.

Stennis Space Center

One task order over \$1 million was issued under the multiple award construction contracts. Contract NNS12AA95T, Upgrades to Potable Water System was awarded on August 10, 2012 in the amount of \$4,973,400. The task order was properly planned, issued, and complied with FAR 16.505(b)(1) in that each awardee was given a fair opportunity to be considered.

Part 4 – FY 2012 Acquisition of Commercial Items

NASA’s statistics in the area of commercial item acquisition experienced growth from FY 2009 through FY 2012.

2009	2010	2011	2012
54%	69%	69%	70%

Center Statistics for FY 2009 through FY 2012:

Center	2009	2010	2011	2012
ARC	59%	79%	79%	84%
DFRC	57%	66%	72%	58%
GRC	47%	71%	63%	69%
GSFC	84%	82%	91%	86%
HQ	29%	49%	62%	51%
JSC	30%	62%	56%	60%
KSC	50%	72%	69%	69%
LaRC	57%	66%	67%	71%
MSFC	25%	50%	35%	58%
NSSC	63%	85%	84%	86%
SSC	59%	62%	77%	86%

While NASA as a whole saw small growth, the majority of NASA Centers saw an increase of at least 4 percent and, in one case over 20 percent, to its highest level in more than four years. The goal is to expand this growth as we recognize the advantages of commercial acquisition. NASA will continue to award contracts for commercial items whenever possible by:

- Encouraging our customers and contractors to acquire goods and services with a preference for commercial item acquisitions;
- Improving training in the acquisition of commercial items;
- Conducting industry days outreach conferences;
- Using contract review boards and peer reviews;
- Issuing Requests for Information and posting sources sought announcements; and
- Using the full range of market research tools.

Figure 4 below graphically depicts this information by Center for FY 2012.

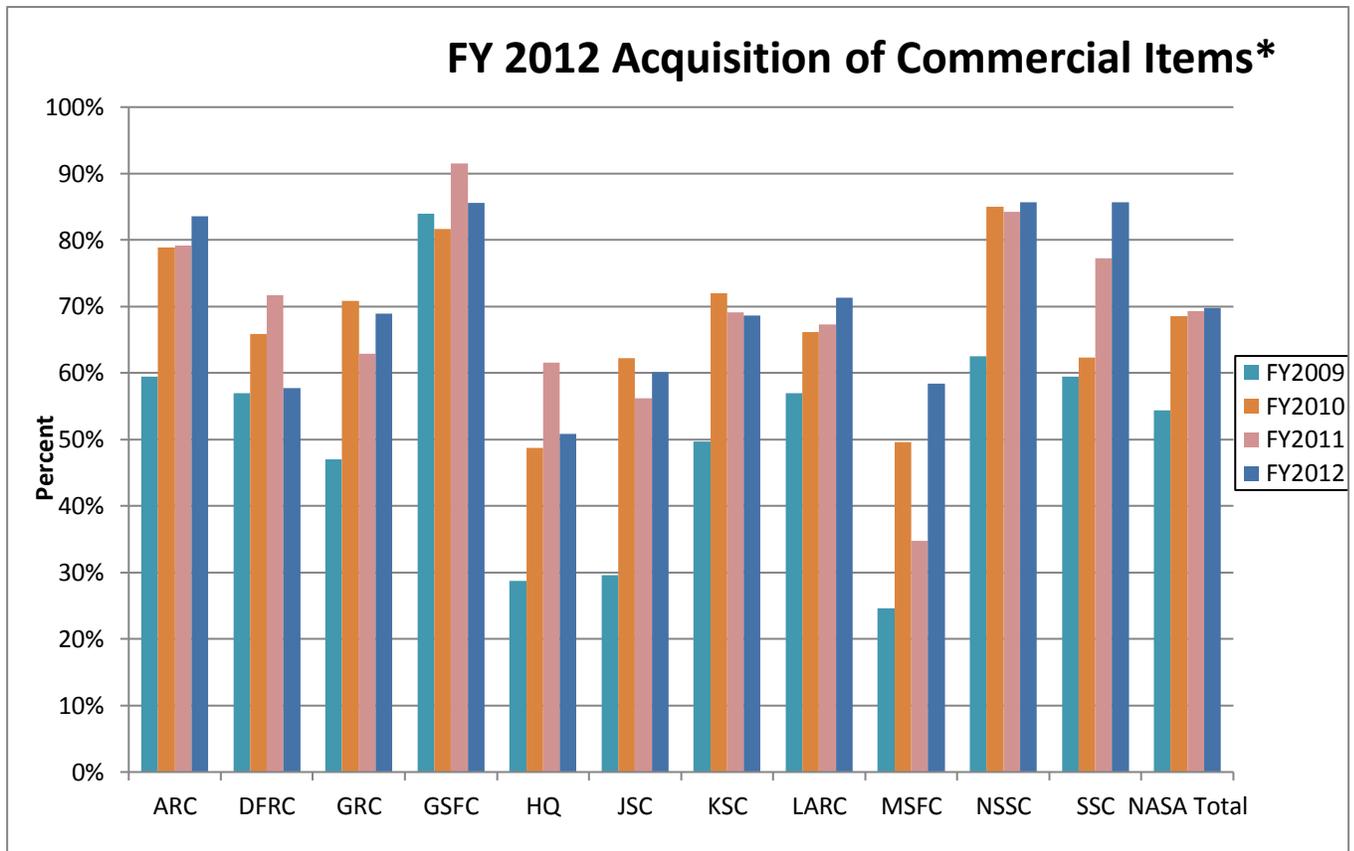


Figure 4

*Excludes SBIR/STTRs, R&D, construction, grants, agreements, intra-governmentals

Efforts Made to Increase Commercial Item Competition and Center Suggestions for Initiatives to Increase Commercial Item Acquisition

Glenn Research Center

The multiple Blanket Purchase Agreements (BPAs) that were awarded in FY 2011 have been extensively utilized for the award of individual Purchase Orders, which were competed among the BPA holders within the four General Fabrication and Machining areas. Potential additional sources are regularly considered as possible additions to the existing pool of BPA holders. The goal is to increase the level of competition and to streamline the process of placing individual orders.

In this last fiscal year, the Center promulgated a formal review system for the approval of non-competitive tasks orders over \$150,000 in value. The documents are called Justification for an Exception to Fair Opportunity (JEFOs). The review procedures and approval levels are similar to the process used for approval of JOFOCs.

Johnson Space Center

Particularly notable for JSC was our effort in FY 2012 to identify acquisition requirements that were suitable for breaking out from larger program or institutional contracts and conducting as stand-alone competitions. Decision tradeoffs for this strategy include issues such as additional contract management on the part of the Government, additional integration requirements that may arise where different contractors are performing subsets of an overall program, and extra attention to crafting contract specifications that are transparent across contract interfaces. The associated benefits can include increased competition, lower prices, the introduction of innovative new approaches, and the opening of requirements to small business participation.

Kennedy Space Center

KSC's NASA Launch Services (NLS) solicitation remains open and contains a unique on-ramp provision that allows new providers to submit proposals on an annual basis. This process creates opportunities for award of additional large dollar value commercial item NLS contracts. These launch services contracts are firm-fixed-price IDIQ performance-based contracts, governed by FAR Part 12. In FY 2012, the NLS program at KSC on-ramped the Orbital Sciences Corporation Antares and the Space Exploration Technologies (SPACE X) Falcon 9v1.1 launch services. This resulted in increased competition in the medium-class and lower-intermediate-class launch vehicle markets.

In FY 2012, KSC task orders were awarded for the Soil Moisture Active Passive, Orbiting Carbon Observatory, Joint Polar Satellite System, Ocean Surface Topography mission/Jason-3, and the Geostationary Operational Environmental Satellites (GOES R and S) missions for a total amount of \$826 million. Although the GOES R and S missions were awarded on a sole source basis because of lack of competition in the intermediate-class launch service market, we anticipate, through the on-ramp provisions of the NLS contracts, barriers to competition will be removed once additional intermediate-class launch services (such as the SPACE X Falcon 9 Heavy) become available in the commercial market.

Langley Research Center

In FY 2012, LaRC awarded 995 commercial item acquisitions of which 54 percent (541) were competed actions. In FY 2011, LaRC awarded 984 commercial item acquisitions of which 59 percent (580) were competed actions. These actions included purchase orders, credit card actions above \$3,000, GSA task/delivery orders, and tasks against existing NASA contracts/agreements.

Marshall Space Flight Center

In FY 2012, MSFC obligated the majority (55.4 percent) of its total funding obligated on new awards (\$116,272,713) on commercial item/service awards (\$64,395,631).

In FY 2012, MSFC awarded 79 new commercial item FSS task/delivery orders with a total potential contract value of \$9,435,863 and obligated \$4,834,468 on them. Seventy-eight of the

79 awards were for fixed price type orders while only one (NNM12AA23T) was for a time and materials type order.

Stennis Space Center

SSC's FY 2012 competition advocate report statistics for competed obligations is 96.61 percent and for competed actions is 80.99 percent.

Some of the commercial procurements SSC awarded are: Stennis Protective Services with a potential contract value of \$25.98 million; Compressor Refurbishment in the FFP amount of \$434,000; Isopropyl Alcohol (IPA) Angle Globe Valves in the FFP amount of \$338,000; Valve Trim Kits in the amount of \$270,000.

Part 5 – Barriers to Competition and Commercial Items Acquisition across the Agency

An increased number of protests under re-competition actions force non-competitive extensions of the existing contracts, many in the multi-million dollar range.

Johnson Space Center

External environment factors such as changes in the nation’s space policy, the cancellation of the Constellation Program, and uncertainty of future requirements impact acquisition strategies and may restrict competition. A dynamically changing environment may require noncompetitive contract extensions to bridge a period of rapidly evolving requirements or to ensure continuity of services to minimize risk. These factors necessitated the extensions of several existing program contracts—the Shuttle Program Operations Contract (SPOC), the ISS Program Contract, and the Safety and Mission Assurance Contracts—in previous years. In FY 2012, though, no significant (over the \$78.5 million threshold) bridge or extension contracts were necessary. JSC aggressively takes actions to minimize barriers to competition. JSC is utilizing noncompetitive extensions for the shortest possible time periods while working to develop performance-based requirements in anticipation of future competitive acquisitions.

Government initiatives for “green” procurements have created challenges for many small businesses, which may not currently have certifications, such as the Leadership in Energy & Environmental Design (LEED) “star.” JSC is working to mitigate this issue by conducting industry outreach to educate small businesses on compliance with Safety and Health, LEED, affirmative procurement, and similar requirements. JSC has also developed training materials for CORs, COs, and CSs, focusing on policy and contract clause updates, to ensure all parties are knowledgeable of current sustainability efforts, thus permitting their assistance with fostering competition.

JSC recommends a policy review at the NASA Headquarters level of the FAR to pursue an exception to use of Part 12 policies and procedures for construction, thereby considering construction as commercial, but allowing the use of FAR Part 36 policies and procedures. This would enable coding of construction activities as commercial.

Research facilities and equipment are unique. Compatibility is sometimes limited to one source, which can limit use of commercially available items.

Unique software and hardware with related maintenance required for innovative research and development programs/projects limits competition.

Marshall Space Flight Center

Of the \$1.934 billion available for competition at MSFC in FY 2012, approximately \$575 million or 29.7 percent was obligated on the five noncompetitive Ares I/SLS and Space Shuttle contracts. The immense funding requirements for these contracts, in terms of total dollars and as a percentage of dollars available for competition and commercial item acquisitions, is a condition

that significantly restricts MSFC's ability to award and fund more competitive actions as well as commercial items, although it does not do so unnecessarily. However, this condition is not as much of a factor in FY 2012 as in FY 2011 when \$876.5 million or 44.1 percent of the \$1.984 billion available for competition was utilized to fund these same contracts.

Stennis Space Center

Due to Congressional realignment of the former Army Ammunition Plant located at SSC, in FY 2011 SSC took over the maintenance and support service requirements associated with the transition of the Army Plant back to NASA management. As such, SSC completed a noncompetitive \$23 million modification to the existing Facility Operating Services Contract (FOSC) with Jacobs Technology to cover the Army Ammunition Plant Area from August 28, 2012, to August 27, 2017. Although SSC explored many competitive strategies during acquisition planning, all competitive strategies resulted in unacceptable cost and risk of duplication of services for SSC. Barriers to competition in future procurements will not exist as all services will be competed under one action.

SSC's ability to conduct Rocket Testing is due in part to being surrounded by a large "Buffer Zone," which is owned by private individuals, government, or corporations and contains restrictive easements that must be enforced in order to preserve the ability for SSC to conduct tests. In order to enforce the restrictive easements within the Buffer Zone, SSC has a continuing need for Law Enforcement Services provided by the Hancock County Sheriff's Office (HCSO). The John C. Stennis Space Center is under the proprietary law enforcement jurisdiction of the Sheriff of Hancock County. Therefore; no other commercial activity, State, or local law enforcement agency is better situated with the legal authority to provide specific and special law enforcement within SSC's particular boundaries and jurisdiction. This portion of SSC's security needs must be filled under a sole source contract. Enforcement of SSC's Buffer Zone's restrictive easement represents a small portion of SSC's overall security requirements, the remainder of which is provided under competition. Consequently, a sole source contract has a very minimal impact on the open market interest in the security work at SSC.

Part 6 - High Risk Contract Types and Mitigation Actions

This area is addressed specifically in the Center Competition Advocate Reports. There are also specific Center examples cited throughout this report. Listed below are a few examples of some of the more creative initiatives:

Dryden Flight Research Center

Use of hybrid contract types is designed to take advantage of the best ways to incentivize and motivate contractor performance while controlling costs. Appropriate additional monitoring by contract specialists and COTRs is implemented for these contracts.

Goddard Space Flight Center

Throughout the year, the GSFC procurement officer, change management advocate, and small business specialist attended several Goddard Contractor Association meetings and one-on-one meetings with contractors to explain new initiatives and policies and to receive feedback to promote competition.

Johnson Space Center

JSC utilized two reverse auctions to provide a new source for securing Natural Gas for the Center, allowing us to buy natural gas that could better react to market prices. Through a specialist group, the GSA Energy Division Natural Gas Acquisition Program, authorized by Title 40, U.S. Code to contract for utility services for the Federal Government, JSC coordinated a Memorandum of Understanding (MOU) between NASA and the GSA group with the JSC Legal Office. Requirements were developed by JSC, GSA ran the web-based reverse auctions, and JSC made the final decision as to the best purchasing options.

Langley Research Center

A proactive approach was taken to enhance competition for the Center Maintenance, Operations, and Engineering procurement by establishing a site visit and industry day 6 months earlier in the recompetition process than has been done historically throughout NASA. Early access is expected to increase competition in this challenging environment in which the incumbent has performed the work for over 8 years. Increased competition will ultimately result in obtaining higher quality technical and more favorable cost proposals. The Procurement Development Team effectively implemented this concept and received overwhelmingly positive feedback from industry.

Marshall Space Flight Center

To transition to more competitive or lower risk contract types, MSFC has developed detailed procurement strategies that assess, over the life of the contract, the maturity of the requirement, learning curves, contractor vs. government risk, and other factors and has included options that transition the contract type to a type that places less risk upon the Government and more upon the contractor. MSFC has also moved portions of efforts, including commercial items and

services, from larger procurements to smaller procurements that tend to be more competitive. MSFC will continue to better define contract requirements as early as possible to allow for the award of a lower risk contract type including those for commercial items/services.

Stennis Space Center

SSC has only three active Cost Reimbursement Contracts. Within these contracts, SSC has developed significant cost and performance incentives that are continually monitored throughout the period of performance of the contract. The application of these cost and performance incentives work together to ensure a reduction of risk is achieved during contract performance and administration.

Before high risk procurements are re-competed, SSC utilizes a “Turn the Contract Upside Down” review to determine if the risk is still appropriate. An example of this is the Laboratory Services Contract. This former \$26 million sole source, cost-plus-award-fee contract was converted in FY 2010 to a competitive firm fixed priced contract. A2R’s service to date has resulted in an annual contract cost avoidance of \$830,230 each year.

Fiscal Year 2013

NASA Competition Advocate Report

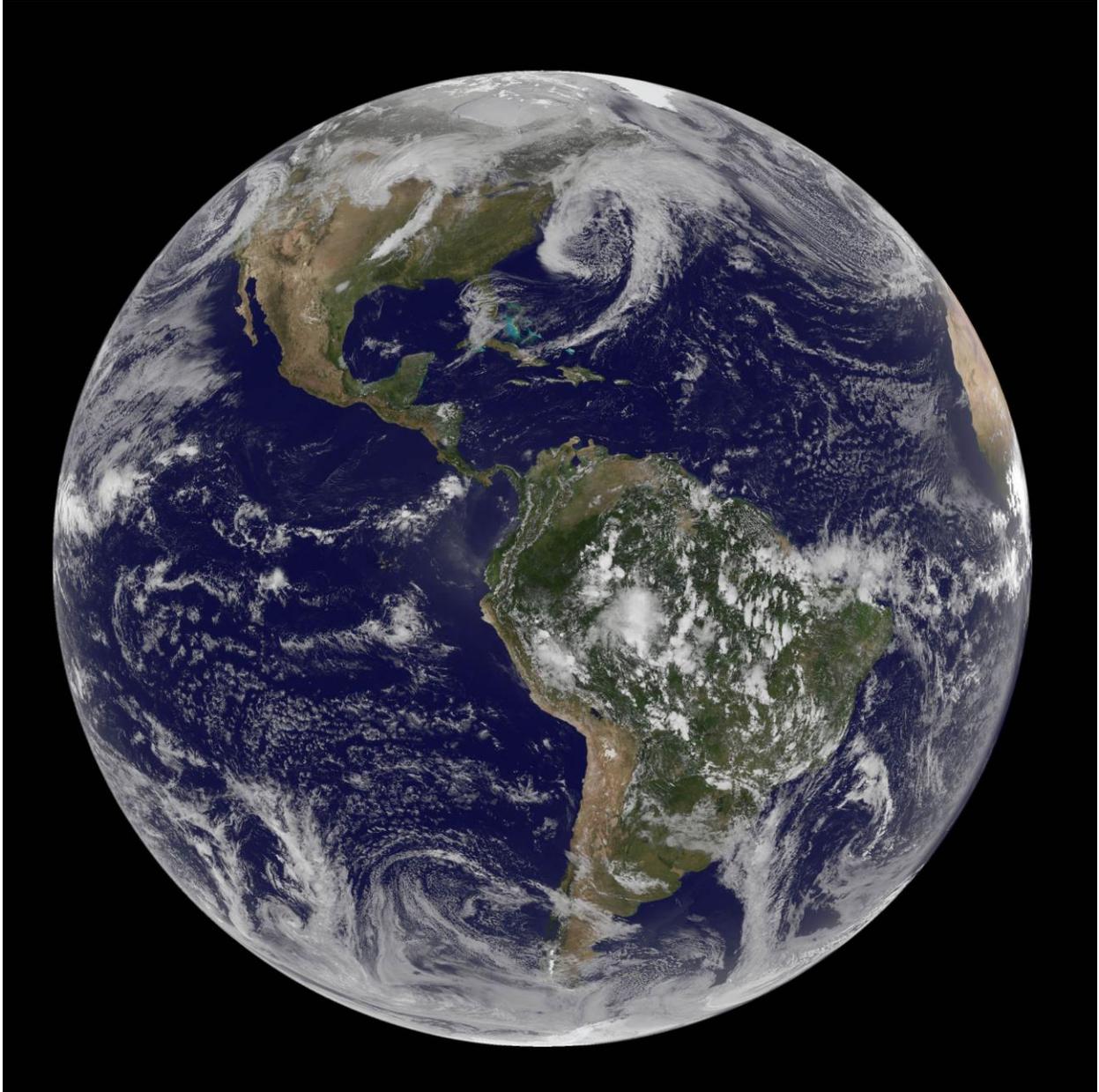


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Center Acronyms

Ames Research Center (ARC)
Armstrong Flight Research Center (AFRC) - formerly Dryden Flight Research Center
Glenn Research Center (GRC)
Goddard Space Flight Center (GSFC)
Johnson Space Center (JSC)
Kennedy Space Center (KSC)
Langley Research Center (LaRC)
Marshall Space Flight Center (MSFC)
NASA Headquarters (HQ)
NASA Management Office at the Applied Physics Laboratory (NMO-APL)
NASA Management Office at the Jet Propulsion Laboratory (NMO-JPL)
NASA Shared Services Center (NSSC)
Stennis Space Center (SSC)

Executive Summary

The Office of Federal Procurement Policy (OFPP) Act (41 U.S.C. 418) requires executive agency competition advocates to transmit an annual competition report to their respective senior procurement executives. Monica Manning, Program Operations Division Director, within the Office of Procurement, is the Competition Advocate for the National Aeronautics and Space Administration (NASA). This report summarizes the Agency's competition performance during Fiscal Year 2013.

NASA practices full and open competition to the maximum extent practicable. While there are instances in the highly-complex and specialized business of developing space systems that warrant non-competitive contract mechanisms, NASA is committed to ensuring competition in new, and follow-on procurement opportunities. This can be challenging. Between FY 2012 and FY 2013, the total dollars available for competition dropped by almost \$1 billion from \$15.1 billion to \$14.2 billion. This was a dramatic change. Between FY 2011 and FY 2012, dollars available for competition only dropped from \$15.3 billion to \$15.1 billion.

The Commercial Awards in the table below for FY 2013 have been adjusted to include more commercial items that had not originally been captured in FPDS and, therefore, represent a better picture of the work NASA is doing. With the release of the Federal Procurement Data System-Next Generation (FPDS-NG) in 2005, agencies were limited in the information on commercial items that could be stored in the system. As a result, the numbers for the Agency dropped dramatically. Over the years, the system has stabilized and improved. The adjusted number for this year includes awards under \$25,000. The updated figures in FY 2013 are, in most cases, a sizeable improvement. This is not an inflation of numbers but a more realistic view of the work NASA is doing in acquiring commercial items.

Despite the substantial drop in funding, the NASA Centers increased Competitive Dollars Obligated by 3 percent for FY 2012 and FY 2013 (this increases to 4 percent with the NMO removed from the calculations). Even when computed as it had been before we began using the new FPDS dataset, the Competitive Dollars Obligated increased from 70 percent to 75 percent.

	FY 2011	FY 2012	FY 2013
Competitive Actions	72%	67%	66%
Competitive Obligated Dollars	57%	62%	65%
Commercial Awards	69%	70%	86% **

** The Commercial Award computation has been adjusted for FY 2013 to include more commercial items captured in FPDS. While this has been available in FPDS in recent years, this is the first time we are working with this dataset.

Twenty-three of NASA's contract actions for FY 2013 account for almost 20 percent (\$2.9 billion) of its procurement obligations. These 23 actions have obligations of at least \$75 million for FY 2013 and are for highly technical and specialized requirements. These include contracts for the Space Launch System, Commercial Crew, International Space Station Resupply, and the James Webb Space Telescope. None were new awards and only nine were not competed. Thirteen of the 23 awards were made by the Johnson Space Center, which improved its

competed dollars by 12 percent in FY 2013. NASA often contracts for highly-specialized services and expertise needed for working technically challenging and highly-complex issues associated with its aerospace missions, many times resulting in non-competitive procurements. NASA is committed to increasing competition wherever possible.

NASA's competitive performance is negatively affected by including the two NMO offices, which have a very large number of Task Orders that are counted as non-competitive actions. The NMO provides oversight at the Jet Propulsion Laboratory (a Federally Funded Research and Development Center) and the Applied Physics Laboratory (a not-for-profit center for engineering and research and development), with the California Institute of Technology and the Johns Hopkins University, respectively. If the figures for FY 2009-FY 2013 are recalculated to remove the NMO, the average improvement is 5.3% for competitive actions and 9.1% for competitive dollars.

Part 1 – Introduction

The NASA Federal Acquisition Regulation Supplement (NFS) identifies the Agency competition advocate as the Headquarters Procurement Program Operations Division Director. Additionally, there are advocates identified for each NASA Center; these are the Center Deputy Directors or Associate Directors and the Headquarters Operations Director. The competition advocate program stresses training, procurement planning, acquisition forecasting, outreach efforts, and the appropriate documentation for justifications for other than full and open competition. Those serving in these senior positions have direct influence over all Center functions and activities that affect competition in contracting. NASA's competition advocate is also responsible for promoting the acquisition of commercial items. This report describes NASA's progress in competition and in acquiring commercial items to meet the needs of the Agency.

Benefits of Competition

One of the primary benefits is a sense of “fair play” when merit, rather than favoritism, is the basis for award.¹ The Office of Federal Procurement Policy memorandum dated October 27, 2009, provides as an attachment, “Guidelines for Increasing Competition and Structuring Contracts for the Best Results.” The memo advocates that competition:

- Drives down costs;
- Motivates better contractor performance;
- Helps to curb fraud and waste; and
- Promotes innovation.

Related to competition is the degree of concentration of the industrial base.² An agency's ability to obtain competition can be very limited when there are only a few suppliers. Also, when agencies repeatedly buy from the same supplier, there may be no opportunity for other suppliers to enter the market.

Under the guidance of the Assistant Administrator for Procurement, NASA will continue to renew its emphasis on maximizing competition across the Agency as requested in the Office of Federal Procurement Policy memoranda dated July 18, 2008, and October 27, 2009. NASA's increasing competition statistics clearly demonstrate the importance of competition and the role it plays in the success of the NASA mission.

Benefits of Acquiring Commercial Items and Services

Acquiring commercial items –

- Is easier than acquiring non-commercial items;
- Eliminates the need for research and development;

¹ Senate Report No. 98-50, accompanying S. 338, the Competition in Contracting Act of 1984, p. 3.

² Ibid., p. 16.

- Reduces acquisition lead-time;
- Reduces the use of detailed design specifications and extensive product testing.³

The acquisition of commercial items also enhances the Government's base of suppliers by—

- Encouraging Government contractors to develop dual-use products, i.e., for use in both Government and commercial applications; and
- Encouraging commercially oriented firms to do business with the Government.⁴

³ Senate Reports No. 103-258, p. 5, and 103-259, pp. 5 to 6, accompanying S. 1587, the Federal Acquisition Streamlining Act

⁴ Senate Report No. 103-259, p. 7

Part 2 – Fiscal Year 2013 Competition Statistics

Overview

In FY 2013, NASA spent approximately \$15.6 billion on procurement actions with \$14.2 billion available for competition. Of that \$14.2 billion, \$9.3 billion was competed. While the amount available for competition dropped by almost \$1 billion from FY 2012, the amount competed stayed virtually the same, with a less than 1 percent change. The \$4.9 billion available for competition but not competed, was almost \$900 million less than in FY 2012 and includes dollars for awards where only one responsible source is available, as well as for unusual or compelling urgency, international agreement, and items authorized or required by statute. Figure 1, below, depicts the historical data points.

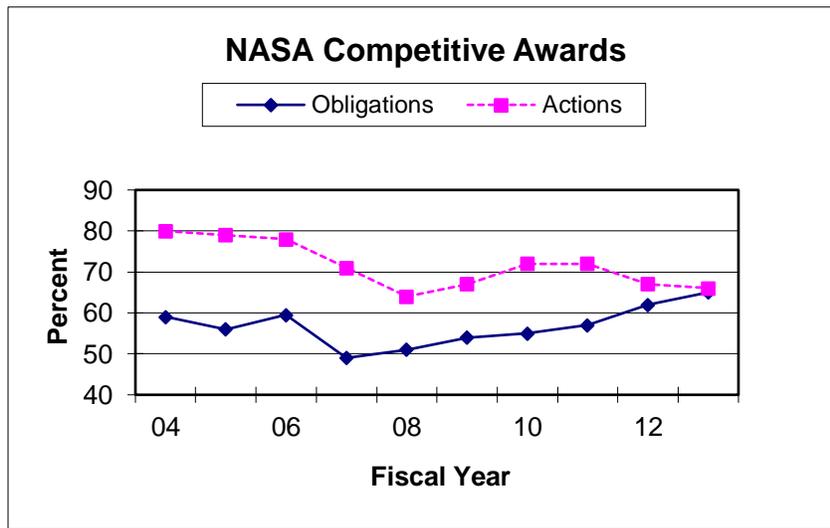


Figure 1

Competition Goals and Individual Center Contributions

NASA Procedural Requirements (NPR) document 5101.33A, Procurement Advocacy Programs, sets forth the following competition goals annually:

- Competitive obligation rate: 70%
- Competitive action rate: 80%

When reporting Center competition performance, NASA has developed both a short and long form. Completion of the Short Form - Competition Advocate Report is the reward to Centers that meet or exceed *both* of the above goals. For FY 2013, the following four Centers met both goals and accounted for 12 percent of the total dollars competed.

Center	Goal of 70% Competitive Obligation Rate (Dollars Competed)	Goal of 80% Competitive Action Rate
HQ	84%	83%
NSSC	95%	96%
SSC	97%	81%
ARC	80%	80%

The following three Centers, while not meeting both goals, exceeded one goal by at least 10 percent.

Center	Goal of 70% Competitive Obligation Rate (Dollars Competed)	Goal of 80% Competitive Action Rate
GRC	82%	72%
KSC	95%	77%
LaRC	85%	66%

Four of the 12 reporting locations demonstrated a substantial increase (at least a 10 percent change) in dollars awarded competitively between FY 2012 and 2013 as follows:

Center	FY 2012 Competitive Obligation Rate (Dollars Competed)	FY 2013 Competitive Obligation Rate (Dollars Competed)	Percentage Change - Increase
MSFC	64%	74%	14%
AFRC	67%	78%	13%
JSC	57%	65%	12%
HQ	76%	84%	10%

A special note about JSC: JSC was the only major Center (the other two being the NASA Management Offices) that did not meet either of the goals. In straight numbers, JSC had the second highest number of competed dollars with a 12 percent improvement over last year.

Dollars Available for Competition

NASA's procurement obligations have decreased significantly from the FY 2012 obligations of \$16.570 billion to the FY 2013 obligations of \$15.572 billion, a reduction of almost \$1 billion, or a 6 percent change. GSFC, JSC, KSC, and MSFC comprised 78 percent of the Agency's obligations (see Figures 2 and 3 below).

Competition improvements at these Centers will always positively impact the Agency-wide statistics for obligations as these Centers award high dollar value awards for mission critical

programs and projects. Several of the major competitive efforts under U.S. Space Exploration Policy are managed by these Centers.

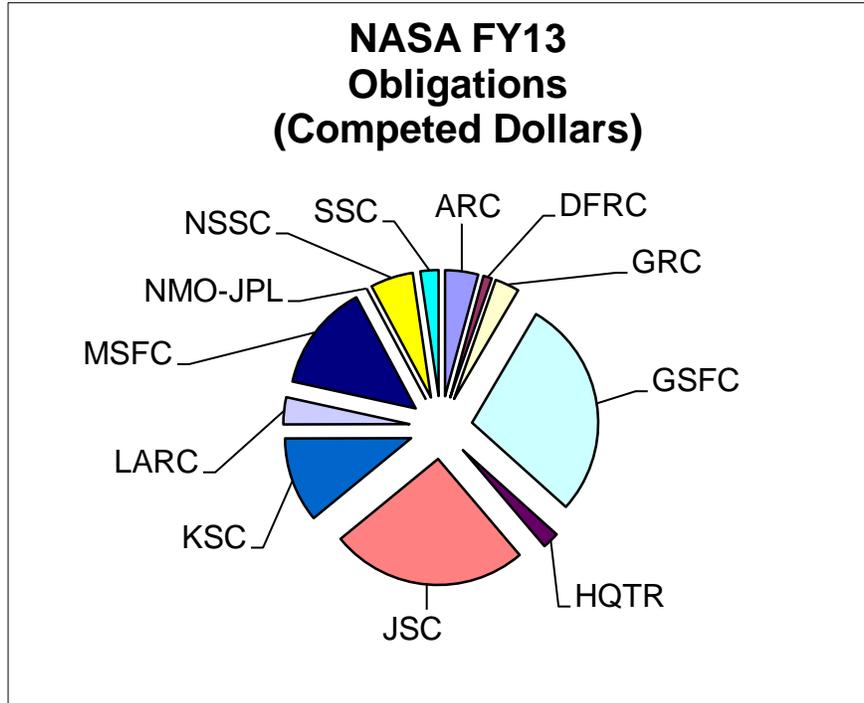


Figure 2

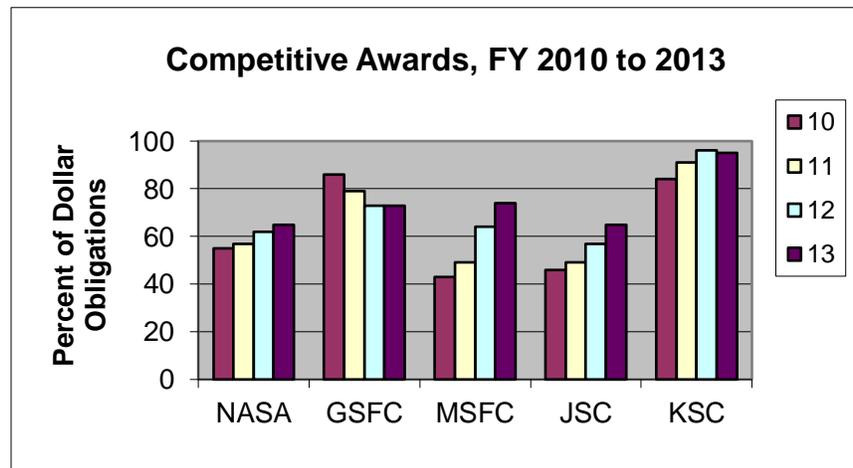


Figure 3

Part 3 – Review of Fiscal Year 2013 Other Than Full and Open Competitive, Single Source IDIQ Awards, and Only One Offer Received Activities

In this and the following sections, examples are provided from some, but not necessarily all, Centers.

Headquarters Approval of Justifications for Other than Full and Open Competition (JOFOC)

The NFS requires NASA Headquarters approval of justifications pursuant to FAR 6.302-1, Only One Responsible Source, with an estimated value over \$78.5 million.

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2011- FY 2013 Three Year Average	% of Change FY 2012-2013 (Decrease in Awards and Dollars)
Number of JOFOCS	16	5	6	3	4.67	50%
Total Estimated Value	\$8.1B	\$788M	\$3.6B	\$885M	\$1.76B	75%

For FY 2013, there were only three JOFOCs that fell into this category. The total estimated value was \$885 million. In FY 2012, four of the six JOFOCs were related to spacecraft contracts. There are none of those for FY 2013.

The following are the three JOFOCs processed at Headquarters in FY 2013:

Goddard Space Flight Center

- 7/2013 – Multidisciplinary Engineering and Technology Services II (METS II) Bridge Contract.

Johnson Space Center

- 4/2013 – Roscomos contract extension.
- 9/2013 – Facilities Development and Operations Contract Extension.

Notification to Headquarters of Approval for Unusual and Compelling Urgency

When using the authority at FAR 6.302-2, Unusual and Compelling Urgency, the NFS requires a copy of the justification to be provided to Headquarters within three days after approval.

As in FY 2012, there were no JOFOCs under this requirement for FY 2013.

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2011- FY 2013 Three Year Average	% of Change FY 2012- 2013
Number of JOFOCS	3	5	0	0	1.67	N/A
Total Estimated Value	\$533K	\$26.1M	0	0	\$870K	N/A

Headquarters Approval of Determination and Finding (D&F) of Single Award Indefinite Delivery/Indefinite Quantity Contracts

Section 843 of the 2008 National Defense Authorization Act provides that no task or delivery order contract in an amount estimated to exceed \$103 million (including all options) may be awarded to a single source unless the head of the agency determines in writing that the task or delivery orders expected under the contract are so integrally related that only a single source can reasonably perform the work. In NASA Policy Directive 5101.32D, the head of the Agency delegated authority for approvals of this nature to the Assistant Administrator for Procurement.

Three single award IDIQ D&Fs were approved in FY 2013. All of these D&Fs were thoroughly scrutinized to ensure they met the FAR requirements.

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2011-FY 2013 Three Year Average	% of Change FY 2012- 2013 (Decrease in Awards and Dollars)
Single Source IDIQ Awards	6	7	9	3	6.33	67%
Total Estimated Value	\$3.1B	\$1B	\$5.9B	\$1.9B	\$2.9B	68%

Goddard Space Flight Center

- 7/2013 – Electrical Systems Engineering Support (ESES II). *Estimated value: \$475 million*
- 1/2013 – Computational and Information Science Technology Office-Scientific Computing and Technical Services (CISTO-SCTS). *Estimated value: \$103 million*

Johnson Space Center

- 6/2013 – Integrated Mission Operations Contract II (IMOC). *Estimated value: \$1.3 billion*

Only One Offer Received

Each fiscal year, NASA reports the percentage of new contracts where competition was sought, but only one offer was received. Between FY 2010 and FY 2011, there was a dramatic decrease as NASA removed Purchase Orders, Task/Delivery Orders, and Orders against Blanket Purchase Agreements to get a more accurate representation.

Fiscal Year	% of New Award Dollars	% of Total Procurement Obligations
2010	14.95%	1.03%
2011	1.3%	0.014%
2012	5.27%	0.12%
2013	3.66%	0.11%

Efforts Made by Centers in Fiscal Year 2013 to Increase Competition and Achieve Full and Open Competition

Centers promote competition by identifying and posting acquisition forecasts (utilizing the NASA Acquisition Internet Service (NAIS)), conducting market research, hosting industry days, scrutinizing sole-source justifications, etc. Some specific activities conducted in FY 2013 include:

Glenn Research Center

The GRC consolidated pieces of nine to 10 different cooperative agreements/grants and contracts in support of the GRC Educational Programs Office. The procurement was competitive and eliminated the sole source awards previously made through the cooperative agreements/grants. The procurement was entitled “NASA Glenn Education Support Services” (ES2), has an estimated value of \$20 million - \$35 million, and was cost-plus-fixed-fee with an Indefinite Delivery/Indefinite Quantity (IDIQ) component.

The “Mechanical Vibration Facility” (MVF) table was designed for the world’s largest vibration facility at Plumbrook Station. It was originally procured under a single source, time-and-materials contract. Because of the complexity of the design, the welding and the machining requirements, the MVF table was only 60 percent completed. GRC was recently directed to complete the MVF table; however, this time a draft Statement of Work was issued to get industry clarifications and improve market research to maximize competition and to pursue a fixed-price contract. As a result of the additional steps, GRC was able to obtain the desired competition, receiving four proposals, three of which made the competitive range. This resulted in an award

approximately 30 percent below the Government estimate. The contract type was changed from the previous time-and-materials to a firm-fixed-price contract, which transferred the cost risk to the contractor.

Johnson Space Center

JSC Engineering Technology and Science Contract (JETS) is an estimated \$1.93 billion follow-on award to JSC's Engineering Science Contract (ESC), conducted under full and open competitive procedures, in support of JSC's Engineering Directorate and Astromaterials Research and Exploration Science (ARES) Directorate. The contract provides for engineering design and development, sustaining engineering, engineering analysis and assessment, technology development, test services, laboratory and facility operation and maintenance, planetary mission research, physical science research, and astromaterials curation.

The Human Health and Performance Contract (HHPC) was conducted as a full and open competition with an estimated value of \$1.8 billion and is a follow-on contract to JSC's Bioastronautics Contract in support of JSC's Human Health and Performance Directorate and the Human Research Program. The contract will provide biomedical, medical, and health services for all human spaceflight programs at JSC, including the International Space Station, Orion, Advanced Exploration Systems, Human Research, Commercial Crew and Cargo, and the Space Technology Mission Directorate.

The Integrated Mission Operations Contract II (IMOC II), with a potential value of \$1.3 billion, is being conducted as a full and open competition for the first time in over 28 years. This effort was previously covered under the predecessor sole-sourced contract, IMOC, which was removed from the Space Shuttle Program Operations Contract and sole-sourced to United Space Alliance. IMOC II provides Plan, Train, Fly (PTF) operations services in support of JSC's Mission Operations Directorate (MOD), the International Space Station Program, the Multi-Purpose Crew Vehicle/Space Launch System, other potential future spaceflight programs and commercial services. PTF includes analysis of program mission requirements, training and certification of crew, flight controllers and instructors, and real-time execution of spaceflight missions.

In FY 2013, JSC embarked on a new approach toward acquisition long-range planning, called the Strategic Acquisition Forecast and Evaluation (SAFE). The framework involved a review of JSC's portfolio of current and future contracting efforts, with a focus on identifying work dependencies that can be optimized and contracting redundancies that can be reduced and proposing integrated business and acquisition solutions that could consistently produce a more efficient and effective procurement process for acquiring JSC products and services. Under SAFE, annual pre-screening of JSC's procurement portfolio is conducted by an acquisition team, composed of members of JSC's Office of Procurement, Office of Performance Management & Integration, Office of the Chief Counsel, and the requiring directorate offices to discuss the efforts and to recommend prospective acquisition strategies for the work. JSC's SAFE was also applied to the JSC FY 2014 Acquisition Forecast.

Kennedy Space Center

The Commercial Crew Program Office competitively awarded three fixed-price contracts in the fourth quarter of FY 2013 with a total approximate value of \$30 million. These contracts are the first phase of the two-phased contract approach that will eventually lead to the certification of one or more crew transportation systems. The first phase is known as the Certification Products Contract.

KSC successfully awarded the Test and Operations Support Contract (TOSC), a competitive \$1.3 billion, performance-based, cost-plus award fee contract, with a provision for obtaining additional requirements on an Indefinite Delivery/Indefinite Quantity basis.

Langley Research Center

Langley's use of price past performance trade-off on source evaluation team procurements decreases bid and proposal costs for industry, which increases industry interest and ability to participate in competitions. This approach can be used with technical proposals or without. Using this approach on Flight Critical Systems Research opened the competition to new offerors where historically proposals were received from the same offerors.

The FY 2011 strategic decision to have in-house construction capabilities as opposed to relying on the Center Research, Operations, Maintenance and Engineering (ROME) Contract (now CMOE) continues to have a positive impact in FY 2013, which should continue in FY 2014. Two additional construction jobs awarded to U.S. Army Corps of Engineers were credited for competition dollars. They are the Sanitary Sewer Upgrades valued at \$3.3 million, awarded on 1/28/2013; and the Potable Water System valued at \$5.9 million, awarded 3/11/2013.

Marshall Space Flight Center

Of the \$1.704 billion available for competition at MSFC in FY 2013, approximately \$1.287 billion (or 75.5 percent) was obligated on new and existing competitive awards with the remaining \$417 million (or 24.5 percent) obligated on new and existing noncompetitive awards. Of the \$417 million of noncompetitive obligations, approximately \$335 million (or 80 percent) was used to fund existing noncompetitive Ares I/Space Launch System (SLS) contracts. The remainder, approximately \$83 million (or 4.8 percent) of total dollars, was obligated on other new and existing noncompetitive awards.

Competition under Delivery and Task Order Contracts

NASA Centers competitively award orders under multiple award IDIQ contracts. They have also instituted policies and procedures to ensure that task and delivery orders issued under multiple award contracts are properly planned and comply with applicable regulatory guidance.

The following are examples of some Center initiatives:

Ames Research Center

ARC has five active cost-plus-fixed-fee multiple-award IDIQ type contracts for acquisition of technical studies, which shall include reports, third party analyses, computer models, and physical models in the area of Advanced Technology for aircraft. These contracts were competed. Each contract has a minimum order amount of \$15,000 and a ceiling value of \$14.925 million.

Armstrong Flight Research Center

AFRC has issued multiple award IDIQ contracts under the “Flight and Payload Integration Services for Suborbital Reusable Launch Vehicles” program. The contracts are non-Federal Supply Schedule contracts. Two of the contracts have each issued a task order over \$1 million. The task orders are competed based on the type of suborbital vehicle that is required for the payload. Most of the vehicles are emerging technology vehicles that form the main driver in selection decision. Orders are reviewed prior to execution to ensure compliance with ordering procedures.

Johnson Space Center

In FY 2013, a multiple award general construction IDIQ competition between five JSC construction vendors resulted in the award of a \$6.3 million task order for the upgrade of JSC’s Central Heating and Cooling Plant – Building 24.

Kennedy Space Center

During FY 2013, KSC awarded nine general construction task orders to the IDIQ contract holders. In accordance with the fair opportunity requirements in FAR Part 16, KSC issued solicitations for the nine projects to all contract holders. The nine task order awards, valued at approximately \$38 million, were spread among six of the 10 contractors.

The ISS Ground Processing and Research Project Office initiated requirements resulting in the award of two task orders for payload integration and operation support services with an approximate total value of \$1.6 million, under the KSC IDIQ contract for Advanced Plant Habitat.

NASA Shared Service Center

NSSC awarded four Delivery Orders over \$1 million against GSA Federal Supply Schedule (FSS) and NASA SEWP IV GWAC contracts in FY 2013.

Stennis Space Center

Five task orders over \$1 million were issued under the SSC Multiple Award Construction Contracts (MACC): High Pressure Industrial Water (HPIW) Line Replacement in the amount of \$29.9 million; Test Stand Restoration Work Package 1 in the amount of \$12.2 million; Test

Stand Restoration Work Package 2 in the amount of \$6.5 million; Building 4400 Environmental Compliance to Air Emission Laws for Diesel Engines in the amount of \$3.2 million; and Refurbish and Replace Helium Compressor Building 3305 in the amount of \$2.6 million. These task orders were properly planned, issued and complied with FAR 16.505(b)(1) in that each awardee was given a fair opportunity to be considered. FAR 8.405 was not applicable.

Part 4 – Fiscal Year 2013 Acquisition of Commercial Items

NASA’s statistics in the area of commercial item acquisition experienced growth from FY 2009 through FY 2013.

2010	2011	2012	2013**
69%	69%	70%	86%

Center Statistics for FY 2010 through FY 2013:

Center	2010	2011	2012	2013**
ARC	79%	79%	84%	90%
AFRC	66%	72%	58%	84%
GRC	71%	63%	69%	83%
GSFC	82%	91%	86%	94%
HQ	49%	62%	51%	87%
JSC	62%	56%	60%	64%
KSC	72%	69%	69%	80%
LaRC	66%	67%	71%	91%
MSFC	50%	35%	58%	83%
NSSC	85%	84%	86%	94%
SSC	62%	77%	86%	77%

** The Commercial Award computation has been adjusted for FY 2013 to include more commercial items captured in FPDS. While this has been available in FPDS in recent years, this is the first time we are working with this dataset.

NASA will continue to award contracts for commercial items whenever possible by:

- Encouraging our customers and contractors to acquire goods and services with a preference for commercial item acquisitions;
- Improving training in the acquisition of commercial items;
- Conducting industry days outreach conferences;
- Using contract review boards and peer reviews;
- Issuing Requests for Information and posting sources sought announcements; and
- Using the full range of market research tools.

Figure 4 below graphically depicts this information by Center for FY 2012.

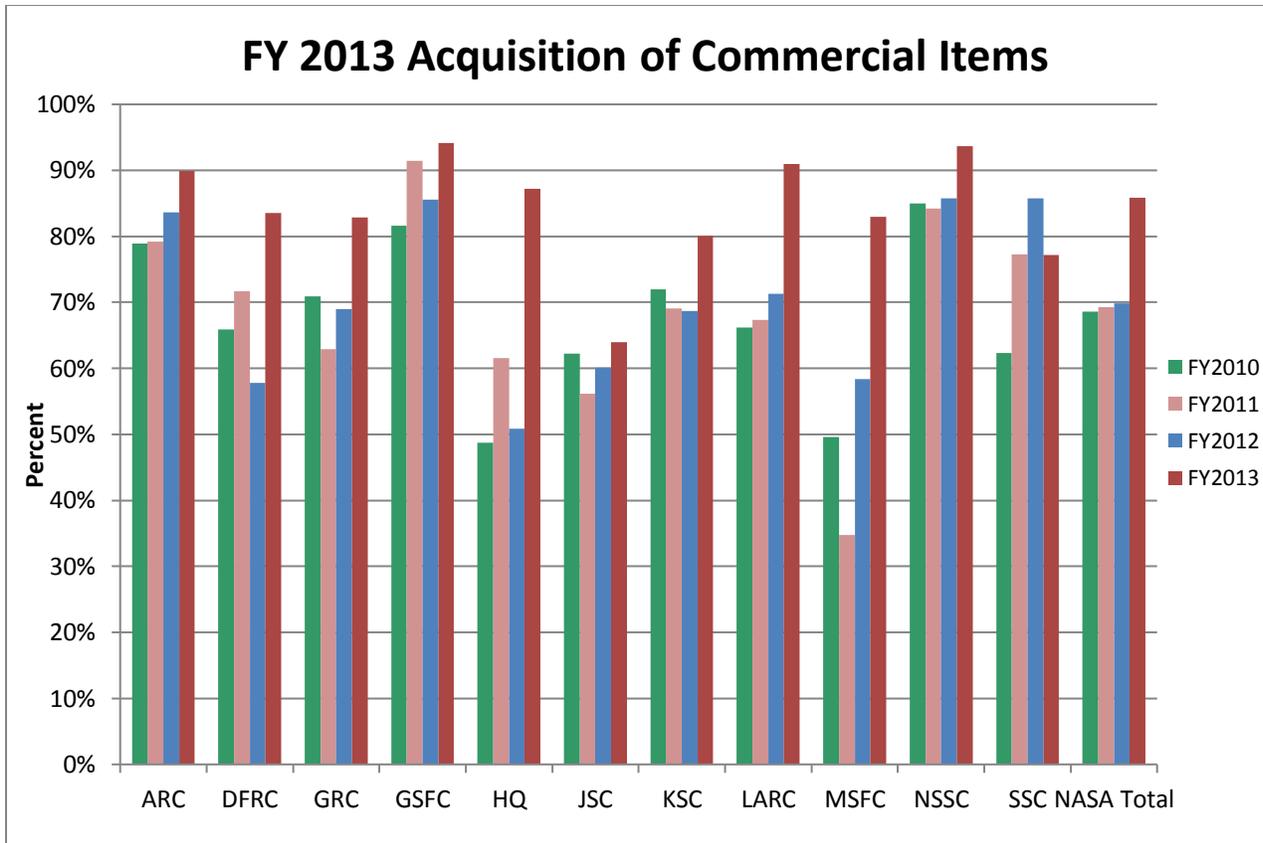


Figure 4

*Excludes SBIR/STTRs, R&D, construction, grants, agreements, intra-governmentals

Efforts Made to Increase Commercial Item Competition and Center Suggestions for Initiatives to Increase Commercial Item Acquisition

Ames Research Center

A closer review of the changes in the area of ARC commercial item acquisitions reveals that during FY 2013 there was a significant decrease in the obligations against new, commercial awards. Further analysis of this apparent change reveals that in FY 2012, two one-time commercial awards valued at \$5.84 million, were made in support of the installation of a Steam Vacuum System NOX Emission Reduction System at ARC. After adjusting for this “outlier,” ARC’s year-over-year performance in the area of commercial item acquisitions contract awards can be seen as increasing 277.85 percent. This increase is attributable largely to the award of the five-year ARC contract for Architect -Engineering Services to AECOM in support of the ARC Facilities Engineering Branch on October 31, 2012. In out-years, additional obligations under this contract are anticipated to positively impact the commercial item acquisitions modification numbers by roughly \$12 million annually.

Goddard Space Flight Center

GSFC has developed GSA Request for Quotation (RFQ) Blanket Purchase Order Templates in order to streamline the competitive process and result in more consistency. The template includes examples of technical volume instructions for information to be provided for evaluation purposes. Its emphasis on ensuring that each piece of information requested is a key discriminator required for an efficient and accurate evaluation without requesting excessive information.

Kennedy Space Center

The NASA Launch Services (NLS) solicitation remains open and contains a unique on-ramp provision that allows new providers to submit proposals on an annual basis. This process creates opportunities for award of additional large dollar value commercial item NLS contracts. These launch services contracts are fixed-price, IDIQ performance-based contracts, governed by FAR Part 12.

When specific launch services requirements are identified, contract provisions require existing NLS contractors to respond to a Request for Launch Service Proposals (RLSP). Each contractor is provided an opportunity for fair consideration in response to the RLSP. The Government evaluates all proposals to determine which launch services provide the best value. The selected contractor is awarded a Launch Services Task Order (LSTO) under the terms of the IDIQ contract.

In FY 2013, firm-fixed-price task orders were awarded for the Ice, Cloud, and land Elevation Satellite-2 and the Origins-Spectral Interpretation-Resource Identification-Security-Regolith Explorer (OSIRIS-REx) missions for a total of \$253 million. Although only one proposal was received for the OSIRIS-REx mission because of a lack of competition in the intermediate-class launch service market, KSC anticipates, through the on-ramp provisions of the NLS contracts, barriers to competition will be removed once additional intermediate-class launch services (such as the SpaceX Falcon 9v1.1 and Falcon 9 Heavy) become available in the commercial market.

Marshall Space Flight Center

In FY 2012, MSFC had 22 Specialized Engineering and Project Support (SEPS) Blanket Purchase Agreements (BPAs) held by GSA FSS contractors, many of which are local. Most of the SEPS BPAs and/or task orders issued under them expired in FY 2012 and FY 2013. However, MSFC is continuing to utilizing commercial item/service task orders for new and follow-on requirements under seven new BPAs awarded in FY 2013 under the Marshall Integrated Program Support Services (MIPSS) acquisition. Like the SEPS BPAs, these are competitively selected multiple-award BPAs for commercial items and services.

The MIPSS BPAs were reserved for small businesses whereas the SEPS BPAs were held by both large and small businesses. The BPAs provide provisions for award of performance-based firm-fixed-price task orders. The MIPSS BPAs have a five-year period of performance and provide

access to the services of programmatic and technical personnel to support current and future programs and projects.

These multiple-award BPAs have the advantage of maintaining multiple competitive sources over the entire period of performance versus only one source under mission contracts or single-award Indefinite Delivery/Indefinite Quantity contracts where the competitive selection process for work/orders for the most part ceases upon contract award. The MIPSS BPAs may be used for support functions currently being provided under existing non-commercial item and service contracts such as the ESSSA acquisition awarded in 2012.

Part 5 – Barriers to Competition and Commercial Items Acquisition across the Agency

Armstrong Flight Research Center

AFRC continues to experience high employee turnover. Many new employees to the procurement process are unaware of the requirements and benefits of obtaining commercial items and commercial item sources, and/or of the government-wide contractual vehicles available to simplify and expedite the acquisition of commercial items. When these situations occur, the requestor is educated on the importance of description specifications and the benefits of obtaining commercial items, when appropriate.

Glenn Research Center

One of the largest barriers to competition is the cost of proposal preparation and submittal. Some solicitations require extensive proposal information, which discourages the submission of proposals and competition. With GRC's recent success using the past-performance/cost trade off process, this new, streamlined and less costly approach will increase competition.

The need to possess the intellectual property for development efforts to compete any follow-on fabrication procurements creates a barrier to competition, as does the singular knowledge created through incumbency in research and development contracts where there are high start-up costs and the research and development is for a progressing technology.

Johnson Space Center

External environment factors such as changes in the nation's space policy, the cancellation of the Constellation Program, and uncertainty of future requirements impact acquisition strategies and may restrict competition. A dynamically-changing environment sometimes requires noncompetitive contract extensions to bridge a period of rapidly-evolving requirements for continuity of services to minimize risk. In FY 2013, no significant (over the \$85.5 million threshold) bridge or extension contracts were necessary.

Government initiatives for "green" procurements have created challenges for many small businesses, which may not currently have certifications, such as the Leadership in Energy & Environmental Design (LEED) "star." JSC is working to mitigate this issue by conducting industry outreach to educate small businesses on compliance with Safety and Health, LEED, affirmative procurement, and similar requirements.

Kennedy Space Center

The known barrier to commercial item acquisitions is the same as identified in FY 2011 – the requirement for reporting construction of facilities as noncommercial. KSC recommends a policy review at the NASA Headquarters level of the FAR to pursue an exception to the use of Part 12 policies and procedures for construction, thereby considering construction to be

commercial, but allowing the use of FAR Part 36 policies and procedures. This would enable coding of construction activities as commercial. No other barriers to commercial item acquisitions are known.

Langley Research Center

SBIRs have a recognized progression of awards for technology advancement, where Phase IIIs are considered competitive based upon the competition in Phases I and II. There is no similar process available for NRAs as they move up the Technology Readiness Levels and are no longer suitable for NRA competitions. Much of the follow-on technical advancement/development must be done on a sole source basis to take advantage of the results of the competitive NRAs.

Stennis Space Center

Due to contingency preparedness, SSC has a continuing sole source need for a communications service heading directly North from SSC to Jackson, MS. Currently the only known communications provider is AT&T. Therefore; in FY 2012, SSC awarded a follow-on contract to AT&T for Northbound Route Telecommunication services at a Not to Exceed (NTE) amount of \$4 million. SSC will continue to seek alternate sources for future communications services.

SSC's ability to conduct Rocket Testing is due in part to being surrounded by a large "Buffer Zone." The Buffer Zone is land owned by private individuals or corporations that contains restrictive easements that must be enforced to preserve the ability of SSC to conduct tests. In order to enforce the restrictive easements within the Buffer Zone, SSC has a continuing need for Law Enforcement Services provided by the Hancock County Sheriff's Office.

The John C. Stennis Space Center is under the proprietary law enforcement jurisdiction of the Sheriff of Hancock County. Therefore; no other commercial activity, state, or local law enforcement agency is better situated with the legal authority to provide specific and special law enforcement within SSC's particular boundaries and jurisdiction. This portion of SSC's security needs must be filled under a sole source contract. Enforcement of SSC's Buffer Zone's restrictive easement represents a small portion of SSC's overall security requirements, the remainder of which is provided under competition. Consequently, a sole source contract has a very minimal impact on the open market interest in the security work at SSC.

Part 6 - High Risk Contract Types and Mitigation Actions

This area is addressed specifically in the Center Competition Advocate Reports. There are also specific Center examples cited throughout this report. Listed below are a few examples of some of the more creative initiatives:

Ames Research Center

As a result of a major division reorganization in FY 2013, ARC has established an Acquisition Strategy Manager position and enhanced its efforts to improve the partnership it has with the organizations it supports. As part of this effort, early outreach and partnership development is a focus area of each of the three operational acquisition branches. Efforts are underway to increase the quality of outreach to industry, to better define requirements so that they support competition, and to increase the timeliness of re-procurements (and thereby reduce non-competitive contract extensions).

Armstrong Flight Research Center

AFRC is using hybrid contract types as alternatives to better take advantage of ways to incentivize and motivate contractor performance while controlling costs. The appropriate additional contract performance monitoring by contract specialists and CORs is implemented for these types of efforts. Currently, AFRC operates with a minimum number of cost-reimbursement type contracts.

Johnson Space Center

Time & Materials/Labor Hour contracts have been discouraged in commercial item acquisitions. Only items that cannot be procured by any other contract type are allowed to use these contract types, subject to approval of the Procurement Officer. The Center Safety and Fire Operations procurement is an example of a successful conversion from Time & Materials to a lower-risk contract arrangement, which is comprised of cost-plus-fixed-fee task orders (term form and completion form) and firm-fixed-price task orders.

Kennedy Space Center

Cost-reimbursement contracts play an important role in helping KSC address complex launch requirements, ground support equipment requirements, and unforeseen emergencies that arise due to launch operations. For cost reimbursement contracts, cost projections, experience and reporting are carefully tracked on at least a monthly frequency. For those with an award fee feature, cost performance against contract requirements is evaluated (including an informed variance analysis) and rated as an important component of the periodic award fee evaluation. Follow-up cost incurred audits are conducted by Defense Contract Audit Agency and carefully scrutinized to identify any questioned or unallowable costs.

The contract risk is mitigated by limiting the contract's performance period, ensuring price reasonableness, using cost and price analysts to review and analyze major cost items and requiring annual DCAA audits.

Langley Research Center

The predecessor contract to the Facility Assurance Inspection Monitoring and Occupational Safety (FAIMOS) requirement was previously split 50/50 between a cost-plus-fixed-fee and a fixed-price contract. The FAIMOS procurement core effort will be all fixed price.

A proactive approach is being taken to enhance competition for the Center Structures, Materials, Aerodynamics, Aerothermodynamics and Acoustics Research and Technology (SMAAART) procurement through the formation of a Procurement Development Team (PDT). The SMAAART multiple award contracts and their predecessors have been awarded to the same group of contractors over and over again. Discussions with industry indicate that the broad scope of the statement of work, and the complicated acquisition strategy previously used have prevented potential competitors from submitting proposals. The PDT will address these issues to enhance competition for the SMAAART follow-on contract.

Marshall Space Flight Center

One of the goals of the Marshall Integrated Program Support Services BPA acquisition was to utilize competitive low-risk performance-based firm-fixed-price commercial item/service task orders to the maximum extent practicable. In FY 2012 and FY 2013, MSFC's successor contract to the cost-plus-award-fee contract for Configuration and Data Management (C&DM) Support Services, which had a potential value of \$48 million, was re-competed as part of the MIPPS acquisition. As a result, specific C&DM requirements will be competed among the MIPPS BPA holders and result in low-risk, performance-based fixed-price commercial service task orders. Likewise, in FY 2014, the successor contract to the Cost-Plus-Incentive-Fee Contract for MSFC Center-wide Office of Human Capital Support Services valued at \$35 million is expected to be converted to a fixed-price contract.

Stennis Space Center

In August and September 2012, SSC awarded 10 five-year Indefinite Delivery/Indefinite Quantity Multiple Award Construction Contracts that replaced two non-competitive IDIQ construction contracts. These contracts are available to all NASA Centers that could benefit from their competitive, lower risk construction contract actions.

Fiscal Year 2014

NASA Competition Advocate Report

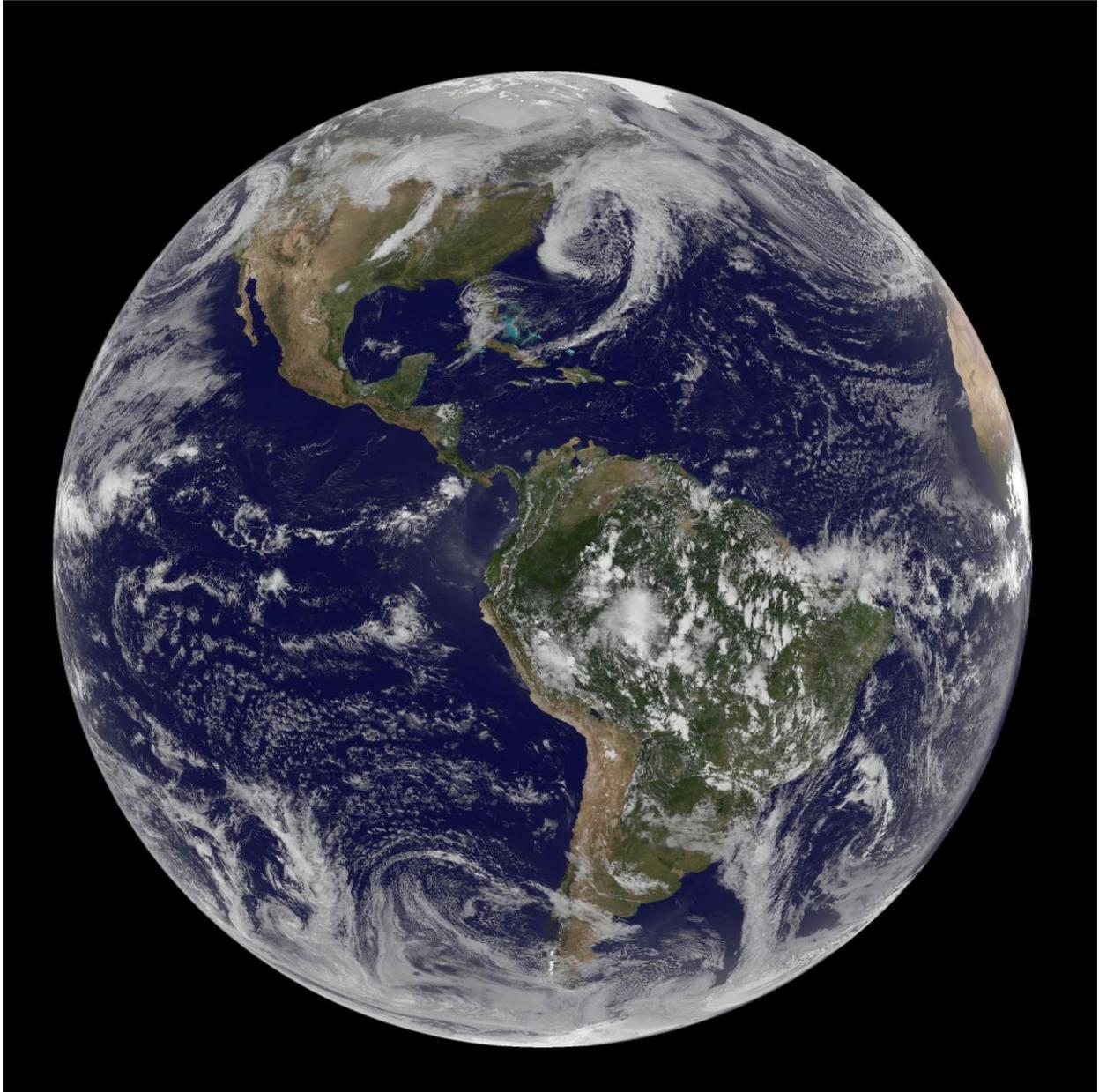


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Center Acronyms

Ames Research Center (ARC)

Armstrong Flight Research Center (AFRC) - formerly Dryden Flight Research Center

Glenn Research Center (GRC)

Goddard Space Flight Center (GSFC)

Johnson Space Center (JSC)

Kennedy Space Center (KSC)

Langley Research Center (LARC)

Marshall Space Flight Center (MSFC)

NASA Headquarters (HQ)

NASA Management Office at the Applied Physics Laboratory (NMO-APL)

NASA Management Office at the Jet Propulsion Laboratory (NMO-JPL)

NASA Shared Services Center (NSSC)

Stennis Space Center (SSC)

Executive Summary

The Office of Federal Procurement Policy (OFPP) Act (41 U.S.C. 418) requires executive agency competition advocates to transmit an annual competition report to their respective senior procurement executives. Monica Manning, Program Operations Division Director, within the Office of Procurement, is the Competition Advocate for the National Aeronautics and Space Administration (NASA). This report summarizes the Agency's competition performance during Fiscal Year 2014.

NASA practices full and open competition to the maximum extent practicable. While there are instances in the highly-complex and specialized business of developing space systems that warrant non-competitive contract mechanisms, NASA is committed to ensuring competition in new, and follow-on procurement opportunities. In FY 2014, after years of NASA's total dollars available for competition dropping, it rose slightly. Between FY 2013 and FY 2014, the total dollars available for competition rose by 5 percent or \$740 million, from \$14.2 billion in FY 2013 to almost \$15 billion in FY 2014.

The Commercial Awards in the table below for FY 2014 have been adjusted to include more commercial items that had not originally been captured in FPDS and, therefore, represent a better picture of the work NASA is doing. With the release of the Federal Procurement Data System-Next Generation (FPDS-NG) in 2005, agencies were limited in the information on commercial items that could be stored in the system. As a result, the numbers for the Agency dropped dramatically. Over the years, the system has stabilized and improved. The adjusted numbers beginning in FY 2013 now include awards under \$25,000 that have been reported in FPDS-NG and in most cases show a sizable improvement. This is not an inflation of numbers but a more realistic view of the work NASA is doing in acquiring commercial items.

Between FY 2012 and FY 2013, the dollars available for competition dropped by almost \$1 billion from \$15.1 billion to \$14.2 billion, before rising again in FY 2014, to \$14.95 billion. While the dollars available for competition dropped, the competitively obligated dollars stayed almost the same, \$933 million in FY 2012 and \$926 million in FY 2013 and jumped almost \$1 billion to \$10 billion in FY 2014.

	FY 2012	FY 2013	FY 2014
Competitive Actions	67%	66%	67%
Competitive Obligated Dollars	62%	65%	67%
Commercial Awards	70%	86% **	90% **

** The Commercial Award computation was adjusted beginning in FY 2013 to include more commercial items that were captured in FPDS. Because this data is now readily available, Commercial Awards from FY 2013 on reflect the additional items.

Twenty-three of NASA's contract actions for FY 2014 account for 20 percent (\$3.26 billion) of its procurement obligations. These 23 actions have obligations of at least \$75 million for FY 2014 and are for highly technical and specialized requirements. These include contracts for the Space Launch System, Commercial Crew, International Space Station Resupply, and the James Webb Space Telescope. Three of these were new awards, two for Commercial Crew, one for

construction on the Vehicle Assembly Building at KSC. Thirteen of the 23 awards were made by the Johnson Space Center. JSC again improved its competed dollars – in FY 2014 by 8 percent. NASA often contracts for highly-specialized services and expertise needed for working technically challenging and highly-complex issues associated with its aerospace missions, many times resulting in non-competitive procurements. NASA is committed to increasing competition wherever possible.

NASA's competitive performance is negatively affected by including the two NMO offices, which have a very large number of Task Orders that are counted as non-competitive actions. The NMO provides oversight at the Jet Propulsion Laboratory (a Federally Funded Research and Development Center) and the Applied Physics Laboratory (a not-for-profit center for engineering and research and development), with the California Institute of Technology and the Johns Hopkins University, respectively. If the figures for FY 2010-FY 2014 are recalculated to remove the NMO, the average improvement is 5.5% for competitive actions and 8.6% for competitive dollars.

Part 1 – Introduction

The NASA Federal Acquisition Regulation Supplement (NFS) identifies the Agency Competition Advocate as the Headquarters Procurement Program Operations Division Director. Additionally, there are advocates identified for each NASA Center; these are the Center Deputy Directors or Associate Directors and the Headquarters Operations Director. The Competition Advocate Program stresses training, procurement planning, acquisition forecasting, outreach efforts, and the appropriate documentation for justifications for other than full and open competition. Those serving in these senior positions have direct influence over all Center functions and activities that affect competition in contracting. NASA's competition advocate is also responsible for promoting the acquisition of commercial items. This report describes NASA's progress in competition and in acquiring commercial items to meet the needs of the Agency.

Benefits of Competition

One of the primary benefits is a sense of “fair play” when merit, rather than favoritism, is the basis for award.¹ The Office of Federal Procurement Policy memorandum dated October 27, 2009, provides as an attachment, “Guidelines for Increasing Competition and Structuring Contracts for the Best Results.” The memo advocates that competition:

- Drives down costs;
- Motivates better contractor performance;
- Helps to curb fraud and waste; and
- Promotes innovation.

Related to competition is the degree of concentration of the industrial base.² An agency's ability to obtain competition can be very limited when there are only a few suppliers. Also, when agencies repeatedly buy from the same supplier, there may be no opportunity for other suppliers to enter the market.

Under the guidance of the Assistant Administrator for Procurement, NASA will continue to renew its emphasis on maximizing competition across the Agency as requested in the Office of Federal Procurement Policy memoranda dated July 18, 2008, and October 27, 2009. NASA's increasing competition statistics clearly demonstrate the importance of competition and the role it plays in the success of the NASA mission.

Benefits of Acquiring Commercial Items and Services

Acquiring commercial items –

- Is easier than acquiring non-commercial items;

¹ Senate Report No. 98-50, accompanying S. 338, the Competition in Contracting Act of 1984, p. 3.

² Ibid., p. 16.

- Eliminates the need for research and development;
- Reduces acquisition lead-time;
- Reduces the use of detailed design specifications and extensive product testing.³

The acquisition of commercial items also enhances the Government's base of suppliers by—

- Encouraging Government contractors to develop dual-use products, i.e., for use in both Government and commercial applications; and
- Encouraging commercially oriented firms to do business with the Government.⁴

³ Senate Reports No. 103-258, p. 5, and 103-259, pp. 5 to 6, accompanying S. 1587, the Federal Acquisition Streamlining Act

⁴ Senate Report No. 103-259, p. 7

Part 2 – Fiscal Year 2014 Competition Statistics

Overview

In FY 2014, NASA spent approximately \$16 billion on procurement actions with \$14.95 billion available for competition. Of that \$14.95 billion, \$10.1 billion was competed. While the amount available for competition increased for the first time in several years, by \$739.9 million over the FY 2013 level, the dollars competed increased by more than that amount, \$805.5 million. The \$4.88 billion available for competition but not competed, was almost \$65.6 million less than in FY 2013 and includes dollars for awards where only one responsible source is available, as well as for unusual or compelling urgency, international agreement, and items authorized or required by statute. Figure 1, below, depicts the historical data points.

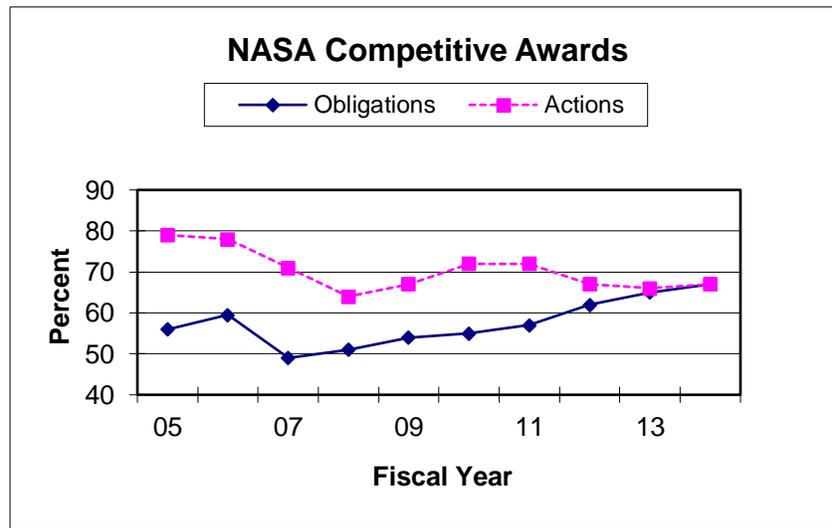


Figure 1

Competition Goals and Individual Center Contributions

NASA Procedural Requirements (NPR) document 5101.33A, Procurement Advocacy Programs, sets forth the following competition goals annually:

- Competitive obligation rate: 70%
- Competitive action rate: 80%

When reporting Center competition performance, NASA has developed both a short and long form. Completion of the Short Form - Competition Advocate Report is the reward to Centers that meet or exceed *both* of the above goals. For FY 2014, the following three Centers met both goals and accounted for almost 12 percent of the total dollars competed.

Center	Goal of 70% Competitive Obligation Rate (Dollars Competed)	Goal of 80% Competitive Action Rate
ARC	92%	81%
NSSC	94%	81%
SSC	98%	86%

The following five Centers, while not meeting both goals, exceeded one goal by at least 10 percent.

Center	Goal of 70% Competitive Obligation Rate (Dollars Competed)	Goal of 80% Competitive Action Rate
AFRC	88%	71%
GRC	81%	72%
HQ	80%	77%
KSC	97%	78%
LARC	87%	66%

Three of the 13 reporting locations demonstrated a substantial increase (9 percent or higher change) in dollars awarded competitively between FY 2013 and FY 2014 as follows:

Center	FY 2013 Competitive Obligation Rate (Dollars Competed)	FY 2014 Competitive Obligation Rate (Dollars Competed)	Percentage Change Increase
AFRC	78%	88%	11%
ARC	80%	92%	12.7%
JSC	65%	72%	9.5%

Dollars Available for Competition

NASA's procurement obligations have increased from the FY 2013 obligations of \$15.572 billion to the FY 2014 obligations of \$16,004 billion. This was the first time there was an increase in procurement obligations since FY 2010. This is an increase of over \$432 million or 2.8 percent. Four NASA Centers, GSFC, JSC, KSC, and MSFC comprised 79 percent of the Agency's obligations (see Figures 2 and 3 below).

Competition improvements at these Centers positively impact the Agency-wide statistics for obligations as these Centers award high dollar value awards for mission critical programs and projects. Several of the major competitive efforts under U.S. Space Exploration Policy are managed by these Centers.

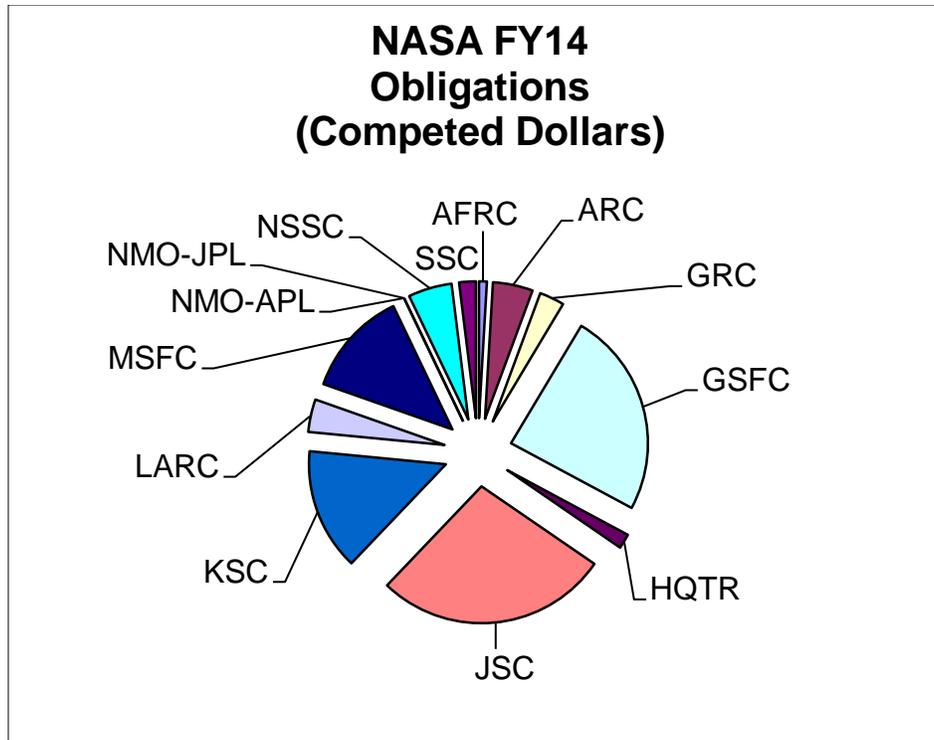


Figure 2

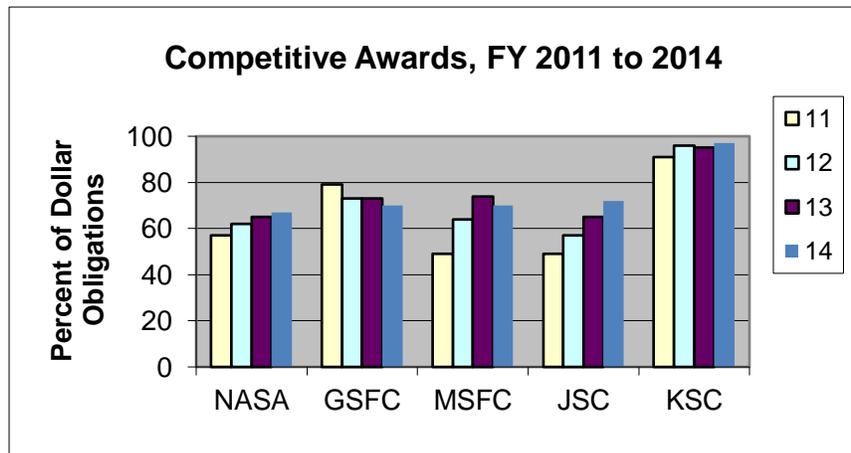


Figure 3

Part 3 – Review of Fiscal Year 2014 Other Than Full and Open Competitive, Single Source IDIQ Awards, and Only One Offer Received Activities

In this and the following sections, examples are provided from some, but not necessarily all, Centers.

Headquarters Approval of Justifications for Other than Full and Open Competition

The NFS requires NASA Headquarters approval of justifications pursuant to FAR 6.302-1, Only One Responsible Source, with an estimated value over \$93 million.

	FY 2011	FY 2012	FY 2013	FY 2014		FY 2012- FY 2014 Three Year Average	% of Change Between FY 2012 and FY 2014 (Increase in Awards and Dollars)
Number of JOFOCS	5	6	3	8		6	33%
Total Estimated Value	\$788M	\$3.6B	\$885M	\$3.82B		\$2.8B	6%

For FY 2014, there were eight JOFOCs issued using this authority. The total estimated value was \$3.82 billion. One JOFOC, for the Joint Polar System Satellite, (at \$1.45 billion) and one for SLS engines (\$1.50 billion) account for more than 77 percent of the total. The following are the eight JOFOCs processed at Headquarters in FY 2014:

Goddard Space Flight Center

- 4/2014 – Solutions for Enterprise-Wide Procurement (SEWP IV) extension.
- 5/2014 – Multidisciplinary Engineering and Technology Services II (METS II/A) Bridge Contract.
- 6/2014 – Rapid Spacecraft: Extension of Master IDIQ multiple award contract.
- 7/2014 – Joint Polar System Satellite (JPSS-3/JPSS-4 Instruments).

Johnson Space Center

- 3/2014 – Calendar Year 2017 Soyuz Services Procured from Roscosmos
- 9/2014 – Neutral Buoyancy Laboratory Space Vehicle Mockup Facility Operations

Marshall Space Flight Center

- 3/2014 – one year extension to the Michoud Assembly Facility (MAF) Contract.
- 11/2014 – Six additional RS-25 engines to support five SLS missions

Notification to Headquarters of Approval for Unusual and Compelling Urgency

When using the authority at FAR 6.302-2, Unusual and Compelling Urgency, the NFS requires a copy of the justification to be provided to Headquarters within three days after approval.

FY 2014 saw the first two JOFOCs using this authority since 2011.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2012- FY 2014 Three Year Average	% of Change Between FY 2012 and FY 2014
Number of JOFOCS	5	0	0	2	67%	NA
Total Estimated Value	\$26.1M	0	0	\$93M	\$31M	NA

Armstrong Flight Research Center

- 11/2013 – One month critical services on Facilities, Maintenance, Janitorial and Grounds Maintenance contract. *Estimated value: \$485,000.*

Johnson Space Center

- 4/2014 – Human Health and Performance Contract follow-on procurement due to protest. *Estimated value: \$93 million.*

Headquarters Approval of Determination and Finding (D&F) of Single Award Indefinite Delivery/Indefinite Quantity Contracts

Section 843 of the 2008 National Defense Authorization Act provides that no task or delivery order contract in an amount estimated to exceed \$103 million (including all options) may be awarded to a single source unless the head of the agency determines in writing that the task or delivery orders expected under the contract are so integrally related that only a single source can reasonably perform the work. In NASA Policy Directive 5101.32D, the head of the Agency delegated authority for approvals of this nature to the Assistant Administrator for Procurement.

Seven single award IDIQ D&Fs were approved in FY 2014.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2012- FY 2014 Three Year Average	% of Change Between FY 2012 and FY 2014 (Decrease)
Single Source IDIQ Awards	7	9	3	7	6.3%	22%
Total Estimated Value	\$1B	\$5.9B	\$1.9B	\$1.2B	\$3B	79%

Goddard Space Flight Center

- 1/2014 – Earth Observing System Data Information System (EOSDIS) Evolution and Development (EED-2). *Estimated value: \$240 million*
- 1/2014 – Geophysics, Geodynamics, and Space Geodesy Support (GGSG). *Estimated value: \$126 million*
- 4/2014 – Goddard Information Technology Integration and Support Services (GITISS). *Estimated value: \$180 million*
- 7/2014 – Systems Engineering and Advanced Services (SEAS). *Estimated value: \$188 million*
- 7/2014 – Technology and Integrated Discipline Engineering Services (TIDES). *Estimated value: \$114 million*
- 7/2014 – Software Engineering Services (SES II). *Estimated value: \$246 million*

Johnson Space Center

- 11/2013 – Simulation and Software Technology II (SST II). *Estimated value: \$143 million*

Only One Offer Received

Each fiscal year, NASA reports the percentage of new contracts where competition was sought, but only one offer was received. In FY 2011, NASA removed Purchase Orders, Task/Delivery Orders, and Orders against Blanket Purchase Agreements from this group to get a more accurate representation in this category.

Fiscal Year	% of New Award Dollars	% of Total Procurement Obligations
2011	1.3%	0.014%
2012	5.27%	0.12%
2013	3.66%	0.11%
2014	2.23%	0.10%

Efforts Made by Centers in Fiscal Year 2014 to Increase Competition and Achieve Full and Open Competition

Armstrong Flight Research Center

AFRC continues its strict review policy for all Justifications for Other Than Full and Open Competition, which was implemented in FY 11. This review process includes a requirement to log all JOFOCs in a centralized location for periodic analysis, allowing procurement personnel to evaluate any trends to determine if single (or limited) source acquisitions can be reduced.

In addition to review of all JOFOCs, a review policy exists for all sole source actions under the Simplified Acquisition Threshold (SAT) of \$150K. Utilizing a standardized form, as well as customer education and training on documenting the justification, allows the Contracting Officer and Small Business Specialist to better analyze the validity and adequacy of non-competitive actions submitted under the SAT.

Glenn Research Center

New methods of maximizing competition include:

The Technology Transfer Contract was removed from the 8(a) program and competed as a small disadvantaged business set-aside.

The Financial Analysis and Business Support Services (FABSS) II has evolved from a cost contract, to a firm fixed price contract, is now a small business set-aside, and is being conducted as a full-and-open competition vs. the previous General Services Administration (GSA) procurement.

Task orders are now competed between those that qualify.

Goddard Space Flight Center

To promote competition, for some of our large dollar value 8(a) set-side procurements, GSFC has lowered the minimum relevancy size threshold for evaluating past performance reference contracts. By lowering the past performance threshold on a case-by-case basis, GSFC has increased competition by encouraging small businesses with less experience (based on value) to submit proposals.

For follow-on acquisitions, GSFC has made a concerted effort to expand the release of contractual historical data (rates and technical documentation) to provide non-incumbents with greater access to information and encourage increased competition. This has resulted in at least one follow-on competition receiving multiple proposals whereas only one proposal was received on its previous competitions.

For some of our IDIQ service follow-on acquisitions, GSFC has used sample problems as opposed to Representative Task Orders. Sample problems not only allow offerors to demonstrate understanding of the requirements but offers contractors the ability to propose innovative and efficient solutions. Specifically, the use of sample problems have been successfully used on the PAAC IV and ETIS II re-competitions and industry has responded positively to this approach, with numerous proposals received for each acquisition.

Johnson Space Center

During Government Fiscal Year 2014, Johnson Space Center conducted seven major competitions with an estimated value of \$50 million or more and awarded two of them. One of the two awarded is the Integrated Mission Operations Contract II (IMOC II). With a potential value of \$1.3 billion, the IMOC II was conducted as a full and open competition for the first time in over 28 years. This effort was previously covered under the predecessor sole-sourced contract, Integrated Mission Operation Contract (IMOC), which was removed from the Space Shuttle Program Operations Contract and sole-sourced to a large business. IMOC II provides Plan, Train, Fly (PTF) operations services in support of JSC's Mission Operations Directorate (MOD), the International Space Station (ISS) Program, the Orion Multi-Purpose Crew Vehicle and Space Launch System, other potential future spaceflight programs and commercial services. PTF includes analysis of program mission requirements; training and certification of crew, flight controllers, and instructors; and real-time execution of space flight missions.

The second contract awarded in FY 2014, the Simulation & Software Technology II (SST II) Contract was conducted under a full and open competitive process with a potential value of \$73 million. SST II provides simulation and software technology support for JSC's Virtual Reality applications for Extra Vehicular Activity training systems, robotics training system, and engineering analysis; and development of situational awareness and planning software.

Kennedy Space Center

The Commercial Crew Program Office competitively awarded two fixed-price contracts in the fourth quarter of FY 2014 with a total approximate value of \$6.8 billion.

During FY 2014, the Construction, Engineering and Projects Support Office (OP-ES) at KSC solicited two construction projects (Revitalize KSC Water and Waste Water Systems, Various Locations, Phase 4 and Upgrade Camera Infrastructure, LC 39B) as competitive small business set-asides. This office also awarded two full and open competition contracts; one for modifying the Vehicle Assembly Building High Bay 3 platforms for the Space Launch System for \$99.5 million, and also Central Campus Phase I, Replacement of Headquarters Building for \$64.4 million, totaling \$163.9 million. Due to the award of contracts for the Commercial Crew and

Space Launch System Programs, KSC's percentage of total competed dollars increased between FY 2013 and FY 2014 by 2.2% (96.6% versus 94.4% for FY 2013).

Langley Research Center

Initiatives that increased competition in FY 2014:

Structuring requirements differently. The SEB for the Langley Information Technology Enhanced Services (LITES) II follow-on procurement, after analyzing several years of cost data, determined that the work effort is now steady and predictable and have changed the proposed IDIQ contract from CPAF task orders to firm fixed price task orders. The SEB intends to consolidate the 91 task orders under the existing contract to 10 discipline-based task orders. They have also restructured the evaluation criteria to focus on key areas of IT support, and have simplified the cost/price evaluation. We believe these efforts will significantly increase competition.

Use of Price Past Performance Trade-Off (PPTO) for research and development multiple award IDIQ competitions. The Basic and Applied Aerospace Research and Technology (BAART) procurement is using PPTO rather than requesting full mission suitability proposals. The benefit of competition will continue to take place among the awarded IDIQ contractors on the specific task orders, which will consider technical capability, past performance and price. LaRC had previously used PPTO on a multiple award IDIQ follow-on contract for Flight Critical Systems Research services which was very successful; two additional contractors received IDIQ contracts and are competing successfully for task orders. Feedback from industry is that PPTO lowered their proposal preparation costs with the streamlining of proposal requirements and by the decreased time required for the SEB to evaluate proposals and conduct the competition.

FY 2014 Competitive Awards:

The Radiation Budget Instrument (RBI) was awarded using Full & Open Competitive procedures. This CPAF IDIQ valued at \$208.1M was awarded May 16, 2014. The contract provides for the design, fabrication and delivery of an RBI and all associated hardware, software, and data deliverables. Instrument procurements such as RBI are usually awarded through an AO. Using FAR Part 15 procedures for the competition provided for a more competitive price and technical environment.

Marshall Space Flight Center

The MSFC Acquisition Planning Tool (APT) has continued to grow since its launch in September 2006. This tool enhances competition by providing summary information on major MSFC contracts including future competitions. The unique information provides date-specific milestones such as current contract expiration or option date and ultimate completion date. Future milestone dates for the next competition such as when the Source Evaluation Board/Committee (SEB/C) will be formed, anticipated RFP release date, and estimated award date. On SEB/Cs for competitions in progress, a specific Web page for each competition is

provided containing additional documentation, the board/committee chairperson, and detail milestone dates both anticipated and accomplished.

Competition under Delivery and Task Order Contracts

NASA Centers competitively award orders under multiple award IDIQ contracts. They have also instituted policies and procedures to ensure that task and delivery orders issued under multiple award contracts are properly planned and comply with applicable regulatory guidance.

The following are examples of some Center initiatives:

Ames Research Center

ARC awarded two Multiple-Award Contracts in FY 2014: the Multiple Award Construction Contract (MACC) and the Shadow Mode Assessment using Realistic Technologies for the National Airspace System (SMART NAS) contracts. ARC continues to consider the appropriateness of multiple award contracts for each of its procurements. In FY 2014, ARC awarded three task orders off the MACC at an initial value of \$10,356,950. Additionally, ARC awarded four contracts under the SMART NAS solicitation with an initial total obligation of \$4,491,606. These obligations will increase in FY 2015. Further, ARC intends to award the multiple-award Rotary Wing Technology Development (RWTD) Contract in early FY 2015. This contract has a minimum IDIQ task order value of \$25,000 and a maximum IDIQ task order value of \$40 million across five years. The maximum value of any individual task order will not exceed \$15 million, to ensure adequate competition across all of the contract holders.

Kennedy Space Center

During FY 2014, KSC awarded a competitive \$8.3 million task order for upgrading systems at the Industrial Area Chiller Plant under its multiple award General Construction IDIQ contracts. In accordance with the fair opportunity requirements in FAR Part 16, KSC issued a solicitation to all ten contract holders. The ordering periods for the General Construction IDIQ contracts expired in April 2014.

Part 4 – Fiscal Year 2014 Acquisition of Commercial Items

NASA’s statistics in the area of commercial item acquisition experienced growth from FY 2011 through FY 2014.

2011	2012	2013**	2014
69%	70%	86%	90%

Center Statistics for FY 2011 through FY 2014:

Center	2011	2012	2013**	2014
AFRC	72%	58%	84%	89%
ARC	79%	84%	90%	94%
GRC	63%	69%	83%	86%
GSFC	91%	86%	94%	96%
HQ	62%	51%	87%	94%
JSC	56%	60%	64%	83%
KSC	69%	69%	80%	80%
LARC	67%	71%	91%	94%
MSFC	35%	58%	83%	80%
NSSC	84%	86%	94%	98%
SSC	77%	86%	77%	88%

** The Commercial Award computation column was adjusted beginning with FY 2013 to include more commercial items captured in FPDS.

NASA will continue to award contracts for commercial items whenever possible by:

- Encouraging our customers and contractors to acquire goods and services with a preference for commercial item acquisitions;
- Improving training in the acquisition of commercial items;
- Conducting industry days outreach conferences;
- Using contract review boards and peer reviews;
- Issuing Requests for Information and posting sources sought announcements; and
- Using the full range of market research tools.

Figure 4 below graphically depicts the percentage of new contract actions that are commercial acquisitions by Center for FY 2014.

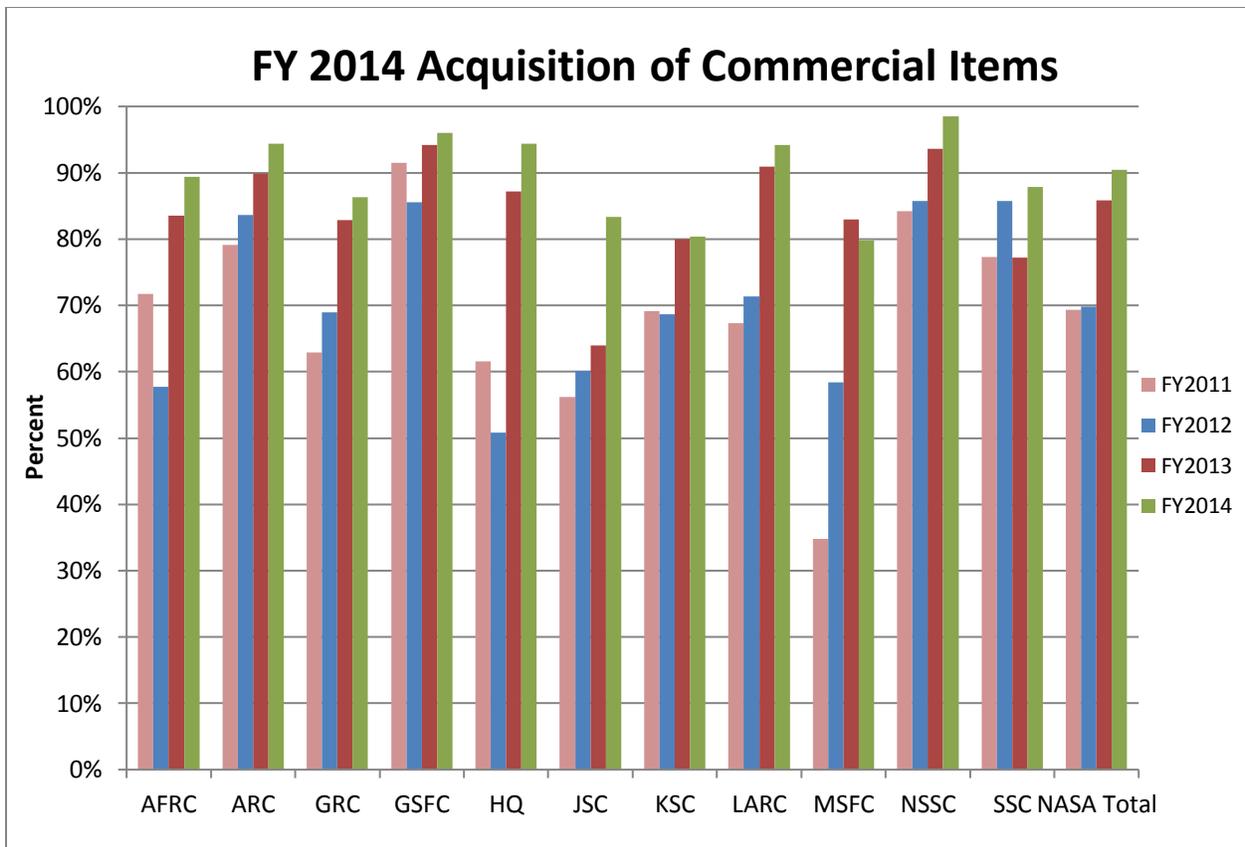


Figure 4

*Excludes SBIR/STTRs, R&D, construction, grants, agreements, intra-governmentals

Efforts Made to Increase Commercial Item Competition and Center Suggestions for Initiatives to Increase Commercial Item Acquisition

Glenn Research Center

The GRC will be utilizing GSA to the maximum extent practical. This will keep our scope within the commercial item range and reduce the number of custom item purchases. Training on new GSA processes has been secured and will enable staff to maximize competition when using GSA sources.

The GRC applies more scrutiny to sole source procurements than was seen in the past. The increased scrutiny has led to savings because of increased competition.

Kennedy Space Center

The NASA Launch Services (NLS) solicitation remains open and contains a unique on-ramp provision that allows new providers to submit proposals on an annual basis. This process creates opportunities for award of additional, large dollar value commercial item NLS contracts. These

launch services contracts are fixed-price, IDIQ performance-based contracts, governed by FAR Part 12.

When specific launch services requirements are identified, contract provisions require existing NLS contractors to respond to a Request for Launch Service Proposals (RLSP). Each contractor is provided an opportunity for fair consideration in response to the RLSP. The Government evaluates all proposals to determine which launch services provide the best value, and the selected contractor is awarded a Launch Services Task Order (LSTO) under the terms of the IDIQ contract. In FY 2014, firm-fixed-price task orders were awarded for the Interior Exploration Using Seismic Investigations, Geodesy, and Heat Transport (InSight), Solar Orbiter Observatory, and Cyclone Global Navigation Satellite System missions for a total amount of \$316 million. This also enabled KSC to improve the percentage of competed actions and dollars for FY 2014.

An opportunity to conduct a competitive commercial acquisition for CubeSat dispensers and integration services resulted in the award of five IDIQ CubeSat Dispenser Hardware and Integration Services contracts to small businesses. The five contracts have a combined maximum potential value of \$9.5 million. The previous CubeSat contract was a sole source with Cal Poly Corporation for the 3U size Poly-Picosatellite Orbital Deployer. As a result of this competition, the Launch Services Program is able to use other commercial dispensers, such as the Planetary Systems Corporation or Nanosatellite Launch Adapter System that are larger and will enable even greater scientific and military capabilities.

Langley Research Center

For FY 2015

The Occupational Health Program Support follow-on contract is being competed as a commercial item for the first time. Historically, this competition has been conducted using FAR Part 15 competitive procedures. The requirement will remain a set aside for 8(a).

Part 5 – Barriers to Competition and Commercial Items Acquisition across the Agency

Armstrong Flight Research Center

AFRC continues to experience employee turnover and employees new to the procurement process are unaware of the requirements and benefits of obtaining commercial items, commercial item sources, and/or GWAC vehicles available to simplify and expedite the acquisition of commercial items. AFRC contracting personnel have taken a proactive approach to educate technical requestors of the importance of description specifications and benefits of obtaining commercial items, when appropriate.

Specifications, at times and especially in the simplified acquisition process, tend to be written with a minimum amount of information. This makes it difficult for commercial sources to determine if their product(s) meet the needs of the Government. When these situations occur the Contract Specialist will challenge requirements not stated in terms of functions to be performed, performance required, or essential physical characteristics when they meet with the end user community to discuss acquisition strategy.

Glenn Research Center

Vendors who refuse to register in the System for Award Management (SAM).

Receiving funding so late in the year is a barrier to competition.

Goddard Space Flight Center – An Example of Overcoming a Barrier

Over the past 25 years, the Wallops Flight Facility Balloons contract has received little/no competition. In the most recent re-compete, a potential non-incumbent offeror expressed significant concern over the lack of historical information on the incumbent contract and more specifically, the preferred pricing relationship between the incumbent contractor and the only subcontract source available to provide NASA qualified balloons.

The procurement and project offices took significant steps to maximize the availability of historical information, while also plugging certain proposal costs to simplify proposals and eliminate the perception of unfair competitive advantage, thereby encouraging competition.

These steps directly impacted competition, resulting in two proposals in comparison to the single incumbent proposal that would have otherwise been received. While the incumbent offeror was extremely dissatisfied with the approach, which ultimately resulted in a solicitation protest that was successfully defended by NASA, the Government Accountability Office (GAO) protest decision essentially validated our efforts by balancing the importance of competition with the specifics of the solicitation strategy. More specifically, the GAO decision stated “While the agency’s chosen method for leveling the playing field has the effect of reducing or eliminating NMSU’s incumbent advantage, we find that unobjectionable in view of NASA’s broader

objective, which is consistent with the overarching mandate of CICA to obtain full and open competition for the government's requirements." Ultimately, the non-incumbent offeror was selected for award, based on more competitive pricing and an estimated cost savings of approximately \$10M.

Langley Research Center

Research facilities and equipment are unique and compatibility is sometimes limited to one source which can limit use of commercially available items.

SBIRs have a recognized progression of awards for technology advancement, where Phase IIIs are considered competitive based upon the competition in Phases I and II. There is no similar process available for NRAs as they move up the TRL level and are no longer suitable for NRA competitions. Many of the follow-on technical advancement/development must be awarded on a sole source basis to take advantage of the technology and results of the competitively awarded NRA efforts.

Part 6 - High Risk Contract Types and Mitigation Actions

This area is addressed specifically in the Center Competition Advocate Reports. There are also specific Center examples cited throughout this report. Listed below are a few examples of some of the more creative initiatives:

Glenn Research Center

Require additional financial reporting which would be monitored every month.

The use of stringent contract administration techniques which include:

- Detailed 533 analysis
- Frequent Contracting Officer Representative (COR) contact and training

Kennedy Space Center

The most appropriate contract types for the acquisitions are discussed at all procurement strategy meetings. Use of standard performance-based contracting language increases the probability of maximizing competition.

Cost-reimbursement contracts play an important role in helping KSC address complex launch requirements, ground support equipment requirements, and unforeseen emergencies that arise because of launch operations. For cost reimbursement contracts, cost projections, experience, and reporting are carefully tracked on at least a monthly frequency, and, for those with an award fee feature, cost performance against contract requirements is evaluated (including an informed variance analysis) and rated as an important component of the periodic award fee evaluation.

Langley Research Center

The predecessor contract to the LITES requirement was a CPAF and the current procurement will be fixed price.

Marshall Space Flight Center

One of the goals of the Marshall Integrated Program Support Services (MIPSS) acquisition was to utilize competitive low-risk performance-based FFP commercial item/service task orders to the maximum extent practicable. MSFC's successor contract to the CPAF contract NNM07AA73C for Configuration and Data Management (C&DM) Support Services, which had a potential value of \$48 million was re-competed as part of the MIPSS acquisition. As a result, specific C&DM requirements were competed among the MIPSS BPA holders resulting in low-risk, performance-based fixed price commercial service task orders. Likewise, in FY 2014, a competition for the successor contract to the Cost-Plus-Incentive-Fee contract NNM07AA77C for MSFC Center-wide Office of Human Capital Support Services valued at \$35 million was converted to a fixed-price contract.

NASA Shared Services Center

Overall program support is provided to the NSSC through a cost-plus-award-fee contract that was awarded as a result of OMB A-76 competition in 2005 which established the NSSC. That contract is currently being re-competed and will utilize a contract pricing structure other than cost reimbursement.

The NASA Integrated Communication Services (NICS) Contract is currently a cost-plus-award-fee contract. The NICS contract will transition to a cost-plus-award-fee/incentive-fee upon the completion of transitioning communication services from Center specific contracts to the NICS contract in 2016. The current plan for NICS, when those IT requirements become more stabilized, is for certain IT services to be converted to firm-fixed-price pricing.

Stennis Space Center

Before high risk procurements are re-competed, SSC utilizes a “Turn the Contract Upside Down” review to determine if the risk is still appropriate. This type of inside out review allows SSC to analyze requirements more closely, and after examination, better identify the risk associated with the decision to re-compete.

SSC has a dedicated Cost/Price Analyst and an Auditor that review all active SSC Cost Reimbursement Contracts as well as provide advice, corrective actions and one-on-one training to the Contracting Officers and Contract Specialists during review of the respective 533 reports.

In August and September 2012 (FY 2012), SSC awarded ten (10) five-year Indefinite Delivery Indefinite Quantity (IDIQ) Multiple Award Construction Contract (MACC) which replaced two non-competitive IDIQ construction contracts. SSC continues to realize increased competition, increased cost savings/cost avoidances and lower risk on construction contract actions through the MACC. These contracts are also available for all NASA Centers to use which could benefit their competition advocate statistics and lower risk on construction contract actions. Beyond this was the list.

Fiscal Year 2015

NASA Competition Advocate Report

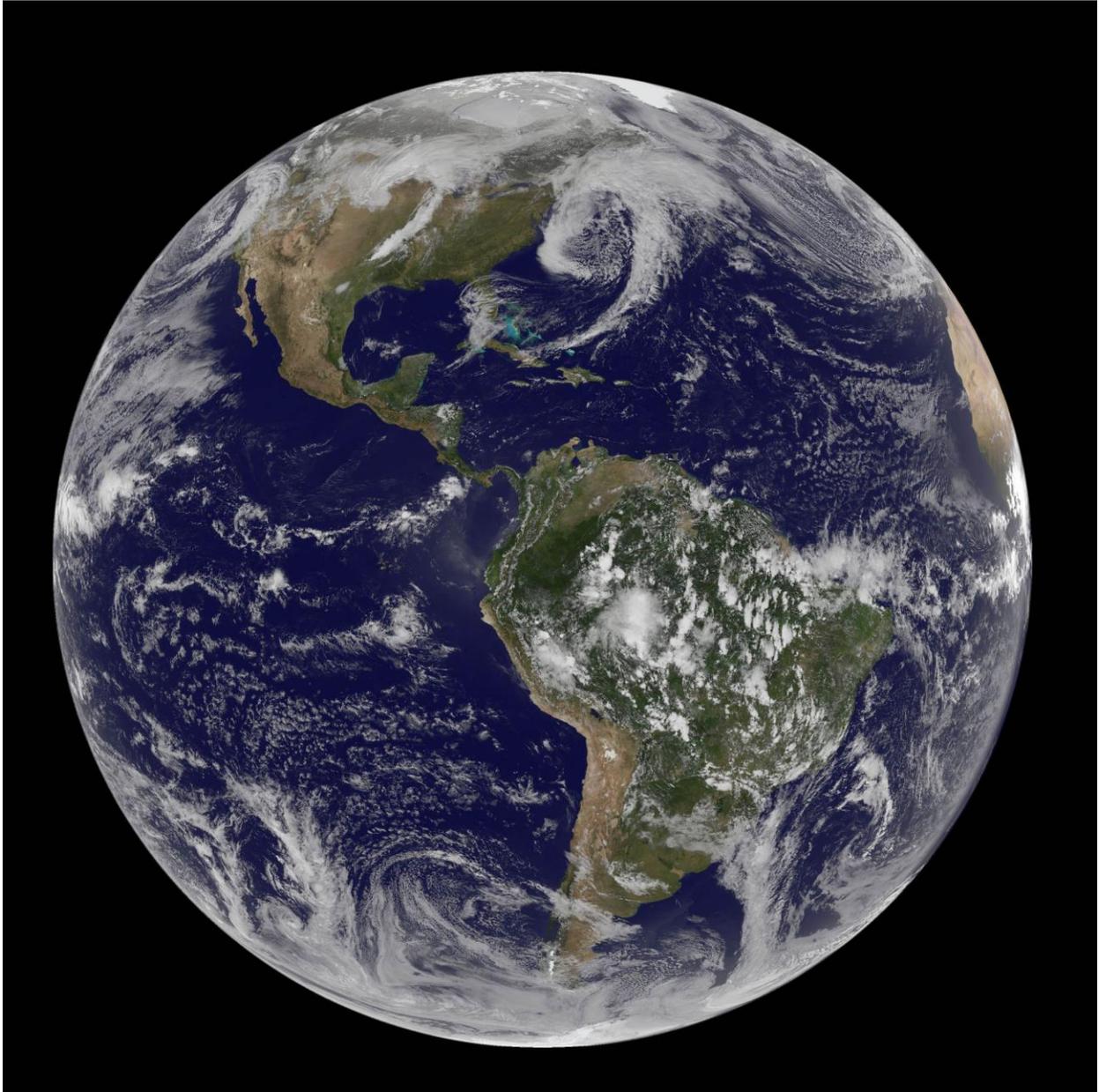


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Center Acronyms

Ames Research Center (ARC)
Armstrong Flight Research Center (AFRC)
Glenn Research Center (GRC)
Goddard Space Flight Center (GSFC)
Johnson Space Center (JSC)
Kennedy Space Center (KSC)
Langley Research Center (LaRC)
Marshall Space Flight Center (MSFC)
NASA Headquarters (HQ)
NASA Management Office at the Applied Physics Laboratory (NMO-APL)
NASA Management Office at the Jet Propulsion Laboratory (NMO-JPL)
NASA Shared Services Center (NSSC)
Stennis Space Center (SSC)

Executive Summary

The Office of Federal Procurement Policy (OFPP) Act (41 U.S.C. 418) requires executive agency competition advocates to transmit an annual competition report to their respective senior procurement executives. Monica Manning, Program Operations Division Director, within the Office of Procurement, is the Competition Advocate for the National Aeronautics and Space Administration (NASA). This report summarizes the Agency's competition performance during Fiscal Year 2015.

NASA practices full and open competition to the maximum extent practicable. While there are instances in the highly-complex and specialized business of developing space systems that warrant non-competitive contract mechanisms, NASA is committed to ensuring competition in new and follow-on procurement opportunities.

The Commercial Awards in the table below for FY 2015 have been adjusted to include more commercial items that had not originally been captured in FPDS and, therefore, represent a better picture of the work NASA is doing. With the release of the Federal Procurement Data System-Next Generation (FPDS-NG) in 2005, agencies were limited in the information on commercial items that could be stored in the system. As a result, the numbers for the Agency dropped dramatically. Over the years, the system has stabilized and improved. The adjusted numbers beginning in FY 2013 now include awards under \$25,000 that have been reported in FPDS-NG and in most cases show a sizable improvement. This is not an inflation of numbers but a more realistic view of the work NASA is doing in acquiring commercial items.

In FY 2015, NASA's total dollars available for competition rose by almost \$1 billion from almost \$15 billion in FY 2014 to \$15.9 billion in FY 2015.

	FY 2013	FY 2014	FY 2015
Competitive Actions	66%	67%	68%
Competitive Obligated Dollars	65%	67%	68%
Commercial Awards	86% **	90% **	90% **

** The Commercial Award computation was adjusted beginning in FY 2013 to include more commercial items that were captured in FPDS. Because this data is now readily available, Commercial Awards from FY 2013 on reflect the additional items.

NASA often contracts for highly-specialized services and expertise needed for working technically challenging and highly-complex issues associated with its aerospace missions, many times resulting in non-competitive procurements. Despite the challenges, NASA is committed to increasing competition wherever possible.

Important note about the Competition Advocate Data The competition numbers for this report began with a standard competition report run through the Federal Procurement Database System (FPDS)-Next Generation. Normally, that report is run in the fall and all numbers are locked down. This year, however, after the report was initially run, Stennis Space Center found an error that had a significant impact on its level of competition. The correction increased the competed dollars from \$169 million to \$190 million and the percentage of competed dollars from 89 percent to almost 99 percent. At the time the error was corrected, January 8, 2016, a new competition report was run and the corrected competition data for the Stennis Space Center were taken from that report. Any totals affected by the change were updated. The data for all of the other Centers come from the original report, run on November 24, 2015.

Part 1 – Introduction

The NASA Federal Acquisition Regulation Supplement (NFS) identifies the Agency Competition Advocate as the Headquarters Procurement Program Operations Division Director. Additionally, there are advocates identified for each NASA Center; these are the Center Deputy Directors or Associate Directors and the Headquarters Operations Director. The Competition Advocate Program stresses training, procurement planning, acquisition forecasting, outreach efforts, and the appropriate documentation for justifications for other than full and open competition. Those serving in these senior positions have direct influence over all Center functions and activities that affect competition in contracting. NASA's competition advocate is also responsible for promoting the acquisition of commercial items. This report describes NASA's progress in competition and in acquiring commercial items to meet the needs of the Agency.

Benefits of Competition

One of the primary benefits is a sense of “fair play” when merit, rather than favoritism, is the basis for award.¹ The Office of Federal Procurement Policy memorandum dated October 27, 2009, provides as an attachment, “Guidelines for Increasing Competition and Structuring Contracts for the Best Results.” The memo advocates that competition:

- Drives down costs;
- Motivates better contractor performance;
- Helps to curb fraud and waste; and
- Promotes innovation.

Related to competition is the degree of concentration of the industrial base.² An agency's ability to obtain competition can be very limited when there are only a few suppliers. Also, when agencies repeatedly buy from the same supplier, there may be no opportunity for other suppliers to enter the market.

Under the guidance of the Assistant Administrator for Procurement, NASA will continue to renew its emphasis on maximizing competition across the Agency as requested in the Office of Federal Procurement Policy memoranda dated July 18, 2008, and October 27, 2009. NASA's increasing competition statistics clearly demonstrate the importance of competition and the role it plays in the success of the NASA mission.

¹ Senate Report No. 98-50, accompanying S. 338, the Competition in Contracting Act of 1984, p. 3.

² Ibid., p. 16.

Benefits of Acquiring Commercial Items and Services

Acquiring commercial items –

- Is easier than acquiring non-commercial items;
- Eliminates the need for research and development;
- Reduces acquisition lead-time;
- Reduces the use of detailed design specifications and extensive product testing.³

The acquisition of commercial items also enhances the Government's base of suppliers by—

- Encouraging Government contractors to develop dual-use products, i.e., for use in both Government and commercial applications; and
- Encouraging commercially oriented firms to do business with the Government.⁴

³ Senate Reports No. 103-258, p. 5, and 103-259, pp. 5 to 6, accompanying S. 1587, the Federal Acquisition Streamlining Act

⁴ Senate Report No. 103-259, p. 7

Part 2 – Fiscal Year 2015 Competition Statistics

Overview

In FY 2015, NASA spent approximately \$17.2 billion on procurement actions (an increase of almost \$1 billion) with \$15.9 billion available for competition. Of that \$15.9 billion, \$10.8 billion was competed. This is an increase of more than \$720 million over the FY 2014 level. The \$5.1 billion available for competition, but not competed increased by 4.7 percent. However, the number of actions that were not competed increased less than 1 percent. The actions available for competition, but not competed includes dollars for awards where only one responsible source was available, as well as for unusual or compelling urgency, international agreement, and items authorized or required by statute. Figure 1, below, depicts the historical data points.

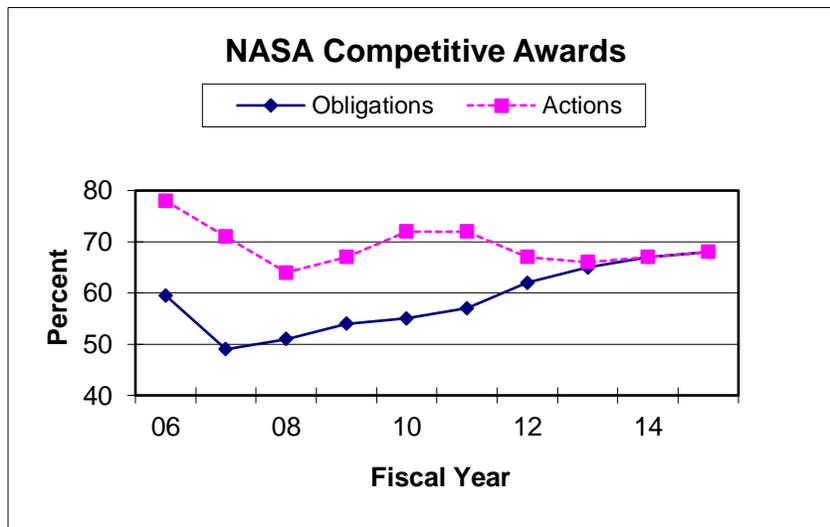


Figure 1

Competition Goals and Individual Center Contributions

NASA Procedural Requirements (NPR) document 5101.33A, Procurement Advocacy Programs, sets forth the following competition goals annually:

- Competitive obligation rate: 70%
- Competitive action rate: 80%

When reporting Center competition performance, NASA has developed both a short and long form. Completion of the Short Form - Competition Advocate Report is for Centers that meet or exceed both of the above goals. Because these Centers have met their goals, they do not need to provide as much information as the other Centers do about how they will increase competition. For FY 2015, the following three Centers met both goals and accounted for almost 12 percent of the total dollars competed. (All three Centers increased in both areas.)

Center	Goal of 70% Competitive Obligation Rate (Dollars Competed)	Goal of 80% Competitive Action Rate
ARC	93%	84%
NSSC	95%	83%
SSC	99%	88%

The following five Centers, while not meeting both goals, exceeded one goal by at least 10 percent.

Center	Goal of 70% Competitive Obligation Rate (Dollars Competed)	Goal of 80% Competitive Action Rate
AFRC	80%	73%
GRC	84%	72%
HQ	81%	78%
KSC	97%	78%
LARC	88%	65%

When looking at actual competed dollars, four of the 11 Centers with 500 or more competed actions demonstrated a substantial increase (9 percent or higher change) in dollars awarded competitively between FY 2014 and FY 2015 as follows:

Center	FY 2014 Dollars Competed (in millions)	FY 2015 Dollars Competed (in millions)	Percentage Change Increase
AFRC	\$93	\$110	18%
GRC	\$296	\$325	10%
KSC	\$1,450	\$1,857	28%
NSSC	\$518	\$617	19%

Dollars Available for Competition

As mentioned earlier, NASA's FY 2015 dollars available for competition have increased by almost \$1 billion dollars since FY 2014. This is an increase of 7.42 percent.

Four NASA Centers have a major impact on competition. GSFC, JSC, KSC, and MSFC comprised 79 percent of the Agency's obligations (see Figures 2 and 3 below). Competition improvements at these Centers positively impact the Agency-wide statistics for obligations as these Centers award high dollar value awards for mission critical programs and projects. Several of the major competitive efforts under U.S. Space Exploration Policy are managed by these Centers.

NASA had more than 29,000 contract actions in FY 2015. The top 10 in highest dollars obligated accounted for more than 10 percent of all FY 2015 obligations or \$2.6 billion. They were for highly technical and specialized requirements. These include contracts for the Space Launch System, Commercial Crew, International Space Station Resupply, and the James Webb Space Telescope. Eight of these 10 actions were competitive. The four Centers discussed in this section were the only NASA Centers to have contract actions in this top 10.

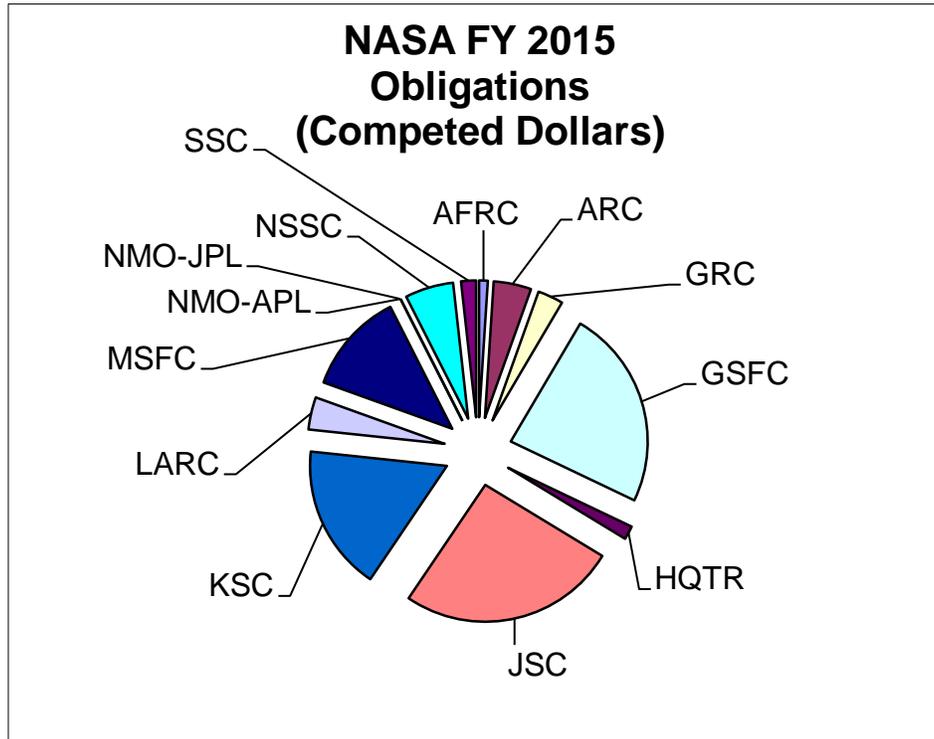


Figure 2

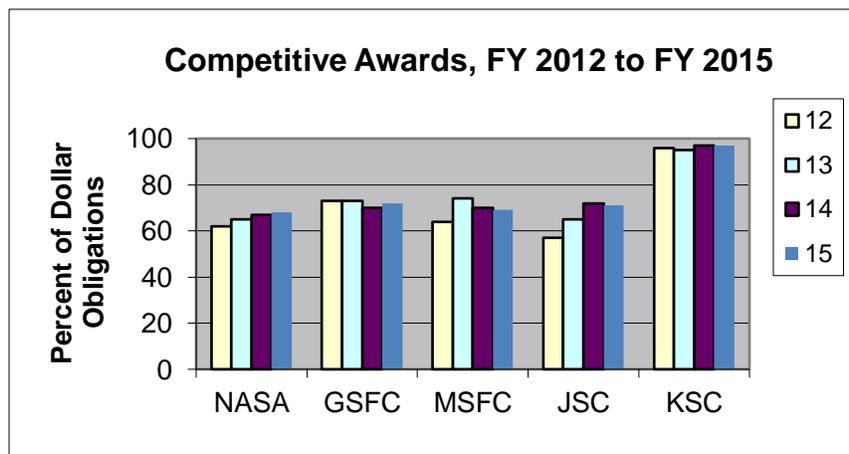


Figure 3

Part 3 – Review of Fiscal Year 2015 Other Than Full and Open Competitive, Single Source IDIQ Awards, and Only One Offer Received Activities

In this and the following sections, examples are provided from some, but not necessarily all, Centers.

Headquarters Approval of Justifications for Other than Full and Open Competition

The NFS requires NASA Headquarters approval of justifications pursuant to FAR 6.302-1, Only One Responsible Source, with an estimated value over \$85.5 million.

	FY 2012	FY 2013	FY 2014	FY 2015	% of Change Between FY 2014 and FY 2015 (Decrease in Awards and Dollars)
Number of JOFOCS	6	3	8	6	25%
Total Estimated Value	\$3.6B	\$885M	\$3.8B	\$3.5B	8%

For FY 2015, there were six JOFOCs issued using this authority. The total estimated value was \$3.5 billion. One JOFOC, for the restart of RS-25 engine system, (at \$1.5 billion) and one for the International Space Station Vehicle Sustaining Engineering Contract (\$1.2 billion) account for almost 77 percent of the total. The following are the six JOFOCs processed at Headquarters in FY 2015:

Goddard Space Flight Center

- 7/2015 – Operational Land Imager 2
- 9/2015 – Hubble Space Telescope Science Operations

Johnson Space Center

- 1/2015 – ISS Vehicle Sustaining Engineering Contract
- 9/2014 – Neutral Buoyancy Laboratory (NBL) Space Vehicle Mockup Facility (SVMF) Operations Contract
- 5/2015 – Joint US/Russian Human Space Flight Activities

Marshall Space Flight Center

- 11/2014 – RS25 Production Restart

Notification to Headquarters of Approval for Unusual and Compelling Urgency

When using the authority at FAR 6.302-2, Unusual and Compelling Urgency, the NFS requires a copy of the justification to be provided to Headquarters within three days after approval.

FY 2015 was the second year in a row to see any JOFOCs using this authority since 2011.

	FY 2012	FY 2013	FY 2014	FY 2015	% of Change Between FY 2014 and FY 2015
Number of JOFOCS	0	0	2	1	50%
Total Estimated Value	0	0	\$93M	\$0.037M	99.9%

Stennis Space Center

- 8/2015 – Bulk lead sampling and analysis for lead content on the B Test Stand. One month critical services on Facilities, Maintenance, Janitorial and Grounds Maintenance contract. *Estimated value: \$37,144 and a final amount of \$34,149 at closeout of the purchase order.*

Headquarters Approval of Determination and Finding (D&F) of Single Award Indefinite Delivery/Indefinite Quantity Contracts

Section 843 of the 2008 National Defense Authorization Act provides that no task or delivery order contract in an amount estimated to exceed \$103 million (including all options) may be awarded to a single source unless the head of the agency determines in writing that the task or delivery orders expected under the contract are so integrally related that only a single source can reasonably perform the work. In NASA Policy Directive 5101.32D, the head of the Agency delegated authority for approvals of this nature to the Assistant Administrator for Procurement.

Four single award IDIQ D&Fs were approved in FY 2015.

	FY 2012	FY 2013	FY 2014	FY 2015	% of Change Between FY 2014 and FY 2015 (Decrease in awards, increase in value)
Single Source IDIQ Awards	9	3	7	4	43%
Total Estimated Value	\$5.9B	\$1.9B	\$1.2B	\$2.3B	86%

Goddard Space Flight Center

- 8/2015 – Ground Systems And Mission Operations -2 (GSMO-2).
Estimated value: \$530 million
- 8/2015 – Support for Atmospheres, Modeling and Data Assimilation (SAMDA).
Estimated value: \$170 million

Johnson Space Center

- 7/2015 – Human Health and Performance (HHPC). *Estimated value: \$1.4 billion*

Langley Research Center

- 8/2015 – Langley Information Technology Enhanced Services II (LITES II).
Estimated value: \$200 million

Only One Offer Received

Each fiscal year, NASA reports the percentage of new contracts where competition was sought, but only one offer was received. In FY 2011, NASA removed Purchase Orders, Task/Delivery Orders, and Orders against Blanket Purchase Agreements from this group to get a more accurate representation in this category.

Fiscal Year	% of New Award Dollars	% of Total Procurement Obligations
2012	5.27%	0.12%
2013	3.66%	0.11%
2014	2.23%	0.10%
2015	5.22%	0.12%

The percent of new dollar awards is identified by taking the number of new, competed contracts and IDIQs with only one offer and dividing that number by the number of all new contracts and IDIQs for the fiscal year.

In FY 2014, the percentage of new award dollars with only one offer was considerably lower than in FY 2015.

The reason behind this is the total of new, competed contracts and IDIQs with only one offer in FY 2014 was lower than in FY 2015. At the same time, the number of all new contracts and IDIQs for FY 2014 was much higher than in FY 2015.

A considerable part of this higher number was the top four new contracts and IDIQs in FY 2014. Those four had obligations of \$423 million and were for Commercial Crew activities and construction at the Kennedy Space Center related to NASA's Space Launch System. The top four in FY 2015 had obligations of \$82 million. This resulted in a higher percentage in FY 2015.

Efforts Made by Centers in Fiscal Year 2015 to Achieve Full and Open Competition

Centers promote competition by identifying and posting acquisition forecasts, conducting market research, hosting industry days, scrutinizing sole-source justifications, etc. Some specific activities conducted or other reasons for increases in FY 2015 are included below. Some examples of FY 2015 competitive procurements are also below.

Glenn Research Center

The Procurement Division continues to encourage greater use of the price/past performance trade-off process. Experience has shown that use of this process typically results in a greater numbers of proposals.

Frequent interactions are held between contracting officers and the requesting organizations regarding competitive acquisitions. Branch chiefs have also been proactive in meeting with their technical customers to both learn of upcoming procurement requirements and to educate them on procurement issues, including competition requirements.

The documents justifying non-competitive task orders are called Justifications for the Exception to Fair Opportunity (JEFO). The GRC review procedures and approval levels for JEFOs are similar to the process used for approval of JOFOCs.

The Procurement Division conducts briefings for new GRC supervisors and project managers to review procurement tenets, requirements, and processes, including an emphasis on competition requirements. Throughout the fiscal year, the GRC Small Business Specialist, sometimes accompanied by other Center representatives, participates in Small Business Administration, Veteran Affairs, Congressional, NASA, and city-sponsored activities in order to: 1) increase interest in GRC's opportunities, 2) provide general information relative to the procurement process, and 3) expand the pool of potential competitors for GRC requirements.

Two major Full and Open Competitions are listed below.

Financial Analysis and Business Support Services (FABSS II): This procurement is to provide financial analysis and business support services to the NASA Glenn Research Center. This procurement is a follow-on to the previous Financial Analysis and Business Support Services (FABSS) I contract, which provided similar services. These services will primarily be performed at the GRC's Lewis Field located in Cleveland, Ohio. The types of services on this contract will include Institutional and Programmatic Resource Analyst Support (IRAD/PRAD), Accounting and Financial Analysis Support (AFAD), Mission Integration Support (MSID), and Annual Economic Impact Study.

NASA's Evolutionary Xenon Thruster-Commercial (NEXT-C): Design, fabricate and test two thrusters and two power processing units for flight that will be available for use on one of the Agency's Discovery missions or other future mission.

Goddard Space Flight Center

For follow-on acquisitions, GSFC continued to make a concerted effort to expand the release of contractual historical data (rates and technical documentation) to provide non-incumbents with greater access to information and encourage increased competition. This has resulted in more proposals and higher quality competitions and selections. For example, in some follow-on competitions that may have received two or three competitive offers in the past, GSFC is now routinely receiving four or more competitive proposals. Some major source selections that experienced increased competition in FY 2015 included: Mechanical Integrated Services and Technologies (MIST) contract, Technology and Integrated Discipline Engineering Services (TIDES) contract, and the Systems Engineering Advanced Services (SEAS) contract. Arguably, this has also provided better value selections. Incumbent contractors know that strong competition is likely based on GSFC's recent history and continuing efforts to encourage competition, therefore both incumbents and non-incumbents are motivated to provide the best technical and cost proposals they are capable of producing. Unfortunately, one unintended consequence of this competitive success is that evaluation durations and the time to selection has increased, sometimes significantly.

Johnson Space Center

During FY 2015, JSC conducted seven major competitive acquisition using FAR Part 15, Contracting by Negotiation. Two key ones are below.

Human Health and Performance Contract (HHPC): The HHPC contract was awarded on July 28, 2015. This effort has a potential value of \$1.4 billion and was awarded under full and open competition. This contract is a follow-on contract to JSC's Bioastronautics contract in support of JSC's Human Health and Performance Directorate and the Human Research Program. The contract provides biomedical, medical, and health services for all Human Space Flight programs at JSC, including the International Space Station, Orion, Advanced Exploration Systems, Human Research, Commercial Crew and Cargo, and Space Technology Mission

Directorate.

Communications, Outreach, Multi-Media & Information Technology (COMIT): This competitive effort is being conducted as a small business set-aside with a potential value of \$300 million. Products and services include general information technology, multimedia services, general customer support, information management services, business management and integration, and external relations support services in support of NASA's Human Space Flight Programs, Exploration and Science Programs, and institutional organizations.

Kennedy Space Center

KSC Procurement Office management and Contracting Officers (COs) conduct frequent meetings with the KSC Engineering Directorate, KSC Ground Systems Development and Operations (GSDO) Program, the Commercial Crew Program Office, and institutional directorates to discuss acquisition planning. One of the goals of these meetings is to eliminate barriers to competition and to encourage market research to determine if a competitive environment exists. Another objective is to ensure all aspects of the acquisition are considered in the early development of the acquisition strategy. The main goal of these meetings is to ensure competitive specifications are developed. Several contracts awarded with full and open competition during FY 2015 are listed below.

During FY 2015 the Construction, Engineering and Projects Support Office (OP-ES) at KSC solicited two construction projects (GSDO Mobile Launcher Ground Support Equipment Installation and Modify/Refurbish Flame Trench and Construct Flame Deflector at LC 39B) as full and open modified price/past performance trade-off acquisitions. The two project awards totaled approximately \$65.6 million.

OP-ES also awarded two Architect-Engineer Indefinite Delivery/Indefinite Quantity contracts for the design and other professional services necessary to rehabilitate, modernize, and/or develop new civil infrastructure and facilities at Kennedy Space Center, Other NASA Centers, Cape Canaveral Air Force Station, and launch or landing sites worldwide. Both were awarded with not-to-exceed values of \$20 million over a five-year ordering period.

Langley Research Center

In FY 2015, LARC used specific initiatives to increase competition.

LARC continues to maximize competitive opportunities. While establishing the procurement strategy, the Langley Information Technology Enhanced Services (LITES II) SEB identified an effort under LITES I, support services for Geospatial Information Systems (GIS) that included IT services as well as other support services. The SEB recommended and the Source Selection Authority (SSA) agreed that this effort should be removed from the LITES II competition and handled as a separate procurement. Based upon historical subcontract data and market research, this procurement was competed and awarded as a HUBZone Set-Aside.

The LITES II contract, valued at \$200 million, was awarded using full and open competitive procedures on August 13, 2015. The contract provides support services in the areas of science and engineering applications, Center infrastructure applications, data center support, business management applications support, and IT project management support. This follow-on was converted from a cost-plus-incentive-fee (CPIF) with 91 task orders and was converted to an FFP contract with 10 discipline-based task orders. The evaluation criteria was restructured to focus on key areas of IT support, and the cost/price evaluation was simplified. These efforts resulted in six offers, an increase in competition from the preceding competition of 50 percent.

The Basic and Applied Aerospace Research and Technology (BAART) multiple award Indefinite Delivery/Indefinite Quantity (IDIQ) procurement used a number of techniques to increase competition. The predecessor contracts had required that contractors be able to perform across a wide range of aeronautics areas such as Structures, Materials, Aerodynamics, and Aerothermodynamics. For BAART, the work was divided into natural “technical tracks,” for specific technologies and work to allow companies to offer in their areas of expertise. The use of these technical tracks also allowed us to set aside one of the tracks for small businesses.

The BAART procurement also used price past performance trade off (PPTO) rather than requesting full mission suitability proposals and conducting a best value trade off using mission suitability, past performance and cost. Because individual tasks are competed and selected based upon technical approach, past performance and cost on the specific task requirements, the Source Evaluation Board (SEB) determined that past performance was the best indicator of future success. This change, which substantially reduced the proposal submission requirements, resulted in a number of new industry partners responding who previously had not proposed because of the expense of responding to extensive technical proposal requirements.

Additionally, responding to requests for flexibility from industry and Agency technical customers, BAART includes the ability to award task orders on a cost-plus-fixed-fee (CPFF), cost share, and firm-fixed-price (FFP) basis. The benefit of competition will continue to take place among the awarded IDIQ contractors on the specific task orders, which will consider technical approach, past performance and price. Feedback from industry is that PPTO lowered their proposal preparation costs with the streamlining of proposal requirements.

The Electronic, Mechanical, Composite Hardware Fabrication Support Services (EMCHFSS) II contract was awarded as a Small Business Set-Aside. This CPFF IDIQ valued at \$25 million was awarded April 1, 2015. The contract provides on-site support services for fabrication of research-oriented and one-of-a-kind test articles for ground support, aircraft, spaceflight, laboratory, science, and research facility requirements. The predecessor contract required an offsite facility with a secret facility clearance but after re-evaluating the customer’s needs the team eliminated both of these requirements resulting in increased competition and a substantial decrease in costs to the Government.

Marshall Space Flight Center

The MSFC Acquisition Planning Tool (APT) has continued to grow since its launch in September 2006. This tool enhances competition by providing summary information on major

MSFC contracts including future competitions. The unique information provides date-specific milestones such as current contract expiration or option date and ultimate completion date.

Future milestone dates for the next competition such as when the Source Evaluation Board/Committee (SEB/C) will be formed, anticipated RFP release date, and estimated award date. On SEB/Cs for competitions in progress, a specific Web page for each competition is provided containing additional documentation, the board/committee chairperson, and detail milestone dates both anticipated and accomplished.

MSFC's Office of Procurement Reviewing specifications and statements of work relative to specific procurement actions to assure that they are not overly restrictive or vague; that, to the maximum extent possible, no more than minimum needs are specified, and that unless otherwise necessary, requirements are stated in terms of functions to be performed, performance required, or essential physical characteristics.

MSFC investigates avenues for the acquisition of commercial items and investigating and removing existing barriers to accomplish acquisition of such actions.

The Office of Procurement at MSFC requires monitoring and removal of unnecessarily burdensome contract clauses.

MSFC's Office of Procurement has established a Source Selection Office, which is responsible for managing and maintaining the source selection process for competitive procurements valued at \$10 million or greater. This office enhances the accountability of high visibility procurements to ensure competitions are conducted efficiently.

Competition under Delivery and Task Order Contracts

NASA Centers competitively award orders under multiple award IDIQ contracts. They have also instituted policies and procedures to ensure that task and delivery orders issued under multiple award contracts are properly planned and comply with applicable regulatory guidance.

The following are examples of some Center initiatives and competitions:

Ames Research Center

During the acquisition planning process for the Ames Professional Administrative Support Services (APASS) procurement – a follow-on to the current Business Operations and Technical Services (BOATS) contract – ARC considered the use of the MOBIS FSS contract (now referred to as the Professional Services Schedule). While the Professional Services Schedule allows Federal agencies to procure a wide variety of professional services utilizing a single schedule contract, the contract vehicle comes with some inherent limitations. First and foremost, only orders or Blanket Purchase Agreements may be awarded against the Multiple Award Schedule contracts of the General Services Administration. Therefore, ARC could not award an Indefinite Delivery/Indefinite Quantity type of contract utilizing the FSS contracts. This places substantial administrative and budgetary burdens on our procurement professionals. Thus, ARC decided

against issuing multiple task orders or a single BPA against the Professional Services Schedule for the APASS requirement.

In FY 2015, ARC awarded three large task orders under the Multiple Award Construction Contract (MACC II) at an initial, aggregate value of \$5.8 million. ARC expects these obligations to only increase in the next fiscal year. Additionally, ARC awarded one Multiple-Award contract in FY 2015 – the Rotary Wing Technology Development contract (RWTD). This contract has a minimum IDIQ task order value of \$25,000 and a maximum IDIQ task order value of \$40 million across five years, and the maximum value of any individual task order will not exceed \$15 million. This is to ensure adequate competition across all of the contract holders.

Johnson Space Center

JSC makes an effort to anticipate requirements as early as possible, so that the lead times necessary to compete task orders and delivery orders do not preclude our ability to maximize competition. This is accomplished by involving the acquisition team as early as possible during the requirements development stage. In addition, we employ acquisition strategies that expand our competition capabilities by putting multiple parallel contracts in place, where we anticipate that future requirements warrant this strategy. For example, we utilize multiple-award IDIQ contracts for major construction (conducted as a full and open competition) and minor construction (8(a) competition) projects at the Center. As construction jobs arise, they are competed among the existing contracts, and awarded as task orders under the winning contract. A similar approach is used to order Architect-Engineering (AE) services from one of our four parallel contracts for that effort. JSC also uses the NASA Open Innovation Services (NOIS) contract to order multiple external crowdsourcing challenge capabilities, e.g., communities and platforms to support NASA and other government agencies.

In FY 2015, a multiple award general construction IDIQ competition between five JSC construction vendors resulted in the award of two task orders totaling \$64.9 million for the Safety Repairs and Upgrade to the Site Electrical Substation (\$4.4 million) and the Construction of the Human Health and Performance Laboratory (\$60.5 million). Additionally eight task orders under the multiple award AE IDIQ were awarded totaling \$1.7 million.

In FY 2015, a fixed-price task order was awarded under the Department of Energy's multiple award IDIQ Energy Savings Performance contract for the design, construction, installation, and operation and maintenance of a combined heating and power plant at JSC. The task order includes a 22-month construction period, followed by a 22-year performance period. The total price is \$141,970,593, which includes implementation (design, construction, installation) costs of \$47,031,745. The entirety of the project will be paid for out of the guaranteed savings observed as a result of the installed energy savings measures over the term of the task order.

Kennedy Space Center

During FY 2015, one fixed-price task order in the amount of \$350.5 million was awarded under the Commercial Crew Transportation Capabilities (CCtCap) multiple-award IDIQ contracts for a crew rotation mission to the International Space Station. The mission was awarded using an

exception to fair opportunity. The exception to fair opportunity covers the award of two missions to each of the two CCtCap contractors – the minimum quantity under each contracts' IDIQ post certification mission CLIN. Each CCtCap contractor will be provided a fair opportunity to be considered for additional missions.

In FY 2015, firm-fixed-price task orders were awarded for the Transiting Exoplanet Survey Satellite (TESS) and Ionospheric Connection Explorer (ICON) missions for a total amount of \$122 million, enabling KSC to improve the percentage of competed actions and dollars for FY 2015. We anticipate, through the on-ramp provisions of the NLS contracts, competition will continue to improve once the additional heavy lift category launch services (such as the Falcon Heavy) become available in the commercial market.

Marshall Space Flight Center

In FY 2015, a delivery order was issued against MSFC's Engineering Solutions and Prototyping (ESP) multiple award contract. The order valued at \$1.2 million was issued to Radiance Technologies in support of the Exploration Upper Stage, for the acquisition of composite tooling capable of interacting with the NASA MSFC Automated Fiber Placement cell, a trim stand, and for associated design and analysis.

NASA Shared Services Center

NSSC awarded three delivery orders over \$1 million on Blanket Purchase Agreements (BPAs) that were established against NASA SEWP and GSA Federal Supply Schedule contracts in FY 2015.

Stennis Space Center

SSC awarded two task orders. The B2 Test Stand Restoration Work Package 4 was awarded on October 3, 2014, in the amount of \$20,418,888. The B2 Tarmac was awarded on May 12, 2015, in the amount of \$2,554,947.

Part 4 – Fiscal Year 2015 Acquisition of Commercial Items

After several years of increased growth, NASA’s use of commercial item acquisitions remained at 90 percent for FY 2014 and FY 2015.

2012	2013**	2014	2015
70%	86%	90%	90%

Center Statistics for FY 2012 through FY 2015:

Center	2012	2013**	2014	2015
AFRC	58%	84%	89%	86%
ARC	84%	90%	94%	98%
GRC	69%	83%	86%	81%
GSFC	86%	94%	96%	96%
HQ	51%	87%	94%	93%
JSC	60%	64%	83%	93%
KSC	69%	80%	80%	83%
LARC	71%	91%	94%	92%
MSFC	58%	83%	80%	84%
NSSC	86%	94%	98%	96%
SSC	86%	77%	88%	87%

** The Commercial Award computation column was adjusted beginning with FY 2013 to include more commercial items captured in FPDS.

NASA will continue to award contracts for commercial items whenever possible by:

- Encouraging requiring organizations and contractors to acquire goods and services with a preference for commercial item acquisitions;
- Improving training in the acquisition of commercial items;
- Conducting industry days;
- Using contract review boards and peer reviews;
- Issuing Requests for Information and posting sources sought announcements; and
- Using the full range of market research tools.

Figure 4 on the following page graphically depicts the percentage of new contract actions that are commercial acquisitions by Center for FY 2015.

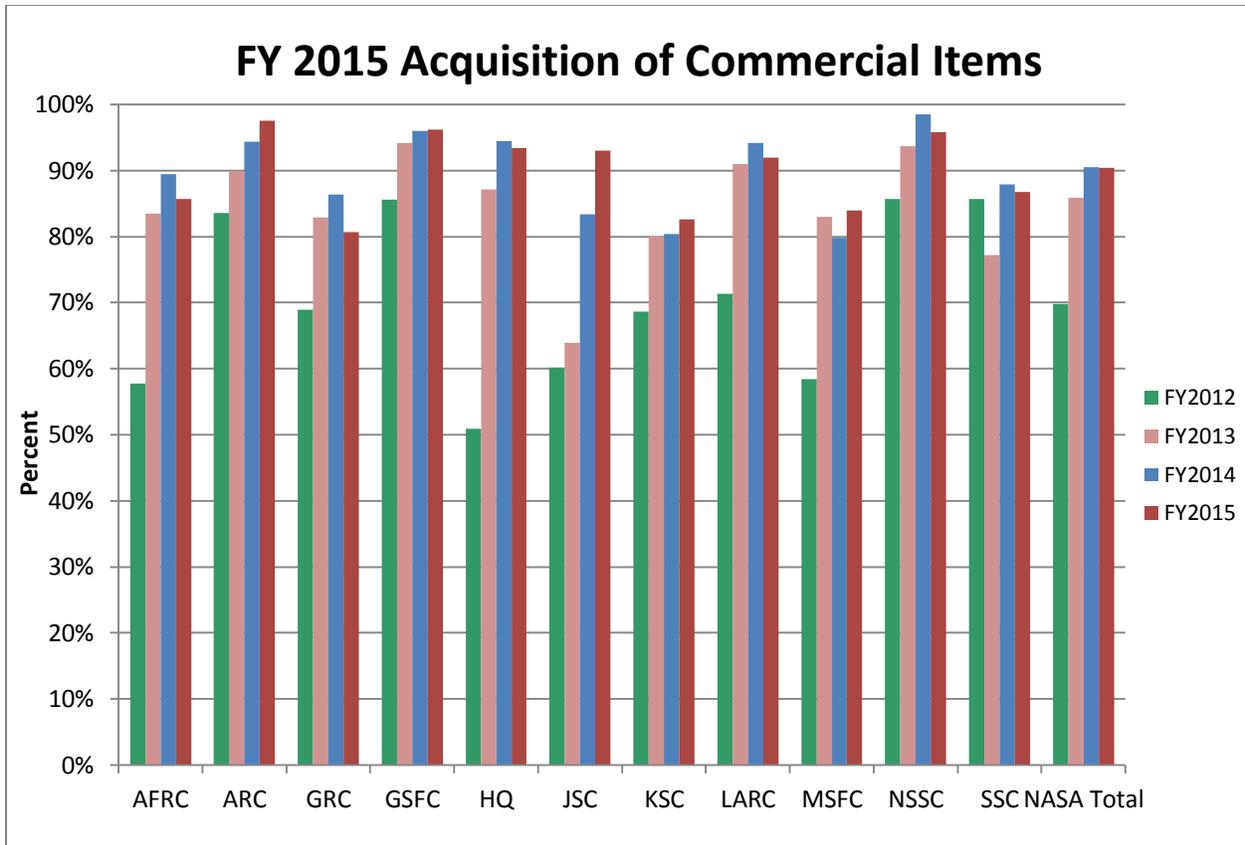


Figure 4

*Excludes SBIR/STTRs, R&D, construction, grants, agreements, intra-governmentals

Efforts Made to Increase Commercial Item Competition and Center Suggestions for Initiatives to Increase Commercial Item Acquisition

Armstrong Flight Research Center

AFRC continually emphasizes to personnel the policies regarding competition and benefits of obtaining commercial items. This is accomplished in two ways: 1) internally at our staff meetings, and 2) by attending commercial training courses. The subject is also emphasized in the Contracting Officer’s Representatives (CORs) training courses conducted locally. Currently, COR training courses include materials describing the benefits and requirements of the Competition in Contracting Act (CICA) and competitive acquisitions. These courses also discuss the requirement to specify commercial items, where appropriate. Additionally, AFRC contracting personnel have been providing education and outreach to technical requestors to emphasize the importance of defined requirements and adequate rationale to deviate from procuring commercial items.

In addition to the above actions, we continue to emphasize the benefits of using Government-wide Acquisition Contract (GWAC) vehicles, such as the NASA Solutions for Enterprise-Wide Procurement (SEWP) and GSA area-wide contracts, to the maximum extent possible.

Ames Research Center

ARC arranged ad hoc one-on-one sessions between the local GSA representative, Contract Specialists/Contracting Officers (CS/CO), and Contracting Officer Representatives (CORs) to review requirements during market research to improve the identification of requirements that can be purchased using GSA Schedule contracts.

ARC sent targeted e-mails to qualified commercial small businesses that informed them of upcoming solicitations and sources sought notices. This led to more participation by these prospective contractors in industry days/pre-solicitation conferences as well as one-on-one meetings with the Small Business Specialist, procurement staff, and technical representatives.

Procurement coordinated with the ARC Small Business Specialist, the Small Business Technical Coordinators (SBTCs), the Small Business Technical Advisor (SBTA), and industry, in order to match commercial contractors with an interest in doing business with ARC with technical representatives whose needs may be served by these contractors.

The most significant numeric increase in awards of commercial items came in the “Purchase Orders” category, where in FY 2015, ARC obligated an additional \$1.2 million over FY 2014 obligations. ARC awarded 10 moderately sized purchase orders ranging from \$100,000 to \$225,000 and equating to \$1.5 million in obligations, or 59 percent of the total commercial item purchase order obligations. Further, ARC experienced a 46 percent increase in the “Other Modifications” category. At a closer glance, the increase can be directly attributed to a handful of contracts – ATD-1 Subject Matter Expertise with obligations totaling \$1.3 million; GSA Financial Accounting and Business Solution Schedule services with obligations totaling \$2.9 million; Professional Services with obligations totaling \$1.4 million; and Natural Gas with obligations totaling \$1.3 million. These modifications total \$6.9 million, or 83 percent, of obligations in this category.

ARC experienced a 39 percent decline in commercial item obligations from FY 2014 to FY 2015. ARC reviewed the general types of requirements for which it procured commercial supplies or services in Fiscal Years 2014 and 2015 to determine whether particular segments of industry could be leveraged to satisfy emerging ARC requirements. Although ARC experienced growth in several areas of commercial support in FY 2014, it saw small to moderate decreases across all of the same areas in FY 2015. In fact, ARC only experienced an increase in one area—Technical Services. The overall decline could be attributed to decreasing Center Management and Operations (CMO), training, and outreach budgets as well as the transfer of software licensing efforts to the NSSC. ARC continues to actively seek commercial sources to support Research & Development requirements at ARC and hopes to identify and develop commercial industry partners to increase commercial participation in this area. As most of the simplified acquisition purchases transition to the NASA Shared Services Center within the next year, ARC expects to see further declines in commercial item obligations.

Glenn Research Center

The GRC's Procurement Division has taken opportunities to maximize competition on many major commercial item awards.

One example, the multiple Blanket Purchase Agreements that were awarded in FY 2011 have been extensively utilized for the award of individual purchase orders, which were competed among the BPA holders within the four general fabrication and machining areas. Potential additional sources are regularly considered as possible additions to the existing pool of BPA holders to further increase the level of competition while also streamlining the process of placing individual orders.

Goddard Space Flight Center

GSFC has continued to emphasize the use of significant streamlining for commercial acquisitions in order to reduce the proposal efforts for offerors, increase competition, and increase the efficiency of proposal evaluations. When appropriate, this may include streamlining technical evaluations (technically acceptable, limited technical evaluations, or eliminating technical evaluations when past performance is enough) or limiting past performance evaluations (pass/fail for commercial competitions or no evaluation when market research already indicates positive performance for GSA vendors). While the Solutions for Enterprise-Wide Procurement (SEWP) V commercial information technology procurement encountered various challenges, the pass/fail approach for the Past Performance evaluations provided significant streamlining success and reduced evaluation time in evaluating over 200 proposals.

Johnson Space Center

A key commercial activity at JSC is described below.

Commercial Resupply Services 2 (CRS 2) Contract: This effort is being conducted under a full and open competition with a not-to-exceed value of \$14 billion. CRS 2 will provide delivery of pressurized and unpressurized cargo, return and disposal of pressurized cargo, disposal of unpressurized cargo, and ground support services for the end-to-end resupply missions to the ISS. This effort is a follow-on to the Commercial Resupply Services contract.

Kennedy Space Center

Two of KSC's commercial competitions are below:

In FY 2015, firm-fixed-price task orders were awarded for the Transiting Exoplanet Survey Satellite (TESS) and Ionospheric Connection Explorer (ICON) missions for a total amount of \$122 million, enabling KSC to improve the percentage of competed actions and dollars for FY 2015. KSC anticipates, through the on-ramp provisions of the NLS contracts, competition will continue to improve once the additional heavy lift category launch services (such as the Falcon Heavy) become available in the commercial market.

A competitive commercial acquisition for the Solar Probe Plus (SPP) launch service was conducted in FY 2015. An SEB for this launch service was conducted because the heavy lift category launch services required were not available on the NLS II contracts. The total FFP for this launch service was \$389 million, which also enabled KSC to improve the percentage of competed actions and dollars for FY 2015.

Langley Research Center

The Occupational Health Program Support was competed using commercial item procedures for the first time. Historically, this competition was conducted using FAR Part 15 competitive procedures. This was an 8(a) set-aside competitive, FP, \$6.1 million order awarded on April 1, 2015. The lead time was shortened to 38 days from proposal receipt to award and increased competition using the streamlined competitive process under FAR Part 12.

Marshall Space Flight Center

MSFC continues to investigate opportunities to increase the number of commercial item acquisitions. In FY 2015, the acquisition strategy for the NASA Technical Standards re-competition valued at \$9 million included pursuing the General Services Administration's Federal Supply Schedules. It is anticipated that the re-competition of the Acquisition and Business Support Services contract (ABSS) valued at \$99 million will be awarded to a Women Owned Small Business.

Stennis Space Center

In FY 2015, SSC continued its competitive use of BPAs, General Services Administration Federal Supply Schedules and its MACC as further explained below.

SSC continued its use of established BPAs that provide a competitive purchasing vehicle for our customers. In FY 2015, SSC obligated \$160,000 in calls using these vehicles.

During this period, SSC also continued to emphasize maximum use of GSA FSS, and GWACs. This procurement approach provided SSC with a simplified process for volume buying while increasing competition for commercial items. The GSA vehicles were routinely utilized through the issuance of Delivery Orders. In FY 2015, SSC obligated \$525,000 under these vehicles, and made the decision to compete the Center Information Technology Services (ITS) contract using GSA's Schedule 70, which will assist in SSC's FY 2016 competition rates.

Six competitive task orders were awarded under SSC's MACC for a total of \$33.4 million.

One of SSC's major competitive commercial procurements planned and awarded in FY 2015 was the High Pressure Gas System Repair. It was awarded on September 14, 2015, in the amount of \$7,778,989.

Part 5 – Barriers to Competition and Commercial Items Acquisition across the Agency

Ames Research Center

ARC continues to undertake efforts to optimize the transition of procurements to competitive and lower-risk contracts, to include the following initiatives:

- Ongoing outreach to technical requestors improved the ongoing understanding of technical requirements.
- Enhanced use of firm-fixed-price core-plus-IDIQ contracts to increase competition in support of ongoing work and reduce contract risk.
- Ongoing use of streamlined procurements, including Price-Past Performance Trade-Off where appropriate, to increase competition and participation from industry.
- Enhanced local outreach to the vendor community, including regular meetings with non-traditional partners as well as the Ames Contractor Council, to share information, trends, and observations.

Glenn Research Center

One of the largest barriers to competition is the cost of proposal preparation and submittal. Some solicitations require extensive proposal information, which discourages the submission of proposals and competition. With our recent success using the past performance/cost trade-off process, this new streamlined and less costly approach will increase competition.

FPDS reporting is inaccurately representing the actions and dollars for competition and do not accurately reflect the Center's efforts and outcomes. The Federal Competition Report includes zero dollar mods and other items that should not be included, but are. EPDW may be a more accurate source or strong supplement to competition data.

Kennedy Space Center

The known barrier to commercial item acquisitions is the same as identified in FY 2014 – the requirement for reporting construction of facilities as noncommercial.

KSC recommends a policy review at the NASA Headquarters level of the FAR to pursue an exception to use of Part 12 policies and procedures for construction, thereby considering construction to be commercial, but allowing the use of FAR Part 36 policies and procedures. This would enable coding of construction activities as commercial. No other barriers to commercial item acquisitions are known.

NASA Shared Services Center

The NSSC's overall competition rate in FY 2015 was 94.7% (dollars competed), the second highest rate in NASA.

Stennis Space Center

Due to regulatory requirements, SSC has a continuing sole source need for environmental regulatory review. This action is imposed by the State of Mississippi Department for Environmental Quality (MDEQ) regulatory review and comment on documents and data provided to the state by SSC. This includes conducting site visits as deemed appropriate to review SSC's response to environmental actions and to ensure consistency with appropriate state requirements. The MDEQ performs this regulatory review. Therefore, no other commercial activity, state, or local agency is better situated with the knowledge and authority to provide specific and special reviews within SSC's particular boundaries and jurisdiction.

SSC's ability to conduct Rocket Testing is due in part to being surrounded by a large "Buffer Zone." The Buffer Zone is land that is owned by private individuals or corporations and contains restrictive easements that must be enforced in order to preserve the ability for SSC to conduct these tests. In order to enforce the restrictive easements within the Buffer Zone, SSC has a continuing need for Law Enforcement Services provided by the Hancock County Sheriff's Office (HCSO). SSC is under the proprietary law enforcement jurisdiction of the Sheriff of Hancock County. Therefore, no other commercial activity, state, or local law enforcement agency is better situated with the legal authority to provide specific and special law enforcement within SSC's particular boundaries and jurisdiction. This portion of SSC's security needs must be filled under a sole source contract. Enforcement of SSC's Buffer Zone restrictive easement represents a small portion of SSC's overall security requirements, the remainder of which is provided under competition. Consequently, a sole source contract has a minimal impact on the open market interest in the security work at SSC.

Part 6 – High Risk Contract Types and Mitigation Actions

This area is addressed specifically in the Center Competition Advocate Reports. There are also specific Center examples cited throughout this report. Listed below are a few examples of some of the more creative initiatives:

Ames Research Center

As part of this effort, early outreach and partnership development is a focus area of each of the three operational acquisition branches, and efforts are underway to increase the quality of outreach to industry, better define requirements so that they support competition, and to increase the timeliness of re-procurements (and thereby reduce non-competitive contract extensions).

Ongoing initiatives focused on risk mitigation include the following:

- Concurrent review of acquisition strategy documents for major requirements to engage the stakeholders to discuss the requirement and the best approach for meeting that requirement early. The intent is to increase communication amongst the team and provide a forum to discuss competition requirements, contract type, lead times, and development of a strategy that is most appropriate for the requirement.
- Early SBS engagement with requirement generators, both directly and through SBTCs, to reduce barriers to competition and commercial item acquisitions through enhanced market research.

Kennedy Space Center

Cost-reimbursement contracts play an important role in helping KSC address complex launch requirements, ground support equipment requirements, and unforeseen emergencies that arise because of launch operations. For cost reimbursement contracts, cost projections, experience, and reporting are carefully tracked on, at least, a monthly frequency, and, for those with an award fee feature, cost performance against contract requirements is evaluated (including an informed variance analysis) and rated as an important component of the periodic award fee evaluation.

KSC contracts that are a risk to the Government such as cost-plus-award-fee and time and materials contracts have a Contracting Officer Representative (COR) assigned to perform technical surveillance of each contract. CORs, and technical monitors, assess and report on the contractor's quality, timeliness, cost control, and customer concerns. The contractor's performance metrics, established by their customer, improve the Center's ability to motivate quality contractor performance during the life of a contract.

Stennis Space Center

The TOC and FOSS CR contracts will be replaced in FY 2016 with the recently awarded Synergy Achieving Consolidated Operations and Maintenance (SACOM) contract. The

SACOM contract is a hybrid cost-plus-incentive-fee/firm-fixed-price/Indefinite Delivery/Indefinite Quantity/award term (CPIF/FFP/IDIQ/AT) contract.

Also, in FY 2015, all new contracts (including purchase orders) awarded were FFP except for the SACOM contract. The SACOM contract replaces SSC's cost-plus-award-fee TOC, SSC's cost-plus-award-term FOOSC and MSFC's CPAF Manufacturing Support Facility Operations Contract (MSFOC) at Michoud Assembly Facility (MAF), thereby reducing overall contract type risk for SSC and MSFC.

Fiscal Year 2016

NASA Competition Advocate Report

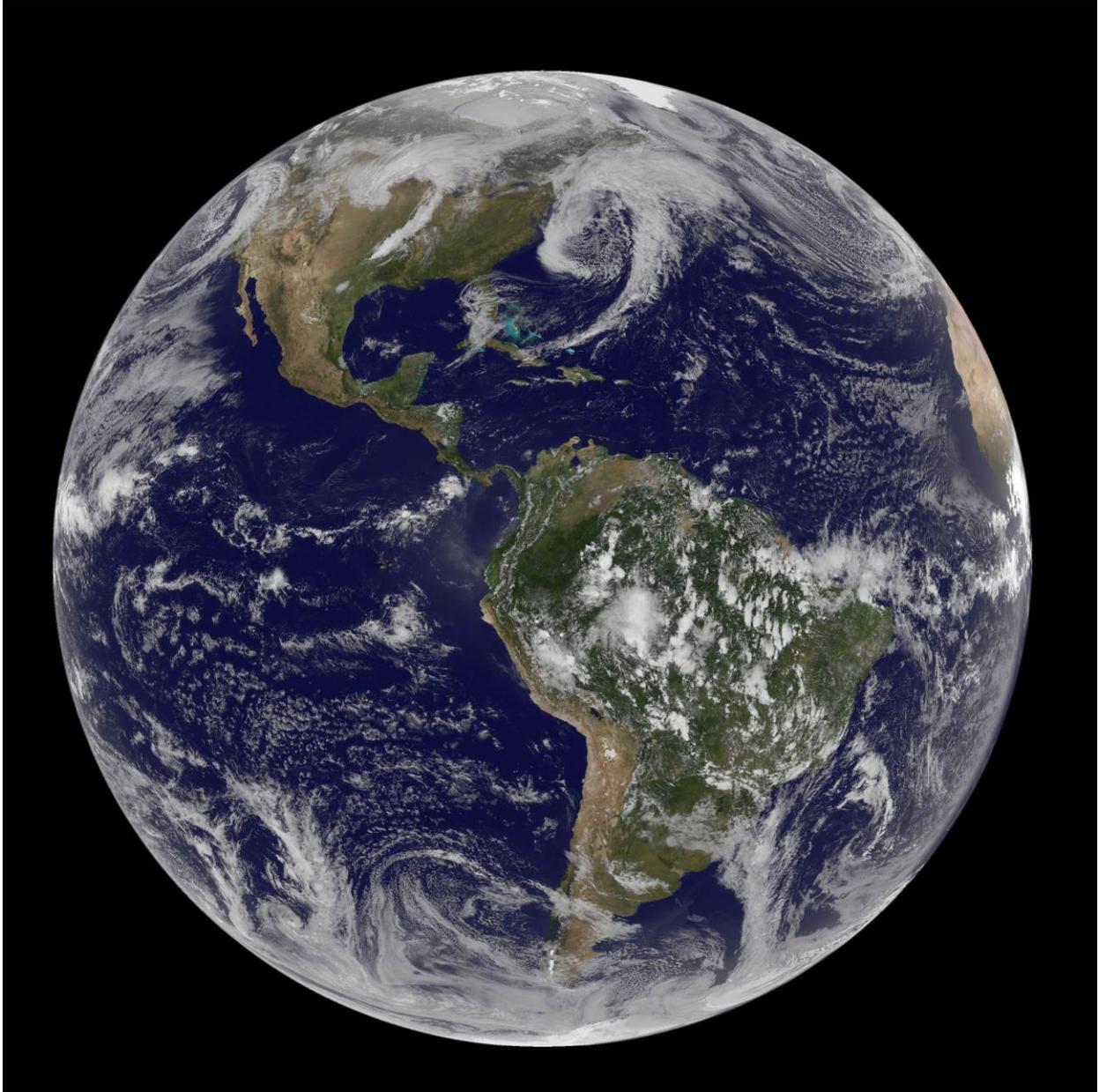


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Center Acronyms

Ames Research Center (ARC)
Armstrong Flight Research Center (AFRC)
Glenn Research Center (GRC)
Goddard Space Flight Center (GSFC)
Johnson Space Center (JSC)
Kennedy Space Center (KSC)
Langley Research Center (LaRC)
Marshall Space Flight Center (MSFC)
NASA Headquarters (HQ)
NASA Management Office at the Applied Physics Laboratory (NMO-APL)
NASA Management Office at the Jet Propulsion Laboratory (NMO-JPL)
NASA Shared Services Center (NSSC)
Stennis Space Center (SSC)

Executive Summary

The Office of Federal Procurement Policy (OFPP) Act (41 U.S.C. 418) requires executive agency competition advocates to transmit an annual competition report to their respective senior procurement executives. Monica Manning, the Deputy Associate Administrator for the Office of Procurement, is the Competition Advocate for the National Aeronautics and Space Administration (NASA). This report summarizes the Agency's competition performance during Fiscal Year 2016.

NASA practices full and open competition to the maximum extent practicable. While there are instances in the highly-complex and specialized business of developing space systems that warrant non-competitive contract mechanisms, NASA is committed to ensuring competition in new and follow-on procurement opportunities.

The Commercial Awards in the table below for FY 2016 have been adjusted to include more commercial items that had not originally been captured in FPDS and, therefore, represent a better picture of the work NASA is doing. With the release of the Federal Procurement Data System-Next Generation (FPDS-NG) in 2005, agencies were limited in the information of commercial items that could be stored in the system. As a result, the numbers for the Agency dropped dramatically. Over the years, the system has stabilized and improved. Beginning in FY 2013, the adjusted numbers included awards under \$25,000 that have been reported in FPDS-NG and in most cases show a sizable improvement. This is not an inflation of numbers but a more realistic view of the work NASA is doing in acquiring commercial items.

NASA's total dollars available for competition rose by more than \$1.3 billion from \$15.9 billion in FY 2015 to \$17.3 billion in FY 2016.

	FY 2014	FY 2015	FY 2016
Competitive Actions	67%	68%	69%
Competitive Obligated Dollars	67%	68%	69%
Commercial Awards	90%	90%	91%

NASA often contracts for highly-specialized services and expertise needed for working technically challenging and highly-complex issues associated with its aerospace missions, many times resulting in non-competitive procurements. Despite the challenges, NASA is committed to increasing competition wherever possible.

Part 1 – Introduction

The NASA Federal Acquisition Regulation Supplement (NFS) identifies the Agency Competition Advocate as the Deputy Assistant Administrator for the Office of Procurement. Additionally, there are advocates identified for each NASA Center; these are the Center Deputy Directors or Associate Directors and the Headquarters Operations Director. The Competition Advocate Program stresses training, procurement planning, acquisition forecasting, outreach efforts, and the appropriate documentation for justifications for other than full and open competition. Those serving in these senior positions have direct influence over all Center functions and activities that affect competition in contracting. NASA's competition advocate is also responsible for promoting the acquisition of commercial items. This report describes NASA's progress in competition and in acquiring commercial items to meet the needs of the Agency.

Benefits of Competition

One of the primary benefits is a sense of “fair play” when merit, rather than favoritism, is the basis for award.¹ The Office of Federal Procurement Policy memorandum dated October 27, 2009, provides as an attachment, “Guidelines for Increasing Competition and Structuring Contracts for the Best Results.” The memo advocates that competition:

- Drives down costs;
- Motivates better contractor performance;
- Helps to curb fraud and waste; and
- Promotes innovation.

Related to competition is the degree of concentration of the industrial base.² An agency's ability to obtain competition can be very limited when there are only a few suppliers. Also, when agencies repeatedly buy from the same supplier, there may be no opportunity for other suppliers to enter the market.

Under the guidance of the Assistant Administrator for Procurement, NASA will continue to emphasize maximizing competition across the Agency as requested in the Office of Federal Procurement Policy memoranda dated July 18, 2008, and October 27, 2009. NASA's increasing competition statistics clearly demonstrate the importance of competition and the role it plays in the success of the NASA mission.

¹ Senate Report No. 98-50, accompanying S. 338, the Competition in Contracting Act of 1984, p. 3.

² Ibid., p. 16.

Benefits of Acquiring Commercial Items and Services

Acquiring commercial items –

- Is easier than acquiring non-commercial items;
- Eliminates the need for research and development;
- Reduces acquisition lead-time;
- Reduces the use of detailed design specifications and extensive product testing.³

The acquisition of commercial items also enhances the Government's base of suppliers by—

- Encouraging Government contractors to develop dual-use products, i.e., for use in both Government and commercial applications; and
- Encouraging commercially oriented firms to do business with the Government.⁴

³ Senate Reports No. 103-258, p. 5, and 103-259, pp. 5 to 6, accompanying S. 1587, the Federal Acquisition Streamlining Act

⁴ Senate Report No. 103-259, p. 7

Part 2 – Fiscal Year 2016 Competition Statistics

Overview

In FY 2016, NASA had \$17.3 billion dollars available for competition, an increase of more than \$1.3 billion from FY 2015. Of that \$17.3 billion, almost \$12 billion was competed. This is an increase of more than \$1.1 billion over the FY 2015 level.

The almost \$5.3 billion available for competition but not competed increased by \$178 million. As a percentage, this amount is 1.5 percent less than the FY 2015 amount in the same category. The number of actions that were not competed decreased by almost 1.7 percent from the FY 2015 level. The actions available for competition, but not competed includes dollars for awards where only one responsible source was available, as well as for unusual or compelling urgency, international agreement, and items authorized or required by statute. Figure 1, below, depicts the historical data points.

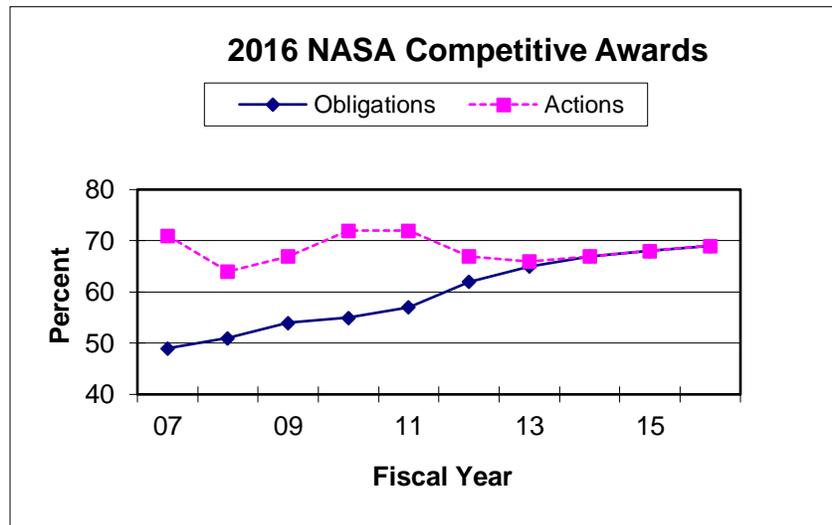


Figure 1

Competition Goals and Individual Center Contributions

NASA Procedural Requirements (NPR) document 5101.33A, Procurement Advocacy Programs, sets forth the following competition goals annually:

- Competitive obligation rate: 70%
- Competitive action rate: 80%

When reporting Center competition performance, NASA has developed both a short and long form. Completion of the Short Form - Competition Advocate Report is for Centers that meet or exceed both of the above goals. Because these Centers have met their goals, they do not need to

provide as much information as the other Centers do about how they will increase competition. For FY 2016, the following five Centers met both goals. This is the highest number of NASA Centers to meet both goals since FY 2008.

Center	Goal of 70% Competitive Obligation Rate (Dollars Competed)	Goal of 80% Competitive Action Rate
ARC	94%	84%
HQ	86%	81%
KSC	97%	80%
NSSC	94%	82%
SSC	99%	89%

The following three Centers, while not meeting both goals, exceeded one goal by at least 10 percent.

Center	Goal of 70% Competitive Obligation Rate (Dollars Competed)	Goal of 80% Competitive Action Rate
AFRC	89%	76%
GRC	84%	70%
LARC	91%	67%

When looking at actual competed dollars, six Centers demonstrated a substantial increase (a change of 10 percent or higher) in dollars awarded competitively between FY 2015 and FY 2016 as follows:

Center	FY 2015 Dollars Competed (in millions)	FY 2016 Dollars Competed (in millions)	Percentage Change
AFRC	\$110	\$138	25%
ARC	\$479	\$531	11%
HQ	\$174	\$199	14%
KSC	\$1,857	\$2,411	30%
MSFC	\$1,297	\$1,457	12%
SSC	\$190	\$210	11%

Dollars Available for Competition

NASA's FY 2016 dollars available for competition have increased from the FY 2015 level by almost 9 percent.

Four NASA Centers have a major impact on competition. GSFC, JSC, KSC, and MSFC comprised 80 percent of the Agency's dollars competed and 65 percent of all of NASA's Procurement Obligations for FY 2016 (see Figure 2 below and Figure 3 on the next page). Competition improvements at these Centers positively impact the Agency-wide statistics for obligations as these Centers award high dollar value awards for mission critical programs and projects. Several of the major competitive efforts under U.S. Space Exploration Policy are managed by these Centers.

NASA had almost 30,000 contract actions in FY 2016. The top 10 in highest dollars obligated accounted for almost 13 percent of all FY 2016 procurement obligations or \$2.2 billion. These were for highly technical and specialized requirements. These include contracts for the Space Launch System, Commercial Crew, International Space Station Resupply, and Orion. Nine of these 10 actions were competitive. The four Centers discussed in this section were the only NASA Centers to have contract actions in this top 10.

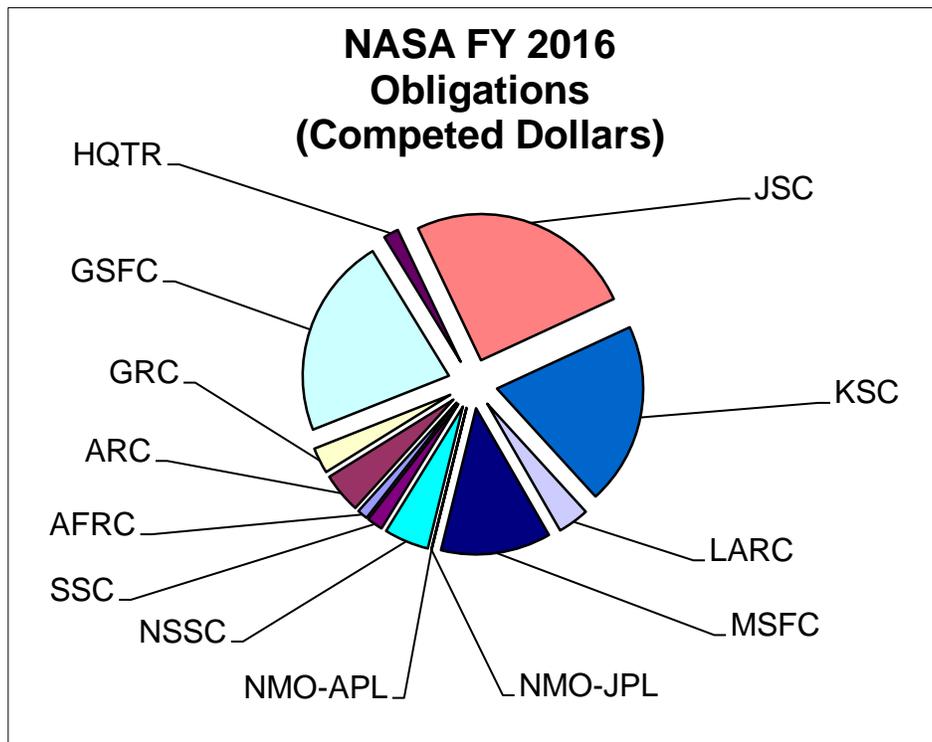


Figure 2

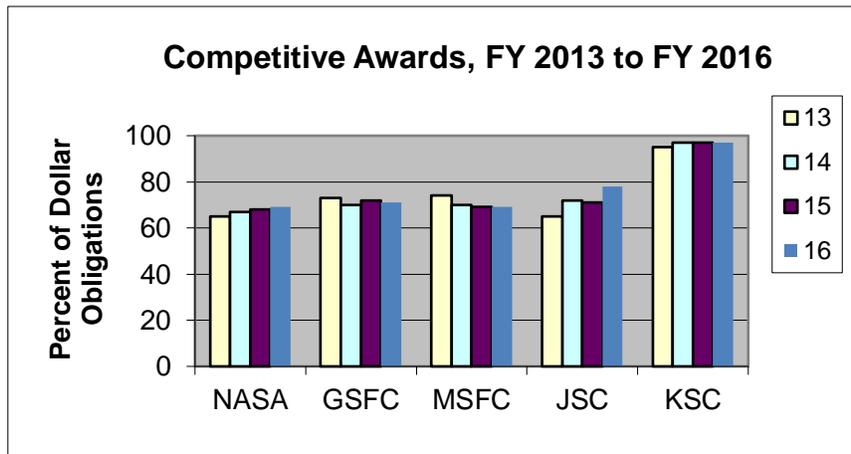


Figure 3

Part 3 – Review of Fiscal Year 2016 Other Than Full and Open Competitive, Single Source IDIQ Awards, and Only One Offer Received Activities

In this and the following sections, examples are provided from some, but not necessarily all, Centers.

Headquarters Approval of Justifications for Other than Full and Open Competition

The NFS requires NASA Headquarters approval of justifications pursuant to FAR 6.302-1, Only One Responsible Source, with an estimated value over \$93 million.

	FY 2013	FY 2014	FY 2015	FY 2016	% of Change (Decrease) Between FY 2015 and FY 2016
Number of JOFOCS	3	8	6	4	33%
Total Estimated Value	\$885M	\$3.8B	\$3.5B	\$1.3B	63%

For FY 2016, there were four JOFOCs issued using this authority. The total estimated value was \$1.3 billion. It is a decrease of 63 percent from FY 2015. One JOFOC, for the extension of the Chandra X-Ray Observatory Contract, at \$703 million accounts for 57 percent of the total. The following are the four JOFOCs processed at Headquarters in FY 2016:

Goddard Space Flight Center

- Omnibus Multidiscipline Engineering Services (OMES), modification to increase the maximum ordering value based on new requirements from the Joint Polar Satellite System (JPSS) program and the Satellite Servicing Capabilities Office (SSCO).
Estimated value: \$123 million

Marshall Space Flight Center

- Six RL10 Flight Engines.
Estimated value: \$298.6 million
- Increase to the Engineering, Science, Services and Skills Augmentation Contract.
Estimated value: \$105 million
- Extend the Chandra X-Ray Observatory Contract.
Estimated value: \$703 million

Notification to Headquarters of Approval for Unusual and Compelling Urgency

When using the authority at FAR 6.302-2, Unusual and Compelling Urgency, the NFS requires a copy of the justification to be provided to Headquarters within three days after approval.

After two years of using this authority, in FY 2016, NASA had no JOFOCs in this category.

	FY 2013	FY 2014	FY 2015	FY 2016	% of Change Between FY 2015 and FY 2016
Number of JOFOCS	0	2	1	0	N/A
Total Estimated Value	0	\$93M	\$0.037M	0	N/A

Headquarters Approval of Determination and Finding (D&F) of Single Award Indefinite Delivery/Indefinite Quantity Contracts

Section 843 of the 2008 National Defense Authorization Act provides that no task or delivery order contract in an amount estimated to exceed \$103 million (including all options) may be awarded to a single source unless the head of the agency determines in writing that the task or delivery orders expected under the contract are so integrally related that only a single source can reasonably perform the work. In NASA Policy Directive 5101.32E, the head of the Agency delegated authority for approvals of this nature to the Assistant Administrator for Procurement.

Six single award IDIQ D&Fs were approved in FY 2016.

	FY 2013	FY 2014	FY 2015	FY 2016	% of Change (Increase) Between FY 2015 and FY 2016
Single Source IDIQ Awards	3	7	4	6	50%
Total Estimated Value	\$1.9B	\$1.2B	\$2.3B	\$3.5B	51%

Ames Research Center

- 6/2016 – NASA Advanced Computing Services procurement
Estimated value: \$1.1 billion

Goddard Space Flight Center

- 5/2016 – Safety and Mission Assurance Services II (SMAS II)
Estimated value: \$180 million
- 1/2016 – Omnibus Multidiscipline Engineering Services (OMES) II
Estimated value: \$620 million
- 12/2015 – Systems and Software Assurances Services (SAS)
Estimated value: \$195 million

Johnson Space Center

- 6/2016 – Aircraft Maintenance, Logistics, Integration, Configuration Management, and Engineering (ALICE) Contract
Estimated value: \$180 million
- 2/2016 – Mission Systems Operations Contract (MSOC)
Estimated value: \$1.2 billion

Only One Offer Received

Each fiscal year, NASA reports the percentage of new contracts where competition was sought, but only one offer was received. In FY 2011, NASA removed Purchase Orders, Task/Delivery Orders, and Orders against Blanket Purchase Agreements from this group to get a more accurate representation in this category. Both the percentage of New Award Dollars and percentage of Procurement Obligations have decreased. The latter is at the lowest level since 2011. This is only the second time the percentage of Total Procurement Obligations has been below .1 percent since NASA began tracking this statistic.

Fiscal Year	% of New Award Dollars	% of Total Procurement Obligations
2013	3.66%	0.11%
2014	2.23%	0.10%
2015	5.22%	0.12%
2016	4.28%	0.09%

Efforts Made by Centers in Fiscal Year 2016 to Achieve Full and Open Competition

Centers promote competition by identifying and posting acquisition forecasts, conducting market research, hosting industry days, scrutinizing sole-source justifications, etc. Some specific activities conducted or other reasons for increases in FY 2016 are included below. Some examples of FY 2016 competitive procurements or procurement practices are below.

Armstrong Flight Research Center

The Acquisition Management Office encourages Price Past Performance Trade-offs for acquisitions that are viable candidates for this best value continuum. This source selection process has resulted in an increase in the amount of proposals that were received for our support services contracts.

Glenn Research Center

The GRC has made efficient use of the NASA Research Announcement (NRA) Program for research and development procurements. The increased possibility of receiving an award in a range of technical areas of NRAs prompts entities to compete who otherwise may not have responded if only a single award was available.

The GRC requires that sole source synopses be posted, and any responses considered and addressed prior to routing any JOFOC for approval and that the results be summarized in any resulting JOFOC. After award, JOFOCs are being posted for public information, and any comments received are posted as well.

Goddard Space Flight Center

On two Restore-L Camera solicitations, GSFC utilized a partial pass/fail technical evaluation combined with specified value characteristics, which were desirable performance characteristics exceeding minimum requirements. This enabled simplified overall evaluations that saved time, resulting in 4-6 weeks between proposal receipt and selection.

GSFC continues to encourage greater use of the price/past performance trade-off process which was used successfully for the Programmatic and Institutional Knowledge Exchange Services acquisition. On the Restore-L Bus procurement, we included Past Performance within the technical evaluation in order to evaluate heritage risk and proposed hardware technology readiness levels.

Johnson Space Center

During FY 2016, JSC initiated or fully completed 16 major competitive acquisitions using Federal Acquisition Regulation (FAR) Part 15, Contracting by Negotiation. The two below are particularly noteworthy:

Communications, Outreach, Multimedia & Information Technology (COMIT): This competitive effort was conducted as a small business set-aside with a potential value of \$300 million. The COMIT effort is a follow-on to the Information Technology and Multi-Media Services contract.

Specialized Engineering, Aeronautics, and Manufacturing (SEAM): This competitive effort was conducted as a small business set-aside for three categories, and full and open for two categories with a potential value of \$49.5 million. This contract allows JSC and the Flight Operations Directorate (FOD) to acquire a wide range of engineering services and solutions to design, develop, test and evaluate new hardware; address system and component obsolescence and support the sustainment, alteration, and improvement of NASA and JSC projects.

Kennedy Space Center

In promoting competition, KSC strives to engage industry as early as possible in the acquisition cycle to help the Government determine capabilities available in the commercial marketplace as well as to provide prospective offerors with sufficient time to judge whether or how they can satisfy the Government's requirement. These efforts include accommodating access to our procurement development teams as well as access to Center officials (including the program manager, Procurement Officer, and other senior managers) to exchange general information and conduct market research related to the acquisition.

Langley Research Center

The Simulation and Aircraft Services (SAS) CPFF completion contract for \$38 million was a full and open competition and was awarded on January 14, 2016. This procurement made significant strides in increasing competition. For the first time in over 25 years, we received more than one proposal. The SEB conducted extensive market research and outreach during the procurement planning phase. As a result, two highly competitive offers were received and both scored very well. The new competitor to the procurement had previously been a strictly DoD contractor and although it were not selected for this contract, the contractor was very complimentary of the competitive process and plan on following the procurement for a potential re-bid in five years.

Marshall Space Flight Center

MSFC's Engineering Services and Science Capabilities Augmentation (ESSCA) Source Evaluation Board implemented several strategies and approaches to maximize competition. These included listing the ESSCA procurement on the MSFC Acquisition Forecast tool approximately 1 year ahead of time; conducting a Customer Survey to collect internal feedback on the current ESSCA contract to assist in refining contract requirements and improving task order processing processes; and reducing.

Competition under Delivery and Task Order Contracts

NASA Centers competitively award orders under multiple award IDIQ contracts. They have also instituted policies and procedures to ensure that task and delivery orders issued under multiple award contracts are properly planned and comply with applicable regulatory guidance. The following are examples of some Center initiatives and competitions:

Glenn Research Center

The GRC has awarded 21 task/delivery orders with a value of \$1 million or greater. These were all funding only actions on existing contracts. To increase the number of task orders awarded competitively, we have increased the level of review and approval of orders exceeding \$1 million.

Kennedy Space Center

During FY 2016, fixed-price task orders in the amount of \$751.7 million were awarded under Commercial Crew Transportation Capabilities (CCtCap) multiple-award IDIQ contracts for crew rotation missions to the International Space Station.

Marshall Space Flight Center

In FY 2016, a delivery order was issued against MSFC's Engineering Solutions and Prototyping (ESP) multiple award contract. The task order value is \$8.6 million and was competed among the three ESP contract holders. The Space Launch Systems Stages effort for the Pathfinder performance work scope (PWS) was evaluated to ensure that the PWS effort was appropriate for an ESP multiple award competition. After the evaluation of the effort to the ESP contracts was completed, it was determined to be appropriate for a competition using the ESP contract vehicles.

NASA Shared Services Center

NSSC awarded the Contract Audit Services as multiple award task order contract in September FY 2016. The contract was awarded to three large businesses and two small businesses. NSSC awarded six delivery orders (five small business set-asides and one large business) on BPAs against SEWP contracts in FY 2016. These orders were properly issued and complied with FAR 16.505. NASA provided fair opportunity to SEWP vendors and to maximize competition.

Stennis Space Center

Three task orders were competitively awarded under the SSC MACC. Committee review of the task order was performed by the requisite procurement Division Chief, Procurement Analyst, Legal Advisor, and Procurement Officer to ensure the task order complied with the proper planning, issuance of the Request for Quote, and the evaluation of the quotes. These three task orders were for HVAC Refurbishment of an on-site building, \$1.5 million; the Bascule Bridge Design/Build, \$2.6 million, and the B2 Test Stand GN2 Heat, \$5.2 million.

Part 4 – Fiscal Year 2016 Acquisition of Commercial Items

After several years with no growth, NASA’s use of commercial item acquisitions increased by 1 percent to 91 percent in FY 2016.

2013**	2014	2015	2016
86%	90%	90%	91%

Center Statistics for FY 2013 through FY 2016:

Center	2013	2014	2015	2016
AFRC	84%	89%	86%	93%
ARC	90%	94%	98%	95%
GRC	83%	86%	81%	88%
GSFC	94%	96%	96%	95%
HQ	87%	94%	93%	90%
JSC	64%	83%	93%	92%
KSC	80%	80%	83%	80%
LARC	91%	94%	92%	95%
MSFC	83%	80%	84%	80%
NSSC	94%	98%	96%	96%
SSC	77%	88%	87%	77%

NASA will continue to award contracts for commercial items whenever possible by:

- Encouraging requiring organizations and contractors to acquire goods and services with a preference for commercial item acquisitions;
- Improving training in the acquisition of commercial items;
- Conducting industry days;
- Using contract review boards and peer reviews;
- Issuing Requests for Information and posting sources sought announcements; and
- Using the full range of market research tools.

Figure 4 on the following page graphically depicts the percentage of new contract actions that are commercial acquisitions by Center for FY 2016.

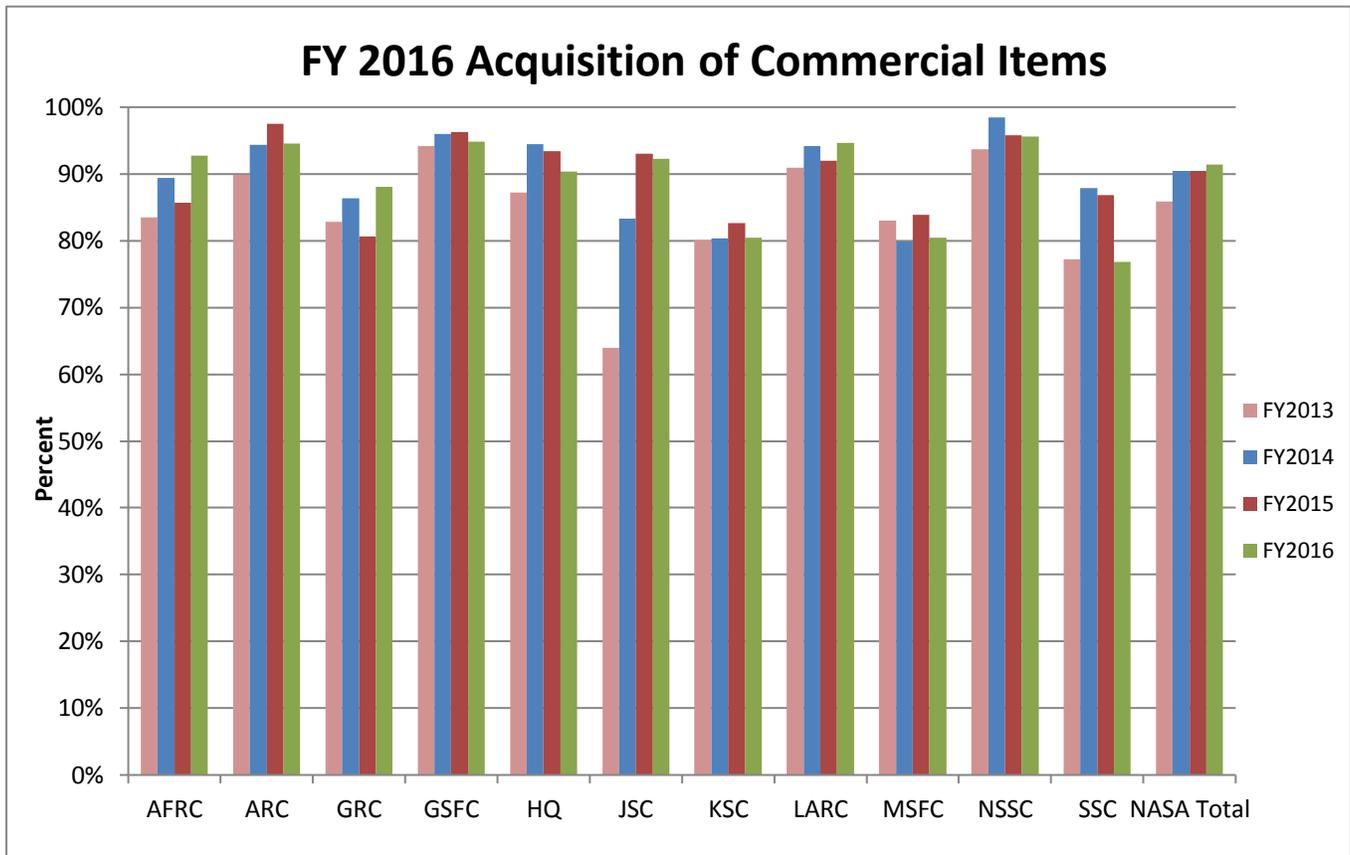


Figure 4

*Excludes SBIR/STTRs, R&D, construction, grants, agreements, intragovernmentals

Efforts Made to Increase Commercial Item Competition and Center Suggestions for Initiatives to Increase Commercial Item Acquisition

Ames Research Center

ARC sought the use of vehicles such as One Acquisition Solution for Integrated Services (OASIS) — multiple award, Indefinite Delivery Indefinite Quantity (IDIQ) contracts that provide flexible and innovative solutions for complex professional services — and the Professional Services Schedule (PSS) – an FSS schedule contract that provides a wide variety of professional services to commercially fulfill some support services requirements, including environmental and administrative support.

In FY 2016, ARC competitively awarded over \$532 million of its available obligation of nearly \$564 million. Of particular note, ARC increased its competed obligations by more than \$55 million and reduced its non-competed obligations by \$4.7 million from FY 2015 to FY 2016. The most significant increases were seen in the areas of Full and Open Competition of new awards and Commercial Item Acquisitions.

In addition, ARC competitively awarded several new contracts in FY 2016 ranging in potential value from \$14 million to \$350 million.

Glenn Research Center

The multiple Blanket Purchase Agreements (BPAs) that were awarded in FY 2011 have been extensively utilized for the award of individual purchase orders, which were competed among the BPA holders within the four general fabrication and machining areas. Potential additional sources are regularly considered as possible additions to the existing pool of BPA holders to further increase the level of completion while also streamlining the process of placing individual orders.

GRC utilizes the General Services Administration (GSA) to the maximum extent practical. This keeps our scope within the commercial item range and reduces the number of custom item purchases. GRC encourages the use of simplified commercial acquisition procedures for commercial items, up to the value of \$7 million. GRC's Procurement Division is advocating and supporting more market research. This will reduce the number of sole source procurements.

Goddard Space Flight Center

GSFC continued to emphasize the use of significant streamlining for commercial acquisitions in order to reduce the proposal efforts for offerors, increase competition, and increase the efficiency of proposal evaluations. As an example, On the Rapid III Landsat 9 spacecraft bus competition, a streamlined technical evaluation was utilized in combination with a pass/fail past performance evaluation, since the vendors were known in advance of proposals.

Johnson Space Center

Notable JSC commercial actions, in FY 2016:

Commercial Resupply Services 2 (CRS 2) Contract: The CRS2 contract was awarded under full and open competition with a potential value of \$14 billion. This contract is a follow-on contract to JSC's CRS contract in support of the ISS.

Business Management Services (BMS): This effort was conducted as an 8(a) set-aside with a potential value of \$42 million.

The Flight Operations Directorate (FOD) Acquisition Strategy Team (FAST) included members of the BA organization and was chartered to review all contracts in FOD's portfolio and develop an overarching acquisition strategy to meet technical priorities and optimize use of FOD facilities. Prior to the FAST activity, FOD had 13 separate contracts that represent more than \$850 million over the next 5 years of procured content. Through the efforts of the FAST team, the solutions developed will reduce FOD contracts by 38 percent while enabling additional opportunities for small business direct awards using multiple award contracts and incorporated contractual flexibilities to allow for quick reaction responses to future requirements.

Kennedy Space Center

NASA Launch Services (NLS) Acquisition Strategy Background: The NLS II ordering period expires in June 2020. To keep competition fresh and encourage new launch capability development on these 10-year contracts, the NLS II solicitation remains open and contains a unique on-ramp provision that allows new launch service providers to submit proposals on an annual basis.

In FY 2016, firm-fixed-price task orders were awarded for the Tracking and Data Relay Satellite-M or TDRS-M mission and the Mars 2020 mission for a total amount of \$323 million, enabling KSC to improve the percentage of competed actions and dollars for FY 2016. In addition, the following launch services were on-ramped to the NLS contracts: SpaceX Falcon 9 Full Thrust, SpaceX Falcon Heavy, and Orbital ATK Antares.

Langley Research Center

Langley's initiatives to increase competition included the award of seven multiple award FFP Blanket Purchase Agreements (BPAs) for Metallic Services to small businesses on March 24, 2016. These BPAs are used by the Langley fabrication shop and, in accordance with NFS guidance, the technical users award competitive actions up to \$5,000 using their credit cards. All actions over \$5,000 are processed by procurement, primarily using the purchase card. This approach helps to reduce procurement transaction costs and ensures that the small business contractors are paid promptly. Total obligations in FY 2016 using these competitively awarded BPAs was approximately \$592,000.

NASA Shared Services Center

The NSSC is committed to the use of commercial items to meet agency needs. When SBIR contracts are excluded from that base, over 99 percent of the NSSC's new contracts and orders awarded in FY 2016 were for commercial items.

Maximum use of GSA Federal Supply Schedules (FSS), NASA SEWP, and Government-wide Acquisition Contracts (GWAC) provides a means for the NSSC to acquire commonly used commercial items and services using competitive commercial practices through the issuance of delivery and task orders. As an example, the NSSC leverages FSS and SEWP for re-competed Enterprise License Management Team (ELMT) BPAs.

Stennis Space Center

The Center's decision to re-compete the Information Technology Services (ITS) contract using the General Services Administration's Schedule 70, is an example of its steadfast commitment to ensuring and increasing competition at every level throughout the acquisition process.

In FY 2016, SSC continued its competitive use of Blanket Purchase Agreements (BPAs), GSA Federal Supply Schedules (FSS) and its Multiple Award Construction Contract (MACC). During this period, SSC also continued to emphasize maximum use of Government Wide Acquisition

Contracts (GWACs). The GSA vehicles were routinely utilized through the issuance of Delivery Orders. In FY 2016, SSC obligated over \$6.5 million under these vehicles. SSC awarded seven competitive orders in FY 2016 under GSA for a total of \$4.2 million and awarded seven competitive task orders under SSC's MACC for a total of \$11.6 million.

Part 5 – Barriers to Competition and Commercial Items Acquisition across the Agency

Armstrong Flight Research Center

In an effort to clarify requirements and reduce ambiguities within SOWs/PWS, we actively solicit comments and feedback through the use of Procurement Strategy Meetings and draft solicitations on our larger acquisitions. We believe these activities have enhanced competition through a better understanding of the requirement and proposed business management strategy. We believe the use of advance acquisition planning and the Sources Sought synopsis have increased the awareness of the buying team (contracting and user community) of the commercial market place.

Ames Research Center

ARC continues to undertake efforts to optimize the transition of procurements to competitive and lower-risk contracts. Some of the ways we do this are through ongoing outreach to technical requestors that improve our understanding of technical requirements and ongoing use of streamlined procurements, including Price-Past Performance Trade-Off, where appropriate, to increase competition and participation from industry.

Glenn Research Center

The Federal Procurement Data System (FPDS) reporting is inaccurately representing the actions and dollars for competition and do not accurately reflect the Center's efforts and outcomes. The Enhanced Procurement Data Warehouse may be a more accurate source or strong supplement to competition data. For FY 2016, FPDS reports reveal total actions to be 4,324 and competed actions to be 3,018. Currently, competed actions include de-obligation and zero dollar modifications. By including these actions, it skews the competed action number and provides an inaccurate representation of the percentage of competed actions and the percentage of competed dollars metrics.

One of the largest barriers to competition is the cost of proposal preparation and submittal. Some solicitations require extensive proposal information which discourages the submission of proposals and competition. With our recent success using the past-performance/cost trade-off process, this new streamlined and less costly approach will increase competition.

Another barrier is vendors who refuse to register in the System for Award Management (SAM).

Finally, singular knowledge held by an incumbent may serve as a barrier in research and development contracts where there are high start-up costs for a progressing technology. Incumbents remain due to the amount of resources it would cost to prepare a new contractor to replace the incumbent in regards to any additional work.

Langley Research Center

Research facilities and equipment are unique and compatibility is sometimes limited to one source. This can limit competition and the use of commercially available items. Related to this is the unique software and hardware with related maintenance required for innovative research and development programs/projects which limits competition. Extensive market research is done to identify sources and limit the use of sole source actions.

Stennis Space Center

SSC works hard to eliminate any acquisition unnecessarily restricting competition. For example, SSC had a sole source requirement with AT&T for redundant, reliable, communications service heading directly North from SSC to Jackson, MS for contingency preparedness purposes. SSC made the decision to remove the service from the sole source contract and place the service under the competitively awarded NASA Integrated Communication Services (NICS) contract.

Part 6 – High Risk Contract Types and Mitigation Actions

This area is addressed specifically in the Center Competition Advocate Reports. There are also specific Center examples cited throughout this report.

Ames Research Center

The ARC Acquisition Planning and Strategy Branch enhances efforts to improve the partnership with the supported organizations. As part of this effort, early outreach and partnership development is a focus area of each of the three operational acquisition branches, and efforts are underway to increase the quality of outreach to industry, to better define requirements so that they support competition, and to increase the timeliness of re-procurements (and thereby reduce non-competitive contract extensions).

Glenn Research Center

Transitioning to lower risk contract types are addressed at GRC by engaging potential offerors in the procurement process (i.e. working with small businesses and posting requests for information, draft statements of work, and sources sought synopses), reviewing new requirements to encourage firm-fixed-price awards, reviewing follow-on service contracts that have historically been cost-reimbursement for conversion to firm-fixed-price, and converting Indefinite Delivery Indefinite Quantity (IDIQ) only contracts to contracts with firm requirements and a smaller IDIQ component.

Johnson Space Center

During procurement strategy development, JSC acquisition teams are required to address rationale for selecting Cost Reimbursement contracts and identify mitigation strategies. JSC emphasizes the use of lower-risk contracting methods. During FY 2016, 98 percent of the number of new awards were made on a fixed-price basis (six cost reimbursement awards and 531 fixed-price awards).

Kennedy Space Center

In FY 2013, KSC's senior leadership team began exploring alternative procurement strategies to enable flexible, responsive, and affordable services that would provide more cost effective and efficient Center services to support the Agency's mission, and improve the accuracy of budget forecasts. As a result of this three-year effort, the following requirements were contracted on a fixed-price basis during FY 2016 with obligations totaling \$185 million: (1) operations and maintenance and sustaining engineering of facilities and utilities; (2) communication services, data center services, software services, public affairs office services, and technical information and publication services; (3) flight operations and maintenance support services; (4) propellants and life support services; and (5) rail system operations.

Marshall Space Flight Center

Noncompetitive cost reimbursement procurements were synopsisized to mitigate a potential risk. They include the SLS Exploration Upper Stage Engine, RL-10, which was a sole-source action to Aerojet-Rocketdyne and the SLS Booster, for the Booster Obsolescence and Life Extension effort.

NASA Shared Services Center

It is the NSSC's preference to utilize firm-fixed price contracts or task and delivery orders utilizing fully burdened, fixed price labor rates. Currently, the NSSC does not have any active time and materials or labor hour contracts.

Less than 0.2 percent of the NSSC's awards (excluding grants and cooperative agreements) are cost reimbursement. While the percentage of cost reimbursement instruments at the NSSC is small, these instruments accounted for 29.8 percent of all funding obligated by the NSSC in FY 2016.

The NSSC was responsible for administering 3 cost-reimbursement contract in FY 2016: The NASA Integrated Communication Services (NICS) Contract, which will transition to a Cost-Plus-Award Fee/Incentive Fee contract; the Enterprise Application Services Technology (EAST) contract, which was a cost reimbursable fixed fee contract until its re-compete was awarded in July 2016; and the Enterprise Application Services Technology (EAST 2) contract, which is an Indefinite Delivery/ Indefinite Quantity (IDIQ) with a period of performance for eight years.

NSSC does not have a significant number of contracts outside the firm fixed price environment. The NSSC will continue to be diligent in all acquisition planning activities and minimize the use of contract types with higher risk only in those situations where they are truly appropriate (i.e., requirements cannot be sufficiently defined to allow for fixed price, uncertainties involved in contract performance do not allow costs to be estimated with sufficient accuracy).

While the NSSC recognizes that legitimate sole source situations may occur, we also believe that there should be sufficient due diligence performed to ensure the legitimacy of the requirement.