

NASA
OPERATIONS MANAGEMENT COUNCIL
Meeting Minutes and Actions

VITAL MEETING DATA

Date: July 28, 2006

Time: 12:00 p.m. – 4:10 p.m., EDT

Location: NASA Headquarters, Room 7C61 and ViTS

Agenda: See attached

Attendance: See attached

MEETING ACTIVITIES

Deputy Administrator Shana Dale opened the meeting at 12:00 p.m. and welcomed those attending in person and by ViTS.

Minutes

Minutes for the Operations Management Council (OMC) Meeting on June 28, 2006 were approved as published.

Status of Open Actions from Previous OMC Meetings

January 12, 2006

- Workforce Actions 1 through 4, 6 and 8: In progress. Actions will be recommended for closure when the final workforce decisions are made. Actions listed below:
 - **Action 1:** Office of Program Analysis and Evaluation (PA&E) lead a cross-Agency team to determine the feasibility of moving the work identified on the directed-work candidate list, and, working with the Center and Mission Directorate representatives, develop other potential candidates for directed work transfers. Make recommendations as to which work should be transferred.
 - **Action 2:** All Center Directors identify potential work (new, existing, or transferred) that could be performed by retrained employees (especially at Ames Research Center (ARC), Glenn Research Center (GRC), and Langley Research Center (LaRC)); ARC, GRC, and LaRC shall develop retraining plans as needed to ensure the necessary skills are acquired to successfully perform the work.
 - **Action 3:** The PA&E-led team will continue to investigate the feasibility of reassigning small numbers of people to Centers with funded work, after other options have been exhausted. As in Action 2, “receiving” Center Directors should identify the associated retraining needed for these people.
 - **Action 4:** PA&E lead/coordinate the Headquarters (HQ) review of the work packages not accepted or withdrawn under the Cabana/Stegemoeller Study and identify those for reconsideration by the Mission Directorates and/or the Associate Administrator.
 - **Action 6:** PA&E add an option to the Workforce Issue Paper to pursue additional reimbursable work, to the extent that it is aligned with NASA’s overall mission, and examine the potential impact of increased reimbursable work on the number of uncovered civil service full-time equivalents (FTE).

- **Action 8:** PA&E document decisions, maintain ongoing count of uncovered capacity, will develop a schedule, track progress, and provide updates at every OMC meeting until final disposition of uncovered workforce is made.

February 17, 2006

- Systems Engineering and Institutional Transition (SEIT) Infrastructure and Workforce Actions 1 through 6 and 8: Actions are in progress and on target for their future due dates.
 - **Action 1:** The Office of Infrastructure and Administration (I&A) is to develop an issue paper with recommendations on sites to consider for closure and present to the OMC. The issue paper should be based on known requirements, shuttle program retirement, and potential exploration requirements, as well as on Center responses to the FY2006 Strategic Planning Guidance. Due August 31, 2006.
 - **Action 2:** Office of I&A is to develop an issue paper regarding alliances and present to the OMC. Due September 30, 2006.
 - **Action 3:** Office of I&A is to develop an issue paper regarding research aircraft consolidation and present to the OMC. Due August 31, 2006.
 - **Action 4:** Office of I&A is to lead a study on potential marketing tools and present findings to the OMC. Due September 30, 2006
 - **Action 5:** Office of I&A is to lead the development of a Working Capital Fund issue paper and present to the OMC. Due August 31, 2006
 - **Action 6:** Office of I&A is to conduct a study of facility vulnerabilities to natural disasters, focusing first and foremost on the impact of hurricanes on NASA's facilities. Also consider the impact of NASA sites being used as shelters in fulfillment of a local or Federal role. Initial report due April 30, 2006 to include scope and schedule for comprehensive study.
 - **Action 8:** OHCM is to include Center representatives in developing requirements for an integrated competency management system, evaluating the Competency Management System (CMS) tool to see if it can meet the requirements, and if necessary, acquiring a new system. Present the results to the OMC. Due September 30, 2006

April 21, 2006

- **Action:** PA&E will develop a proposal for a “pre-board” working group to review Integrated Enterprise Management Program (IEMP) requirements and make recommendations about prioritization to the OMC. The scope of this working group should also include other issues that need to be previewed before coming to the OMC for decision. Due at July OMC meeting. **Status:** PA&E/Independent Program Assessment Office (IPAO) will present their governance proposal today, which includes an integration working group to prioritize requirements. It was determined that this working group is not the “right” group to preview other OMC issues. Action on IEMP working group closed; establishment of general OMC pre-board due October 19th.

June 28, 2006

- **Action:** Office of Infrastructure and Administration (I&A) will lead the development of closure plans for Camp Parks, Crows Landing, and three other designated sites, including schedule, budget, and communication strategy, and report progress quarterly to the OMC, beginning in October.

- Status:** In progress.
- **Action:** Each Center will confirm the relevant information in the NASA Off-Center Facilities Report (Version 1.1) dated June 27, 2006, and provide corrections or additions to Ann Clarke of PA&E (Ann.Clarke@nasa.gov) by June 28th.
Status: Will follow-up with Centers as needed next week. Action closed.
 - **Action:** OMC members/representatives will provide input (if desired) to the Deputy Administrator via email regarding placement of an Agency-wide risk manager position by July 24th.
Status: Action closed.
 - **Action:** Office of I&A will develop options and a recommendation on the use of a single Agency tool for risk management with input from programs and Centers; due at the October OMC meeting.
Status: In progress.
 - **Action:** The Executive Secretary will ensure that a block of time is reserved on the Deputy Administrator's calendar either the day before or after OMC meetings for 1-on-1 meetings.
Status: Two Centers scheduled telecons before this meeting; available time slots will be announced with future OMC notifications (October). Action closed.
 - **Action:** Shana Dale will inform OMC members of the outcome of the status meeting on the Competency Management System.
Status: Agency telecon held on July 13th and letter issued by the Deputy Administrator on July 21st. Action closed.

Future OMC Meetings

- Next Formal Meeting: Thursday, October 19th at NASA HQ (new date)
 - SEITT Infrastructure Actions
 - IEMP: Human Capital Integration Environment (HCIE) and Integrated Asset Management (IAM) decisions
 - Internal Control Decision Meeting
 - Center Reports
- Considering an Informational OMC Meeting to be held before October (date tbd)
 - IEMP SAP Version Upgrade Status, Contract Management Module
 - Construction Safety Initiative
 - Hurricane Vulnerability Assessment
 - Mission Support Implementation Plan (MSIP) Update
 - Institutional Studies
 - Other important information
- Future Meetings:
 - Thursday, November 9th at HQ
 - Wednesday, December 13th at Kennedy Space Center (KSC)

First Item of Business: Integrated Enterprise Management Program (IEMP) Governance Proposal

Mark Saunders, Director of the Independent Program Assessment Office (IPAO), PA&E, presented the results of a white paper he developed in response to actions from the March 2006 Program Management Council (PMC). IPAO had conducted a Program Implementation Review of IEMP and identified numerous problems with the agency's approach to management/business process improvement in general and in the structure and governance of IEMP specifically. As a result, PA&E received an action to assess and recommend an appropriate governance structure and location within the NASA organization. Saunders made four overarching points to preface his recommendations:

- IEMP is about management and business systems integration, not about information technology;
- All stakeholders must proactively participate (i.e., provide requirements) in implementation of the IEMP projects/systems in order to make the program successful;
- There must be a single point of responsibility/accountability for integration among the systems to drive to decisions regarding priorities and strategies; and
- The requirements are always owned by the functional/process owner, not IEMP.

His presentation is summarized as follows:

- Although IEMP has reported to the Deputy Administrator for some time, the informal governance structure has involved multiple organizations providing requirements directly to IEMP without a mechanism or authority for setting priorities or resolving conflicts at the program level.
- Financial management was the emphasis of the early program, but participation from other functional owners and users was incomplete for various reasons.
- A key question was never answered: "What information needs to flow across the Agency?"
- In order to make IEMP successful, we need to take a holistic approach to the data requirements and how they flow between and among organizations.
- The three recommendations proposed by Saunders were: 1) undertake an effort to map the Agency data flows; 2) establish a Management/Business Systems Integration Group (led by an Integration Manager) that recommends priorities to the OMC for decisions; and 3) initiate a widespread outreach effort across the Agency to explain the program changes and encourage participation in the data mapping and requirements gathering efforts.

Some background information was provided by OMC representatives to explain contributing factors and difficulties encountered by the early IEMP program. Further discussion centered on the differences between data mapping and process mapping, time needed for the mapping exercise, the cost and benefits of potentially suspending work on existing modules until mapping is complete, and clarification of the "new" responsibilities of the IEMP Program Manager.

Decision: It was determined that an integrated view of the data flows needed for the Agency is required, with an emphasis on identifying data gaps.

Action: IEMP will oversee a data gap analysis across all Agency management/business information flows, utilizing outside expert support as necessary and engaging representative end users and data owners across NASA. Use results to modify existing modules as needed.

Deadline: Develop proposed approach including participants, deliverables, and schedule and present to the Office of the Deputy Administrator by September 11, 2006.

Action: IEMP will lead a data gathering effort to provide information on all IEMP modules currently in development or upcoming, to include the purpose, legislative mandate(s) satisfied, benefits (from the stakeholder perspective), and the impact of not implementing that module.

Deadline: August 31, 2006

Action: PA&E/IPAO will revise the IEMP Governance White Paper to include a requirements flow diagram and to clarify specific aspects as discussed in the OMC meeting, including role of the OCIO and the scope and authority of the IEMP Program Manager related to requirements.

Deadline: September 15, 2006

Decision: The proposed IEMP organization was accepted, including keeping it as a separate organization reporting to the Deputy Administrator and establishing a new Integration Manager position. A Management/Business Systems Integration Group will be formed to include functional owners, who will be responsible for assessing and recommending an integrated set of requirements and priorities. The Associate Administrator for Institutions and Management will provide concurrence, and any issues will be resolved by the Director of Program and Institutional Integration. High-level decisions will be brought to the OMC.

Action: IEMP will explore the shared Program Executive model, employed in wide area network management, which is used by the Space Operations Mission Directorate and the OCIO and apply success stories as deemed appropriate.

Deadline: Document proposed agreements by September 11, 2006.

Action: As recommended in the White Paper, IEMP will develop a strategy and approach to communicate changes to the Agency and to solicit participation in the various efforts, including the data gap analysis

Deadline: Document findings and recommendations by September 30, 2006.

Second Item of Business: Internal Control Quarterly Status

Olga Dominguez, Assistant Administrator for I&A, provided brief opening remarks.

An update of the following open actions from previous internal control meetings was presented:

November 9, 2005

- **Action:** The Office of the Chief Engineer (OCE) will take the lead on coordinating and developing a description for the Contract Management deficiency, root cause, corrective actions, and recommended categorization and present results to the OMC. The OCE also has the lead for coordinating and presenting these results in response to the Government Accountability Office's (GAO) placement of NASA Contract Management on their government-wide high risk list.

Status: Mike Blythe, OCE, provided a summary of steps that have been taken since the last internal control meeting, including: 1) development of an Agency strategic acquisition approach (approved by the Strategic Management Council in May 2006) that enables informed decisions earlier in the acquisition process; and 2) development of a contract management oversight approach (approved by the Deputy Administrator at a July 18th meeting) that addresses the issues that led to GAO's inclusion of NASA Contract Management on the government-wide High Risk List. The OCE developed a set of actions and milestones as part of a Corrective Action Plan and recommended the deficiency be classified as an Other Weakness.

Decision: The Contract Management action from the November 9, 2005 OMC meeting is closed. A new deficiency entitled "Acquisition Management" (formerly referred to as "Contract Management") will be reported as an "Other Weakness" beginning with the next Internal Control meeting. The responsible organization for this deficiency is the Office of Program and Institutional Integration.

- **Action:** The OCE will develop proposed changes to NASA Procedural Requirements (NPR) 7120.5 to incorporate early program/project cost estimates, and will bring to the Program Management Council for approval by March 31, 2006. The deadline for this OMC action is extended to July 31, 2006 to coincide with the NPR 7120.5 update schedule.
Status: This action is closed but progress of the NPR 7120.5 update will continue to be tracked under the SMC action.

April 21, 2006

- **Action:** Internal control presenters will show the status of their deficiencies against the approved Corrective Action Plan in the Corrective Action Tracking System (CATS), including progress against milestones and explanations of any variances.
Status: Revised template sent to Internal Control representatives on July 17th, and today's status presentations include the requested information. This action is closed.

Two additional status briefings were provided:

- **Results of NASA Headquarters ISO Audit** – Lynn Cline, who serves as the HQ Executive Management Representative, presented an overview of the HQ Quality Management System, ISO audit requirements, and findings from the most recent external audit. There were no major nonconformances but there were several minor nonconformances, indicating a continuing problem with timely issuance of updates to Agency policy documents. She recommended that HQ take action to address each nonconformance, update the charters for the governance councils in NASA Policy Directive (NPD) 1000.3, "NASA Organization", and assign responsibility for NPD 1000.3 to the Office of the Administrator (OA) as a way to ensure more timely updates of the document. She also suggested that the Office of I&A perform a study to determine ways to improve accountability for updating NPD 1000.3 and other key Agency documents. The Deputy Administrator expressed concern about transferring primary responsibility for NPD 1000.3 to the OA but agreed that efforts to improve the internal process within the OA should continue.

Decision: The primary responsibility for updating NPD 1000.3, "NASA Organization", will be retained within the Office of Human Capital Management, but the Office of the Administrator

may be used as necessary to facilitate the timely completion of actions by mission directorates, mission support offices, and centers.

Action: The Office of Infrastructure and Administration will analyze the process for updating key Agency documents, determine the cause of delays, and make recommendations to the Deputy Administrator on ways to improve accountability for completion of required actions.

Deadline: October 6, 2006

- **Agency-wide Statements of Assurance** – Olga Dominguez presented an overview of recent policy changes on internal control (documented in NPD 1200.1D dated May 15, 2006) including the requirement for Officials in Charge (OIC) and Center Directors (CD) to conduct internal reviews of their organizations to help prepare the agency Statement of Assurance. A letter from the Associate Administrator will be issued soon to explain the requirement for submitting OIC/CD Statements of Assurance by September 15th.

The Deputy Administrator stated that she had to leave the meeting; in her absence she delegated the role of OMC chair to the Assistant Deputy Administrator, Eric Sterner.

The status of the following deficiencies was presented:

Asset Management – Pam Cucarola, Office of the Chief Financial Officer (OCFO), presented the status of this Material Weakness. Actions since the last quarter include discussions with the Financial Accounting Standards Advisory Board (FASAB) regarding NASA's revised capitalization policy, identification of process and system gaps between current and desired business processes, along with proposed solutions, and development of draft property, plant and equipment (PP&E) implementation plans. Planned activities for next quarter include continuing the revision and documentation of PP&E business process, policy and procedural changes, and working with the three internal control teams to integrate policy, procedures, and internal control activities.

Financial Management System – Pam Cucarola presented the status of this Material Weakness. Actions since the last quarter include completion of the SAP Version Update (SVU) Project Critical Design Review, successful generation of financial statements directly from the financial system, and modification of the Statement of Net Costs report. Planned activities for the next quarter include participation in the SVU Test Readiness Review, planning for year-end closing activities with the SVU Project, and continued analysis, reconciliation, and process modifications as necessary.

Financial Management Data Integrity – Pam Cucarola presented the status of this Material Weakness. Updates since the last quarter include implementation of standard monthly reporting on data integrity, development of a correction process for prior period adjustments, and delivery of 2006 unfunded environmental liability estimates to external auditors and the OCFO Quality Assurance Team. Planned activities for next quarter include continued monitoring of metrics and reports for compliance and adjustment of environmental liability estimates as necessary.

Financial Management Policy and Procedures – Pam Cucarola presented the status of this Management Challenge. Updates since the last quarter include publishing Financial Management Requirements (FMR) documents for Reimbursable Agreements; Planning, Programming, Budgeting

and Execution (PPBE); FMR Overview; and Financial Information Systems. Planned activities for the next quarter include continued discussions with the Accounting and Auditing Policy Committee (AAPC) regarding the revised capitalization policy.

Financial Management Staffing – Pam Cucarola presented the status of this Management Challenge. Updates since the last quarter include significant progress in filling vacancies at HQ and obtaining contractor support to conduct a workforce assessment and training. Planned activities for the next quarter include continued hiring and completion of the OCFO workforce assessment.

Full Cost Integration – Pam Cucarola presented the status of this Other Weakness. Updates since the last quarter include documentation of revised full cost policies into the 2008 PPBE process and 2007 execution procedures and delivery of full cost simplification requirements to the SVU project team for FY 2007 system updates. Planned activities for the next quarter include development of NASA's Full Cost Strategic Plan and continued implementation of recommendations to improve and simplify full cost policies and procedures.

After the OCFO's status presentation, the Inspector General, Robert Cobb, stated a concern that he's seeing a general lack of compliance with NPR 7120.5, NASA Program and Project Management Processes and Requirements (e.g., Integrated Asset Management (IAM) project was granted approval to proceed to formulation without the final business case). He is requesting that NASA be more rigorous in the management of the finite governance requirements of NPR 7120.5 and other established processes. He also stated that the Corrective Action Tracking System doesn't provide his office with consistent and accurate data. He will have a separate off-line discussion with Olga Dominguez before the next internal control meeting.

Space Shuttle – Lynn Cline presented the status of this Material Weakness. Updates since the last quarter include the successful completion of the second Return to Flight mission. Based on completion of the two missions called for in the Corrective Action Plan (CAP) and indications that the program is following the new governance structure, SOMD recommended closure of this deficiency. Discussion centered on the "readiness" of this item for closure, with the Inspector General stating the opinion that leaving it open for one more quarter would allow time to demonstrate sustained success through another Shuttle flight. Eric Sterner stated that the CAP actions are complete, and that no compelling, substantive reason had been given to keep it open.

Decision: The Space Shuttle deficiency is closed.

Information Technology Security – Scott Santiago, Deputy CIO for Information Technology (IT) Security presented the status of this Other Weakness. Progress this past quarter included completion of revised IT Security Training and Certification program. The revised security policy document is still in review. Planned activities for the next quarter include incorporation of a new IT security clause in all contracts and initiation of an IT security review of the Agency and Center IT security operations. The Inspector General recommended that IT security be elevated to a material weakness. After some discussion, Eric Sterner concurred in the recommendation.

Decision: Information Technology Security is elevated to a Material Weakness.

Declassification Review Process – There was no representation by the Office of Security and Program Protection to present the status of this Management Challenge. Review and declassification activities are continuing and it is still expected that the December 31, 2006 deadline for Phase 1 review will be met.

Government Accountability Office (GAO) Open Audit Recommendations – Olga Dominguez presented the status of this Management Challenge. Significant progress was made during the last quarter in reducing the number of total open recommendations (from 42 to 19), the number of recommendations open for more than one year (from 33 to 5) and the number of “past due” recommendations (from 21 to 0). Based on this progress, Ms. Dominguez recommended that this weakness be closed. The Inspector General stated that his numbers don’t match to those reported by I&A. Eric Sterner stated that this item should remain open for another quarter to allow time to resolve any discrepancies with the Inspector General. A suggestion was made to include a standing agenda item in future OMC internal control meetings to report the progress of closing GAO and Office of Inspector General recommendations, even after this deficiency is officially closed. Sterner replied that this suggestion would be considered.

Mission Management Aircraft – Joe Walker, Director of the Aircraft Management Division, presented the status of this Other Weakness. Updates since the last quarter include early implementation of the NASA Aircraft Management Information System (NAMIS) and issuance of policy regarding required aircraft cost accounting changes. Planned activities for the next quarter include executing additional cost system changes and delivery of aircraft cost reports from each Center.

The Inspector General brought up a potential concern with project management of the Shuttle transition. There is open audit work so he is not ready to make a recommendation at this time, but may bring it up at a future meeting.

Third Item of Business – Open Discussion

- **Center Roles and Responsibilities Study** - The draft Terms of Reference for this proposed study were provided as pre-meeting reading to the OMC members, and comments were received from one member. Howard Ross was not able to attend the OMC meeting, but the Executive Secretary passed along his thanks for the comments and an open solicitation for further feedback. Howard may be reached at howard.ross@nasa.gov or 202-358-1977.
- **OMC Member Poll** – The Executive Secretary presented an overview of the OMC survey results for Rebecca Spyke-Keiser, who was not able to attend the meeting. A request for feedback on OMC meetings was sent via email to the OMC members on July 6th. Fourteen responses were received, and while the value of the OMC meetings was rated as high, several suggestions for improvement were offered. For example, many members felt that OMC meetings should be held as video teleconferences (ViTS) when most of the agenda items are informational, and that the agendas for face-to-face meetings should be primarily reserved for decisional topics. In response to the suggestions, the following changes will be implemented:
 - One or two Centers per meeting will report on Center best practices and top cross-cutting issues affecting the Center.

- Face-to-face meetings will include more decisional than informational items on agenda.
- Video teleconferences will be scheduled for shorter meetings or for meetings with fewer decisional items.
- Information and presentations (particularly on decisional items) will be posted earlier.

In response to suggestions to clarify the governance process for the OMC, the Executive Secretary explained that the OMC Chair is the ultimate decision-maker. However, it is important that OMC members voice their questions and comments during the discussions so that their opinions and thoughts can be considered in the decision. It was acknowledged that earlier distribution of material will give the members more time to review and obtain feedback from their staff, which will be helpful in stimulating the discussion.

Closing Remarks: The Assistant Deputy Administrator, Assistant Administrator for I&A, and the Executive Secretary reviewed the decisions and actions assigned during the meeting.

The Council ended its meeting at 4:10 p.m.

Prepared by:



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Approved by:



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Agenda
Operations Management Council
July 28, 2006
NASA Headquarters
Room 7C61 (ViTS)
12 – 4:15 pm (EDT)

12:00	Opening Remarks	Shana Dale
12:05	Action Status Review	Executive Secretary
12:10	IEMP Governance Proposal - Decisional	Mark Saunders
1:00	Internal Control Quarterly Status	Olga Dominguez
3:45	Open Discussion with OMC Members	All
4:10	Summary of Actions	Executive Secretary