



Logistics Management Newsletter

FROM THE LOGISTICS MANAGEMENT DIVISION

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Welcome. This newsletter is brought to you by the Logistics Management Division (LMD). Its purpose is to keep you abreast of the latest business practices and to share information about ongoing logistics management initiatives and events. It also introduces interim policy letters, which shall be incorporated in forthcoming updates of NASA Procedural Directives and Procedural Requirements.

Equipment Management Program

Loan of NASA Equipment in Support of International Agreements

The Logistics Management Division and the Office of International and Interagency Relations (OIIR) collaborated to develop a new international agreement provision draft for the loan of NASA property. Policy developers from the two offices reached consensus on the legal language to outline

appropriate terms and conditions when loaning NASA equipment to a foreign country or organization.

When the new NASA Form 893 (NF893, Loan of NASA Equipment) is being completed, the terms and conditions for the execution of the loan will no longer autopopulate upon selection of "OUTSIDE NASA" and "FOREIGN" in block 7. Instead, it will autopopulate with the following statement:

"For terms and conditions of the loan of this property, please see the attached international agreement. A copy of the international agreement shall remain with this form. If additional property is to be added to this loan at a later date, an additional NASA Form 893 will need to be completed and OIIR should be consulted regarding any needed amendments to the international agreement."

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The terms and conditions will be outlined as a provision in the international agreement document. The NASA official completing NF893 must enter the international loan agreement number in block 1 (Loan/Agreement Number) and refer to the international loan agreement in block 5 (Purpose of the Loan). The head of the organization receiving the loan does not have to sign the form. Rather, the organization official in physical receipt of the property must sign and return the completed copy of NF893 to the NASA point of contact.

The Office of International and Interagency Relations communicated the following directive to NASA-wide agreement managers for immediate implementation:

The language below should be included in all property loan agreements, in addition to the appropriate standard Space Act Agreement Guide (SAAG) clauses.

1. In addition to a statement of purpose and description of the activity, the following statements must be contained in the introductory paragraphs:

- In order to further activities set forth in this Agreement, the Parties acknowledge that NASA will lend certain Government property associated with

[name of the activity (provide additional detail as necessary)] to *[Party]*. A detailed listing of the property to be loaned will be found on NASA Form 893 (Loan of NASA Equipment).

- The property associated with *[name of the activity]* (hereinafter referred to as the “Property”) is not being provided to *[Party]* as a substitute for the purchasing of the same type of Property by *[Party]* under any contract or grant that *[Party]* has, or may have, with a third party. Furthermore, such Property is not excess to NASA’s requirements and its use is anticipated upon its return to NASA.
- All Property is loaned in “as is” condition with no expressed or implied warranties of any kind.

2. Responsibilities

In support of this loan the *[Party]* will:

- a. Install, operate, and maintain the Property at *[Party’s]* expense;
- b. Furnish all utilities (e.g., water, electricity) and operating materials required for the operation of the Property;
- c. Assume full responsibility for the care, protection, use, and liability of the Property while on loan;
- d. Bear all costs associated with use of the Property, including, but not limited to, disassembly,

assembly, shipping, receiving, installing, handling, packaging, licensing, and storing of the Property, including the cost to return the Property to NASA;

- e. Be responsible for any damage to or loss of the Property during transit;
- f. Report all damage to, or loss or destruction of, the Property to the NASA Point of Contact (POC) named in *[Article]* within 10 calendar days from the date of the discovery thereof;
- g. In the event the Property is lost, damaged, or destroyed, at NASA’s option repair or replace the Property, or pay to NASA an amount of money sufficient to compensate for the loss, damage, or destruction (such amount may exceed the value of the Property because NASA may incur other expenses as a result of replacing lost or destroyed property);
- h. Identify, mark, inspect, and inventory the Property promptly upon receipt, maintain suitable records for each piece of Property, perform an annual inventory during the term of this Agreement, until such time as the Property is returned to NASA, and report these results to the NASA POC named in *[Article]*;
- i. Not loan, transfer, or redeliver the Property to any third party;

- j. Provide advance written notice to NASA prior to relocating the Property;
- k. Receive approval in writing prior to modifying or altering the Property;
- l. Grant NASA access to the Property immediately upon request;
- m. Transport the Property in accordance with good commercial practice;
- n. Use the Property only for the purpose stated in this Agreement; and
- o. Return the Property to NASA in the same condition as when received, except for normal wear and tear.

3. Ownership of Goods and Data

Unless otherwise agreed in writing, NASA will retain ownership of all goods and data it provides to [Party] under the terms of this Agreement.

4. Schedule

[Note: This clause contains a detailed statement of schedule and milestones in the paragraph below.]

The above schedule and milestones are estimated based upon the Parties' current understanding of the projected availability of the Property. In the event that either Party's projected availability changes, the other Party will be given reasonable notice of that change, so that the schedule and milestones may be adjusted accordingly. Prior to shipping the Property from NASA to [Party], a NASA Form 893 (Loan of NASA Equipment), which is used to record and track the Property being loaned, must be completed.

5. Priority of Use

The Parties agree that the furnishing Party's usage of the Property will have priority over the usage planned

in this Agreement. Should a conflict arise, the furnishing Party, in its sole discretion, will determine whether to exercise its priority. Should a schedule conflict arise with other users, the furnishing Party, in its sole discretion, will determine priority as between the users.

The aforementioned is to keep NASA SEMOs informed of the latest developments regarding proper documentation and individual responsibilities when loaning NASA equipment in support of international agreements. SEMOs must obtain a copy of the international loan agreement from the NASA official releasing the equipment, or from the respective SAA manager, in order to proceed with the execution of the loan. Equally important is to attach a copy of the international agreement to NF893 to justify the loan and document the loan period of NASA equipment.

DISPOSAL MANAGEMENT PROGRAM

Excess Personal Property—FY15 Statistics

As of September 9, 2015, NASA Centers disposed of 60,506 individual disposal "cases" with a total original acquisition cost of \$781,964,877. At the same time, there were 51,191 cases awaiting disposition in the disposal system. The disposal amount has remained

constant over recent years. Centers are encouraged to look at multiple venues, utilizing the First-In-First-Out (FIFO) method, to dispose of their excess property in accordance with Federal property laws and regulations and NASA property, policies, and procedures.

Computers for Learning

As of the end of August 2015, NASA Centers have leveraged the General Services Administration's (GSA) Computers for Learning (CFL) online program to transfer 484 pieces of computer technology to eligible schools with a total acquisition cost of \$1,343,369.

GSA Online Auctions Sales

Exchange/Sale—As of the end of August 2015, NASA netted a total of \$1.9 million from GSA's sale of personal property under the exchange/sale authority—the sales proceeds of which can be used, in whole or in part, for the acquisition or replacement of property (Federal Management Regulation (FMR) 102-39—Replacement of Personal Property Pursuant to the Exchange/Sale Authority).

Surplus Sale—As of the end of August 2015, NASA netted approximately \$1.6 million from the sale of surplus personal property through GSA online auctions. The proceeds from GSA surplus sales can be used to defray NASA expenses related to the sale of the surplus property in accordance with the Federal Management Regulation 102-38.295-300, Disposition of Proceeds, and NASA Procedural Requirement 4300.1C, section 5.5.2, to include:

- Expenses associated with warehouses/storage
- Sales preparation
- Environmental services
- Demilitarization services
- Advertising, appraisals
- Security, transportation of property

- Labor or contract costs related to the sale of the property
- NASA Centers' established overhead rates for these functions

UNICOR Recycling of NASA Excess Federal Electronic Assets (FEA)

The Federal Government has determined that the improper disposal of used electronics may potentially harm human health and the environment. Accordingly, electronic product(s) must be disposed of at their end of useful life in accordance with all Federal, state, and local laws. NASA and UNICOR entered into an agreement to appropriately dispose of NASA's electronic assets to keep nonfunctioning Federal electronics out of landfills. UNICOR is NASA's designated responsible recycler for e-waste at NASA Centers. For the first and second quarters of fiscal year 2015, NASA gave UNICOR a total of 1,141,112 pounds of e-waste, and UNICOR returned \$130,662.89 to NASA from its recycling program.

Disposal of Firearms

NASA Centers will report all excess firearms (FMR 102-40 Utilization and Disposition of Personal Property with Special Handling Requirements, section 75) to GSA (8QSC) Denver, CO 80225-0506 through the NASA Disposal System. GSA will approve transfers of firearms only to those Federal

agencies authorized to acquire firearms for official use and may require additional written justification from the requesting agency. GSA may donate only surplus handguns, rifles, shotguns, and individual light automatic weapons previously used by the Federal Government, with less than .50 caliber in Federal Supply Classification (FSC) 1005, and rifle and shoulder-fired grenade launchers in FSC 1010, with a disposal condition code of usable or better. Only eligible law enforcement entities whose primary function is the enforcement of applicable Federal, state, and/or local laws, and whose compensated law enforcement officers have powers to apprehend and arrest, may obtain these donated firearms for law enforcement purposes.

If the firearms cannot be reutilized by another Federal agency or donated by GSA Region 8, the firearms must be destroyed by crushing, cutting, breaking, or deforming each firearm in a manner that ensures each firearm is rendered completely inoperative and incapable of being made operable for any purpose except the recovery of basic material content. The destruction must be witnessed by two additional agency employees.

Centers shall not dispose of functional or repairable firearms under an exchange/sale transaction or by sale. Surplus firearms may be sold only for scrap after total

destruction, as described above, to ensure that the firearms are rendered completely inoperative and to preclude their being made operative. Such scrap sales, after total destruction of the firearms, shall be coordinated with GSA.

Exchange/Sale Success Story



During the month of May 2015, the Property Officer for Wallops Flight Facility (WFF), who is located at Goddard Space Flight Center (GSFC), worked with WFF Flight Operations, NASA Headquarters Logistics Management and Aircraft Divisions, Defense Logistics Agency (DLA) Demilitarization/Trade Security Office, and GSA Region 9 to facilitate the sale of three C23 cargo aircraft. The gross exchange/sales proceeds were about \$1.1 million, a sum that will be used for the acquisition or replacement of aircraft parts and components to offset aircraft maintenance operation costs (which cannot be used for labor costs) at WFF. For more information on exchange/sales, read FMR102-39.60 and NPR 4300.1C, Chapter

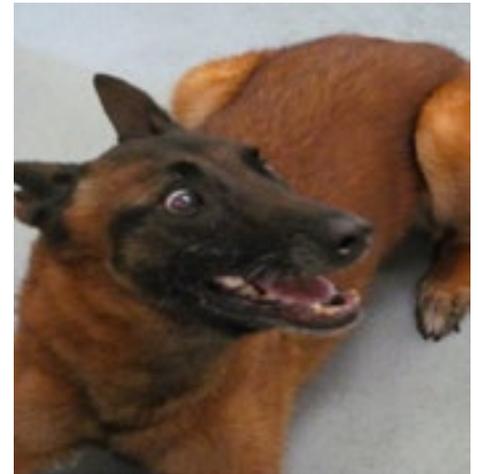
6, to determine what restrictions and prohibitions apply to the exchange/sale of personal property.

Generally, you may use the exchange/sale authority only if you meet all of the following conditions: (a) The property exchanged or sold is similar to the property acquired; (b) The property exchanged or sold is not excess or surplus and you have a continuing need for similar property; (c) The property exchanged or sold was not acquired for the principal purpose of exchange or sale; and (d) When replacing personal property, the exchange allowance or sales proceeds from the disposition of that property may only be used to offset the cost of the replacement property, not services.

Disposition of NASA Animals Success Stories

Disposition of Canines

Disposition of NASA property is not limited to equipment, supplies, and materials. The NASA Kennedy Space Center Property Disposal Officer was once again recently tasked with the disposition of a NASA canine, Robbie. Under the authority of 40 U.S.C., §555, "Donations of law enforcement canines to handlers," KSC donated Robbie, ECN 2299000, to his handler. According to 40 U.S.C., Federal agencies having control of a canine that has been used by the



Federal agency in the performance of law enforcement duties and that has been determined by the agency to no longer be needed for official purposes may donate the canine to an individual who has experience handling canines in the performance of those duties. (Thanks, Robbie, for your service to NASA!)

Disposition of Fish and Associated Equipment



The Center's management decided to discontinue operation of the Green Lab Research Facility, an

indoor laboratory and an outdoor greenhouse facility housed at Glenn where researchers studied the basic biology of renewable energy sources. Researchers at the facility evaluated strategies for disposition of personal property assets. NASA Glenn Research Center's Property Disposal Officer (PDO) was called upon to consult and advise senior management on the way forward. The assets that were to be disposed of included the following: living organisms—50 large saltwater fish and approximately 5,000 freshwater mollies; bioactive materials—plants, coral, algae, etc.; biowaste—sand and soil contaminated by biowaste

and feed material that can become biohazard; and physical assets—numerous tanks and accessories. By no means was this a normal disposal action; actually, it was unique and extremely challenging. The main objective was to not harm the fish and to find someone who could adequately care for them. Through this process, the PDO learned that the fish were considered Government property and had to be handled as such.

Glenn's management decided to cease operations at the Green Lab by the end of May 2015. After a series of meetings, teleconferences,

and tours of the Green Lab, Glenn's PDO worked closely with NASA Headquarters Logistics Management Division and GSA to facilitate the sale of the fish and equipment at the Green Lab. The Green Lab subject matter experts provided key information about the lab, including potential candidates/companies interested in acquiring the fish and other assets through a GSA sale. After weeks of negotiations, GSA successfully completed the sales, saving the Government thousands of dollars in administration and disposition costs, but most importantly, keeping the fish safe.

CONTRACT PROPERTY PROGRAM

The Property Management System Analysis (PMSA)

The largest quantities and values of Government-owned property, acquired for execution of NASA programs, are in the hands of NASA's contractors. NASA oversees this property through its contract property administration policies and process.

The primary objective of contract property administration is to provide efficient and economic management of all Government property supplied to or used by Government contractors in the performance of their contracts. The administration works to guarantee

effective management of risk and realization of cost benefits associated with use of Government assets by the contractor. A second objective is to ensure the availability of Government property for effective contract performance.

The Property Administrator (PA) oversees and evaluates contractor management (control, use, preservation, protection, repair, and maintenance) of Government property in its possession through the **Property Management System Analysis (PMSA)** process. This evaluation determines the level of risk to the Government associated with providing property.

The contractor's performance and the PA's evaluation criteria must be consistent with the contractual requirements, as well as with voluntary consensus standards (VCSs), industry leading practices and standards (ILPSs), and customary commercial practices (CCPs) for property management that have been determined to be adequate for the performance of the applicable contracts. Determination of adequacy of VCS, ILPSs, and CCPs may occur either as part of the award process or in response to a contractor's reported changes.

The contractor's use, stewardship, and management of Government assets in no way negates NASA's

responsibility to provide reasonable management controls to protect the assets, preserve them, ensure their proper use, and, when no longer required, dispose of them appropriately. Although the contractor retains the principal stewardship responsibility—and its property standards, practices, and procedures serve as the principal management control—the PMSA provides the oversight audit needed to assure the public that NASA is appropriately managing the resources assigned to administer the contract. While providing property to a contractor increases risk to the Government, the PMSA reduces risk by identifying areas of contract noncompliance or inadequate processes or actions,

as well as incidences of fraud, waste, or abuse. The status of the contractors latest PMSA is captured on the NF1018 during the annual reporting of NASA property in the custody of contractors.

National Property Management Association (NPMA)—National Education Seminar

Several NASA IPOs, PAs, and equipment managers joined industry peers and experts at this year's NPMA National Education Seminar in Fort Worth, TX. The NPMA education committee organized a week packed with top-quality educational workshops, training, and professional networking opportunities.

Attendees were able to design their own education sessions from a curriculum of over 60 seminars in six tracks. Additionally, preconference certification courses were offered and participants were able to earn up to 4 continuing education unit (CEU) credits. According to NPMA, this event provides the logistics manager with actionable information to improve asset management operations, help ensure compliance with key regulatory mandates, and reduce the costs and risks associated with managing physical assets and material. The seminar allows attendees to gain knowledge and reap the benefits that NPMA has to offer. I hope to see continued participation by the NASA logistics community.

Kudos



Congratulations goes out to the Industrial Property Team at Goddard Space Flight Center!

(Nadja Hardy, NASA Headquarters Industrial Property Officer (IPO),

accepted the award on behalf of the Contract Property Office)

The Industrial Property Team at Goddard Space Flight Center (GSFC) was awarded the FY 2015 Teamwork/Partnership Award for their outstanding performance during the FY14 annual reporting period. The team succeeded in completing 100 percent of the annual reporting of contractor assets. According to sources at GSFC, this was likely the first time in numerous years that this goal had been achieved. The IPOs and property administrators

processed over 400 contractor annual reports with a total acquisition value of over \$3 billion. Of the 400 contracts, 9 were major contracts, with acquisition values of over \$10 million each.

Kennedy Space Center's Property Disposal Officer is recognized by the National Property Management Association

On September 16, 2015, Christopher Spears (Kennedy Space Center's Property Disposal Officer) was recognized by the National Property Management

Association (NPMA) Space Coast Chapter as “NASA’s Property Person of the Year for 2015” for

his support/assistance to the NPMA. He was commended for his skills, leadership, and

dedication, which had proven to be invaluable to the organization.

Mail Management Program

NPD 1460.1 (Agency Mail Management Program) is revalidated with Change 1, September 9, 2015.

NDP 1460.1 has been revalidated and published in the NASA Online Directives Information System (NODIS) Library for general use and implementation. The revalidation expires on September 9, 2020. Listed below is a summary of changes that are effective immediately:

1. Policy

It is NASA policy to establish a mail management program for the efficient, effective, and economical management of internal, incoming, and outgoing mail to ensure that the established mail communications system supports NASA’s official mail requirements. Mail processing facilities and services, including courier services, must relate exclusively to the business of the United States Government, in support of NASA mission requirements.

2. APPLICABILITY

- d. This NPD is applicable to the processing and

management of mail pieces weighing up to 70 pounds.

5. RESPONSIBILITY

- c. Center Directors shall appoint, in writing, a Center Mail Manager to be responsible for ensuring that Center mail management activities comply with applicable laws, regulations, and Agency policies and requirements.
- d. Center Mail Managers shall:
 - (2) Conduct customer surveys, at a minimum of once per fiscal year, October 1 through September 30, and submit results to the Agency Mail Manager at the beginning of the new fiscal year, not later than October 31.
 - (6) Plan, implement, and maintain an efficient and cost-effective mail distribution system, including establishing a Center-level mail management policy for internal mail distribution.
- e. Center Transportation Managers and Center Printing Managers shall:
 - (2) Submit annual postal accountability and expenditure reports to the Center Mail Manager for report

consolidation and reporting to the Agency Mail Manager.

ATTACHMENT A: Definitions

Agency Mail Manager means the person who manages the overall mail management program of a Federal agency.

Internal mail means mail generated within a Federal facility that is delivered within that facility or to a nearby facility of the same agency, so long as it is delivered by agency personnel.

Mail is described in Federal Management Regulation §102-192.30.

Mail center means an organization and/or place, within or associated with a Federal facility, where incoming and/or outgoing Federal mail and materials are processed.

Mail expenditures means direct expenses for postage fees and services, and all other mail costs, meter fees, permit fees, etc. (e.g., payments to service providers, mail center personnel costs, mail center overhead).

Official mail means incoming or outgoing mail that is related

to official business of the Federal Government.

Service provider means any agency or company that delivers materials and mail. Some examples of service providers are DHL, FedEx, UPS, USPS, courier services, the U.S. Department of Defense, the U.S. Department of State's Diplomatic Pouch and Mail Division, and other Federal agencies providing mail services.

Mail Management Training

The GSA/Office of Government-wide Policy, under the Federal Transportation and Logistics

Management Training Program, offers online training to Federal agencies at no cost. The Federal Transportation and Logistics Management Training Program site provides a full range of basic, intermediate, and advanced transportation and logistics training resources and continuous learning opportunities. Please visit <http://transportationofficer.golearnportal.org/> for more information.

Basic (Level 1) provides a comprehensive overview of Federal transportation rules for any Federal employee responsible

for, engaged in, or interfacing with transportation activities.

Intermediate (Level 2) and **Advanced (Level 3)** provide content-specific subject matter appropriate to the responsibilities of a transportation officer.

For assistance, please call the Help Desk, Monday through Friday, 8:30 a.m. (EST) to 6 p.m. (EST) at 202-558-2203, or toll free at 888-804-4510.

Contact Us

Your involvement, understanding, and feedback are essential to making the Logistics Management Program a success. Please send us your questions or stories to share by calling or e-mailing:

Miguel A. Rodriguez

Equipment Management Program
Office: 202-358-1065
miguel.a.rodriguez-1@nasa.gov
<http://ld.hq.nasa.gov/equipmgt.html>

Marjorie C. Jackson

Contract Property Management Program
Office: 202-358-2464
marjorie.c.jackson@nasa.gov
<http://ld.hq.nasa.gov/cpm.html>

Timothy A. Currie

Transportation Management Program
Office: 202-358-1219
timothy.a.currie@nasa.gov
<http://ld.hq.nasa.gov/ato.html>

Angelo I. Wilson

Supply Management Program
Office: 202-358-0491
angelo.i.wilson@nasa.gov
<http://ld.hq.nasa.gov/supmgt.html>

Michael Eaton

Disposal Management Program
Office: 202-358-1439
michael.eaton-1@NASA.gov
<http://ld.hq.nasa.gov/prodis.html>