



Logistics Management Newsletter

FROM THE LOGISTICS MANAGEMENT DIVISION

FY16 | ISSUE 1

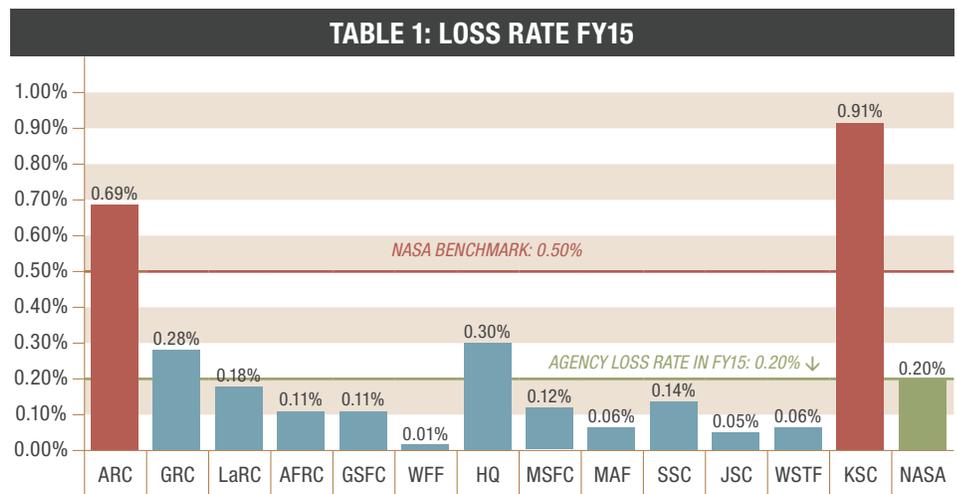
JANUARY 2016

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

NASA Equipment Loss Rates (Fiscal Year 2015)

The Agency equipment loss rate was 0.20 percent in fiscal year (FY) 2015, one of the lowest loss rates ever recorded by the Agency. Per NASA Policy Directive (NPD) 4200.1, NASA Centers shall execute a 100 percent wall-to-wall physical inventory by the end of each fiscal year. The wall-to-wall physical inventory campaign is a management tool for record



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validation. The inventory measures how well NASA organizations manage Government equipment. The Agency and Centers' loss rates are automatically calculated on October 1, the beginning of the fiscal year, by dividing the number of net lost items during the fiscal year by the Center's total equipment density at the end of the fiscal year, after capturing equipment additions and deletions.

Table 1 depicts the Agency and Centers' net losses. Equipment recoveries are taken into consideration when calculating Center loss rates. The net loss is the number of equipment items initially reported as lost or missing in a fiscal year minus the number of equipment items later recovered to establish accountability within the same fiscal year.

The Agency's benchmark is not to exceed 0.5 percent. The calculation of Center loss rates

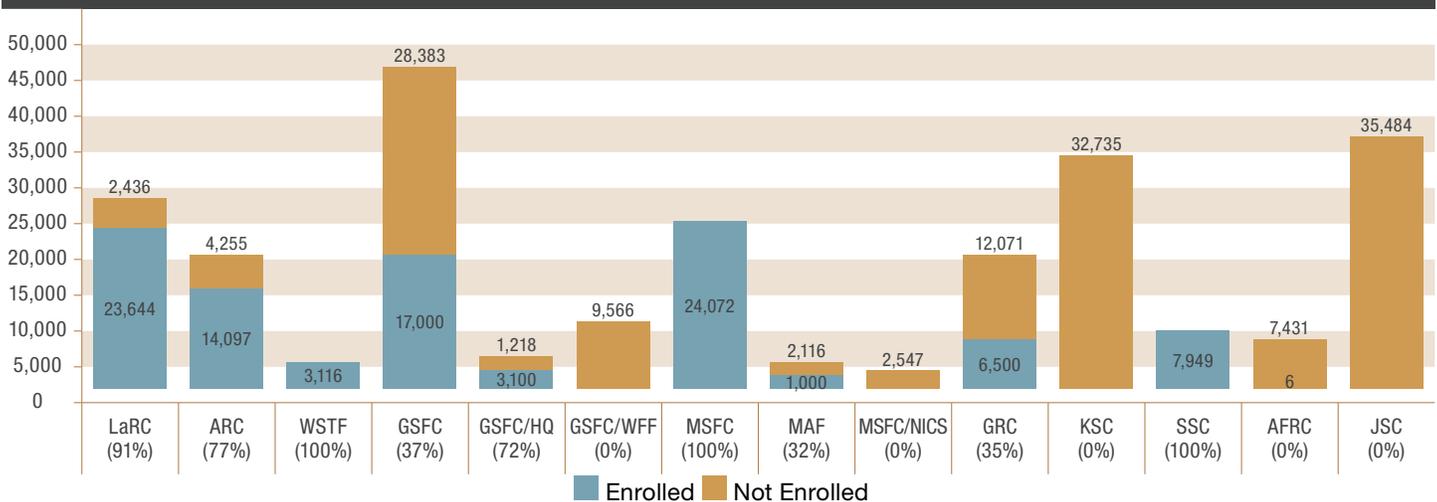
aims to capture data that are valid, reliable, and timely for the identification of root causes, trends, and operational issues that may lead to management decisions to heighten accountability of equipment at the Center.

The Agency is subject to frequent press coverage and congressional inquiries regarding losses of Government equipment. In response, Centers have improved equipment management practices to accommodate heightened policy requirements. All NASA Centers will execute annual (fiscal year) inventories in FY16. The execution of annual inventory campaigns is critical to process enhancement, standardization, and accurate assessment of how well NASA Centers manage and maintain accountability of Government equipment, including the accuracy of NASA's equipment records in the EQUIPMENT System.

NASA Radio Frequency Identification (RFID) System Implementation

NASA continues to implement RFID technology to expedite the inventory of equipment. Table 2 depicts the number of items (in blue) already enrolled in RFID and the number of equipment items (in yellow) pending RFID enrollment. Completion rates are determined based on the equipment density at each Center as of October 1, 2015, the beginning of FY16. As the chart shows, three Centers (White Sands, Marshall, and Stennis) have reached 100 percent implementation. The Agency's total number of items enrolled is 100,484, and the number pending enrollment is 138,242, or the equivalent of 42 percent enrollment rate as reported to the Headquarters Logistics Management Division (LMD) on November 10, 2015.

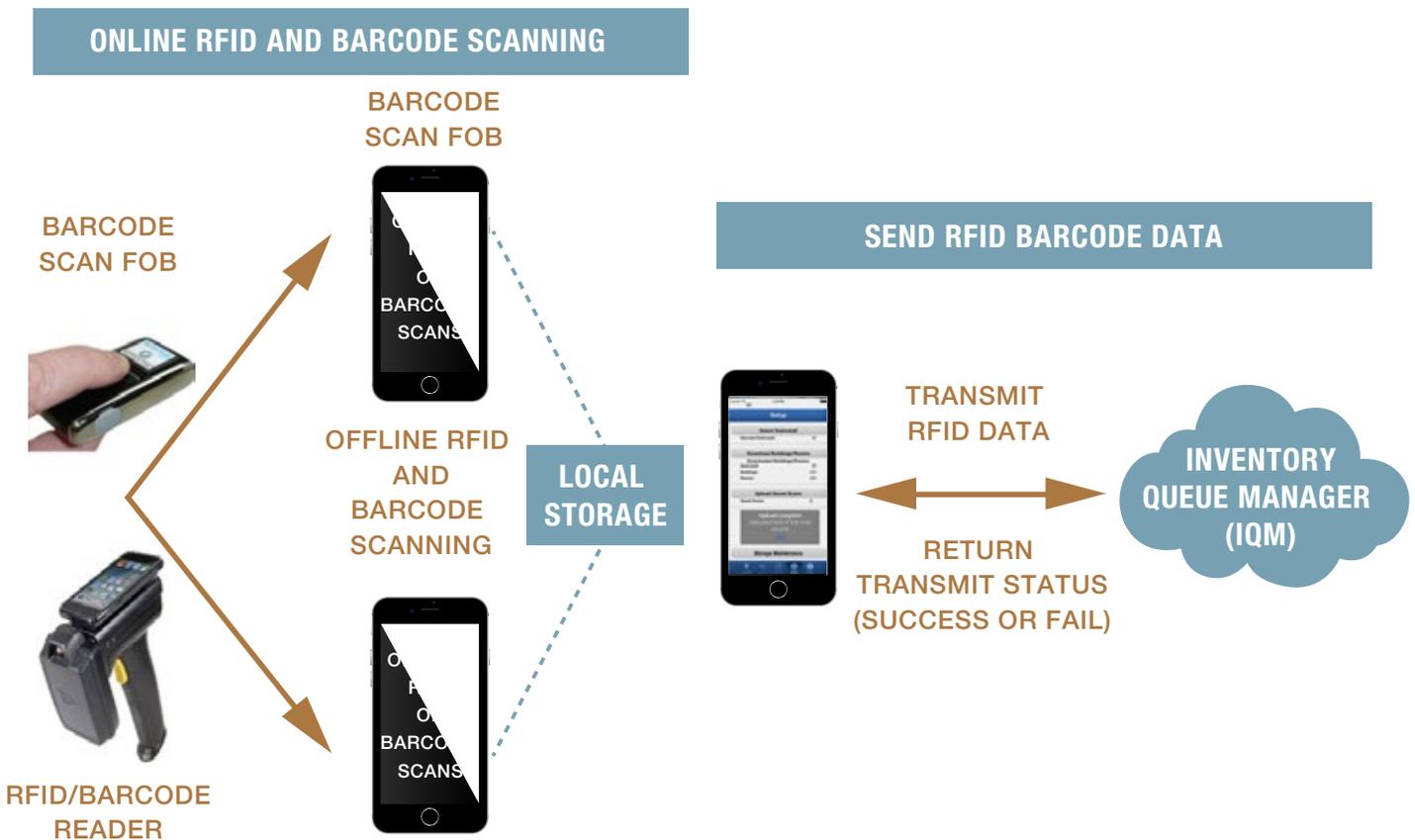
TABLE 2: RFID INVENTORY OF EQUIPMENT



The NASA Enterprise Applications Competency Center (NEACC) production system is in the midst of developing system enhancements that will allow real-time update of Systems Application Products (SAP) records during the execution of the inventory via the use of Wi-Fi networks and mobile iOS devices. Although Wi-Fi coverage is not 100

percent in all areas and facilities at NASA Centers, inventory teams will be able to continue executing their inventory and capture RFID information offline when they are in areas outside Wi-Fi coverage. In such instances, SAP records will be updated as soon as the inventory teams are within Wi-Fi range. Initial testing has demonstrated that

an estimated 700 records were updated in SAP in approximately 1 minute. The following chart illustrates the process for the use of RFID readers/iOS devices, storage of the captured information, and corresponding transmission of respective data to the SAP system. (Image courtesy of the NEACC)



DISPOSAL MANAGEMENT PROGRAM

Excess Personal Property—FY15 and FY16 Statistics

In FY15, NASA Centers disposed of 64,086 items with a total original acquisition cost of \$808,114,527,

and as of December 10, 2015 (first quarter of FY16), NASA Centers have disposed of 13,649 items with a total acquisition cost of \$178,536,729. In addition, there were 50,398 items with assigned

disposal cases awaiting disposition. The disposal amount has remained constant over recent years.

Centers must consider 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. According to FIFO, the goods that are first entered in the warehouse inventory are the ones that are disposed of first. Newer goods that enter the inventory are placed at the end of the line for disposition purposes. This means that at the end of a financial year, the items that are left on the active inventory list should be those that have been introduced into the inventory most recently.

Computers for Learning (CFL)

In FY15, NASA Centers leveraged the General Services Administration's (GSA) Computers for Learning (CFL) online program to transfer 515 pieces of computer technology, with a total acquisition cost of \$1,441,237, to eligible schools.

In FY16 (as of the end of November 2015), NASA Centers transferred to eligible schools in the CFL program a total of 41 pieces of computer technology with a total acquisition cost of \$56,877.

GSA Online Auctions Sales

Exchange/Sale—In FY15, NASA Centers netted a total of \$1,941,733.83 from GSA

online auctions of personal property under the exchange/sale authority. The proceeds from those sales 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).

So far in FY16 (through the end of November 2015), NASA Centers have netted a total of \$68,871.20 through GSA online auctions for the replacement of NASA property.

Surplus Sale—In FY15, NASA netted a total of \$1,754,670.90 from the sale of surplus personal property through GSA online auctions.

So far in FY16 (through the end of November 2015), NASA Centers have netted a total of \$399,269.80 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 FMR 102-38.295-300, Disposition of Proceeds, and NASA Procedural Requirement 4300.1C, section 5.5.2, to include:

- Expenses associated with warehouses and storage
- Sales preparation

- Environmental services
- Demilitarization services
- Advertising and appraisals
- Security and 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 the end of their 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. In FY15, NASA provided UNICOR a total of 1,961,297 pounds of e-waste, and UNICOR returned \$204,479.54 to NASA from its recycling program. The NASA Headquarters LMD has not received any recycling proceeds summary data from UNICOR for FY16.

Success Story: Donation of NASA Aircraft by GSA



The disposal of excess aircraft is done in accordance with FMR 102-33 – Subpart D – Disposing or Replacing of Government Aircraft and Parts, and FMR 102-36 – Subpart E – Personal Property Whose Disposal Requires Special Handling. Generally, the disposition process for aircraft is slow because it may be costly for the recipient to transfer the aircraft from the NASA location to the recipient’s location, which could be a great distance away. The NASA Glenn Research Center (GRC) disposed of a Lear Jet, which was later donated by GSA to the Massachusetts State Agency for Surplus Property (SASP) for Westfield School’s Department of Aviation Technology. Once GSA approved the transfer, the most difficult part of the process began:

the transportation of the aircraft from GRC to the school. A great deal of coordination took place between the recipient and GRC’s Property Disposal and Aircraft Operations Office. It took several months before the aircraft reached its final destination. The good news is that the aircraft made it and is now awaiting the completion of the school’s hangar, its new home.

Disposition of Canines



Disposition of NASA property is not limited to equipment, supplies, and materials. The NASA Kennedy Space Center (KSC) Property Disposal Officer was once again recently tasked with the disposition of a NASA canine, Dexel. Under the authority of 40 U.S.C., §555, “Donations of law enforcement canines to handlers,” KSC donated Dexel, ECN 2298999, 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, Dexel, for your service to NASA!

Zebra Label Printer Information

SUPPORT FOR THE ZM400 INDUSTRIAL PRINTER



This printer is discontinued but still serviced.
Printer Discontinuation Date: September 30, 2016
Last Ship Date: December 30, 2016
Service and Support Discontinuation Date: December 30, 2019
Replacement Model: ZT410
[Online Tech Support](#)

The NEACC’s disposal label printing process was based on the Zebra ZM400, which has since been discontinued.

Center employees using a ZM400 will still be supported. For future acquisition of a label printer, the ZM400 has been replaced by the ZT410 and works with the following resolutions: 203, 300, and 600. For additional information on Zebra printers, contact the NEACC.

CONTRACT PROPERTY MANAGEMENT

Property Accountability and Reconciliation, FY15

By Marjorie C. Jackson

Partnerships have always been a vital component of NASA’s mission. Our collaborations with academia and industry assist programs and

projects across all of our business lines, supporting technology development, research testing, and ground and flight operations.

In some partnerships, NASA provides Government property, or allows the acquisition of property by the contract partner. Federal Acquisition Regulation (FAR) part 45 stresses the importance of an institution to ensure contractors provide control, protection, preservation, and maintenance of all Government property and to ensure that these institutions use voluntary consensus standards and/or industry-leading practices and standards to manage Government property in their possession. The NASA Industrial Property Officer (IPO) is responsible for ensuring that our contract partners act in accordance with FAR and the terms and conditions of their contract with regards to property.

One important aspect of property management is property accountability. The FAR requires contractors to periodically perform, record, and disclose physical inventory results (FAR 52.245-1). NASA requires that this report be provided to the Contract Property Section annually in the form of summary reports. The annual summary report is recorded on NASA Form (NF) 1018—NASA Property in the Custody of Contractors. This form discloses the number of items and the dollar value of Government property associated with the NASA contract, grant, or cooperative agreement. The report provides a standard approach for contractors to report on assets under their control and

an asset visibility picture of the NASA property in the possession and control of contractors.

Everyone involved in the reporting process (IPOs, property administrators, property accountants, and contractors) works very hard to capture, report, upload, and verify the NF 1018, and their efforts are greatly appreciated. For FY15, NASA received over 600 NF 1018s indicating there are more than 400,000 pieces of NASA property (Table 3) valued at approximately \$30 billion (Table 4) in the possession of contractors. These numbers are consistent with totals for the last three fiscal years.

TABLE 3: NUMBER OF ITEMS (THOUSANDS)

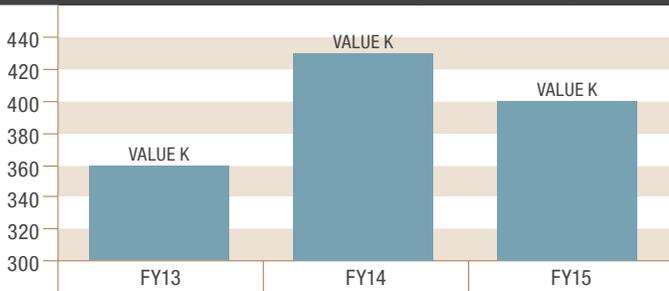
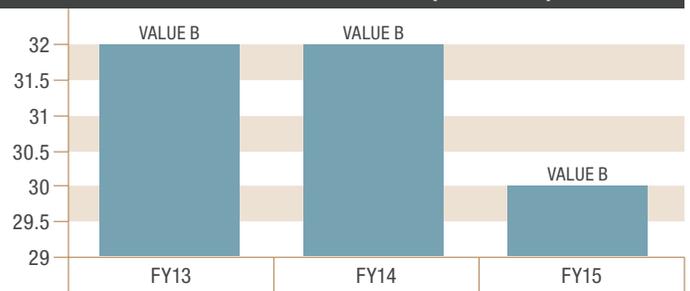


TABLE 4: VALUE OF ITEMS (BILLIONS)



Asset accountability and visibility is vital to the NASA mission not only for property located within our Centers, but for the Government property in the possession of our contract partners.

KUDOS

KSC Contract Property Team:

In FY15, the KSC contract property staff completed 7 onsite contractor audits and 10 limited Property Management System Analyses

(PMSAs), which produced 62 in-depth outcomes totaling more than \$1,648,583,404 of Government property in the possession of contractors. Leading the success, the KSC IPO and team of property

administrators followed a policy of utilizing PMSAs not simply to verify the compliance, accuracy, sufficiency, and timeliness of property management activities and find deficiencies, but to

serve as feedback devices for continuous improvement and partnering solutions and to reinforce positive personnel and contractor achievements. PMSAs are couched in terms that, to the fullest extent possible, reflect a positive tone that facilitates partnership relationships and motivates contractor personnel to create and sustain outstanding, compliant, and cost-effective Government property management practices. The KSC PMSAs in the area of Utilization and Physical Inventory resulted in a FY15 reduction in underutilized excess of more than 2,000 line items valued at approximately \$35 million and the identification of more than 100 items previously reported as lost for

a recovery cost of approximately \$500,000. *Great Job, KSC!*

Manager/Leader of the Year Nomination:

During the National Property Management Association (NPMA) Property Recognition Awards Ceremony on September 16, 2015, Cynthia “Cindy” R. Jarvis from the KSC Contract Property Office was recognized for her nomination as Manager/Leader of the Year. Cindy is an outstanding professional, mentor, leader, and colleague. Her contributions to the field of property management over the last more than 20 years are numerous and her knowledge, skills, attention to detail, work ethic,

and professionalism have had an immeasurable impact on the property management community.

It was noted that Cindy has been a very strong proponent of the NPMA for many years and has been a leader in the organization itself. Her influence has reached across NASA as an Agency, other Federal agencies such as the Defense Contract Management Agency, the Defense Contract Audit Agency, the Inspector General, and numerous contracting companies throughout the country. The tremendous support and direction she has provided to these agencies, contractors, and Government sites has been phenomenal.

Congratulations, Cindy!

MAIL MANAGEMENT PROGRAM

NASA Mail Domestic Expenditures

The GSA, following a provision in FMR, Part 102-92, Subpart A, requires all Federal agencies to report, via the Simplified Mail Accountability Reporting Tool (SMART), all mail expenditures for shipments weighing up to and including 70 pounds. The SMART report is an annual requirement that is available for data input from October 1 through November 30. NASA’s chosen deadline for reporting the Agency’s mail expenditures to GSA is October 31 each year.

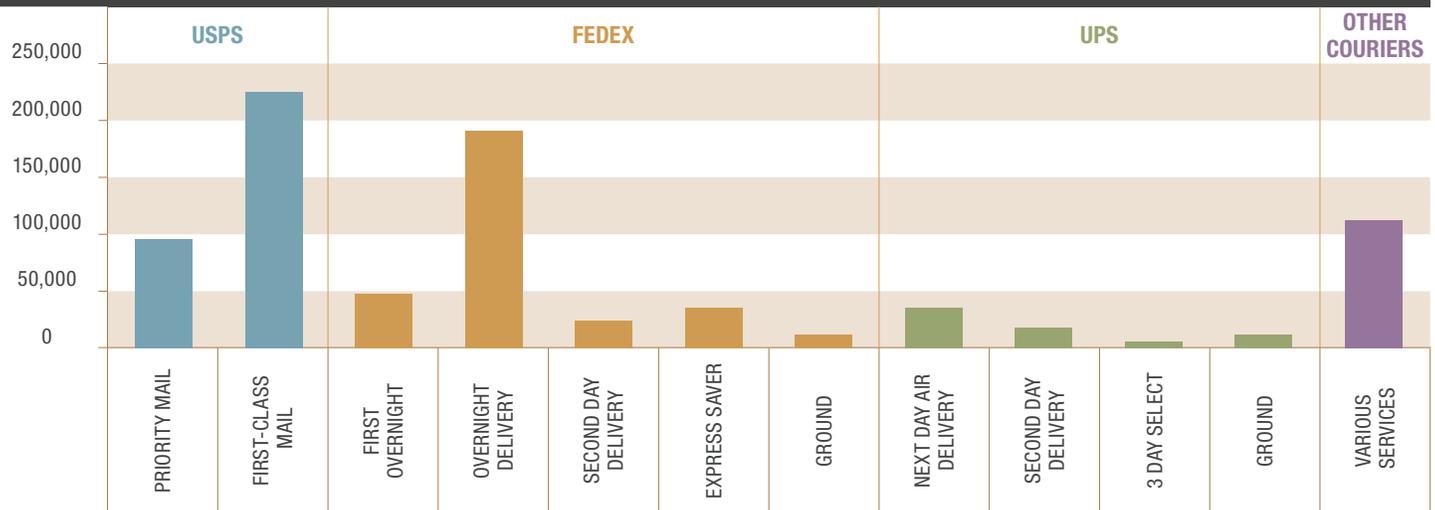
Table 5 represents FY15 data for the most common mail domestic expenditures incurred by NASA Centers and reported to GSA in October 2015; it also shows a breakdown by courier and type of service.

The expense for FedEx overnight delivery services is second to USPS Standard First Class Mail. The accurate processing of overnight delivery services represents a continuous challenge to the Agency when other types of services may be used without jeopardizing the urgency of need or time constraints

for delivery. Mail managers need to be cautious when selecting carriers and forms of delivery and should properly advise customers to select the most efficient and cost-effective delivery service. Significant cost savings may be obtained by selecting FedEx’s “Second Day Delivery” instead of “Overnight Delivery.” Cost savings may also be obtained by selecting UPS’ “Second Day Delivery” instead of “Next Day Air” delivery services.

NPD 1460.1 (Agency Mail Management Program) holds Center Mail Managers responsible

TABLE 5: MAIL DOMESTIC EXPENDITURES



Source: GSA SMART Report FY15

for conducting periodic reviews of their Center’s mail operations to identify potential improvements regarding cost and mail-processing

efficiencies. NASA’s objective is to reduce expenditures by selecting the carrier that provides the most efficient service and the best rate

without jeopardizing the priority, time in transit, or quality of service.

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:

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