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

JUN 24 2002

Reply to Attn of: W

TO: Distribution

FROM: W/Assistant Inspector General for Inspections & Assessments

SUBJECT: MANAGEMENT ALERT – Review of Performance-Based Service Contract Quality Assurance Surveillance Plans, G-02-023

We recently completed the subject review and issued the final report on June 24, 2002. To facilitate effective contract surveillance, Federal procurement regulations require agencies to develop quality assurance surveillance plans (QASPs) for all service contracts. A QASP, which directly corresponds to a contract's specified performance standards, is used to measure contractor performance and to ensure that the Government receives the quality of services called for under the contract and pays only for the acceptable level of services received. Because of performance-based contracting's (PBC) emphasis on insight versus oversight, the effective utilization of QASPs is integral to the successful administration of PBC service contracts.

Although we limited our review to three NASA Centers (Ames, Goddard, and Langley), the findings and recommendations contained in the report may apply to the other NASA installations, as well. We request that you and key members of your staff review the current status of quality assurance surveillance plans for performance-based service contracts, particularly the training provided for contracting officers' technical representatives (COTRs). Three of the five report recommendations in our report were addressed to the Ames, Goddard, and Langley Center Directors and dealt with steps to ensure adequate training. Specifically, we recommended:

Recommendation 3: The Ames, Goddard and Langley Center Directors, in conjunction with the respective Center training officials, should ensure that sufficient funding is made available to support critical COTR training, including necessary refresher training.

Recommendation 4: The Ames, Goddard and Langley Center Directors, in conjunction with respective center training officials, should track COTR training completion dates for all current and prospective COTRs and continue to ensure that all designated COTRs lacking recent (i.e., within the last 5 years) COTR training complete refresher training as soon as possible.

Recommendation 5: All Ames, Goddard and Langley training officials responsible for coordinating COTR training should review the training materials from their respective training providers to ensure that there is sufficient emphasis regarding the contract surveillance function. Specifically, the training should address COTR surveillance responsibilities and the effective implementation and utilization of QASPs as essential contract administration tools.

The report appears at our web site: http://www.hq.nasa.gov/office/oig/hq/inspections/closed.html. We intend to conduct additional Center inspections of performance-based service contract QASPs in the future. If you need additional information, please contact me at 202-358-2572 or Mr. Robert Wesolowski, Director, Program and Management Inspections Division, at 202-358-2567.

David M. Cushing

Enclosure

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