



THE GALAXY

NATIONAL CONTRACT MANAGEMENT
ASSOCIATION (NCMA)/SPACE CITY CHAPTER
NEWSLETTER—NOVEMBER 2003

FROM THE BOARD

Our Chapter Board has put together a Holiday Get-together to show our appreciation to our members and to wish everyone a happy holiday season.

WHAT: NCMA Holiday Social

WHERE: NASA Gilruth Center, San Jacinto Room

WHEN: Friday, Dec. 12th, 3:30 to 5 PM

MENU: Brie en croute, Spinach Boule, Mini Crabcakes, Fruit Tray, Wine (chardonnay, white zinfandel, and merlot), and domestic beer

PRICE: Free to Members, \$5.00 for Non-Members

Please do not hesitate to contact me or any officer should you have any questions/concerns about our Chapter. Hope to see all of you at our social, and once again thank you all for your continued support of NCMA.

Rosalie Solis, NCMA President-Space City Chapter

November Luncheon Meeting

Date: Thursday, November 20, 2003

Time: 11:30 Social, 12:00-1:00 Lunch

Location: The Gilruth Alamo Ballroom (see directions at the end of the newsletter)

Speaker: Jim "Mattress Mac" McIngvale, Owner—Gallery Furniture

Topic: "Success in Business"

Menu: Roast Beef Au Jus, mashed potatoes, glazed carrots, salad, rolls, tea, coffee, and dessert.

Reservations: Contractors-
Cynthia.L.Vourganas@usa-spaceops.com or
(281) 280-6537

NASA- Claire.A.Cox@nasa.gov or (281) 483-0743

Reservation Deadline is NOON, Mon., Nov. 17

Lunch Price: \$9 for Chapter Members
\$12 for Non-Members

INSIDE THIS ISSUE

- 1 From the Board, Nov. Luncheon Information, Quotable
- 2 Calendar of Events, Education News, Graalman Info, Membership News
- 3 2003 Fall Conference Notes
- 7 Chapter Statement of Funds
- 8 Key Contact Points

"Quotable"

Good teaching is one-fourth preparation and three-fourths theater.

~ Gail Godwin ~



THE GALAXY



CALENDAR OF EVENTS

November 20, 2003	Luncheon Meeting
<i>"Success in Business"</i>	
Jim "Mattress Mac" Mcingvale	
The Gilruth Alamo Ballroom 11:30—1:00	
December 2003:	Holiday Social
The Gilruth San Jacinto Room 3:30—5:00	
January 22, 2004:	Luncheon Meeting
<i>"Time Management Made Easy"</i>	
Peter Turla	
The Gilruth Alamo Ballroom 11:30—1:00	
February 26, 2004:	Luncheon Meeting
<i>"Columbia Accident Investigation—Procurement's Role"</i>	
Vann Jones, MSFC Contracting Officer	
The Gilruth Alamo Ballroom 11:30—1:00	

Education News

By Jannette Reed

Are you looking for ways to become actively involved in the NCMA Space City Houston Chapter? NCMA is gearing up for the 2004 Spring National Education Seminar (NES) and is looking for volunteers to make the Spring Conference a success. By volunteering for the NES Conference you will have the opportunity to network with other civil servant and contractor members of the Space City Houston Chapter. The different positions and committees consist of a Chairperson, Registrar, Finance Chair, Arrangements, Publicity, Program, etc.

If you are interested in volunteering for one of these positions or committees, please contact Jannette Reed via e-mail at jannette.reed-1@nasa.gov.

Graalman--Let us know...

By Nancy Broyan

The Graalman Award is designed to recognize chapter excellence and to provide formal competition between chapters in furthering the objectives of the NCMA.

Do you have suggestions for improvements to our chapter? Are you interested in working on a committee? If the answer is "yes" to any of these questions, please contact Nancy Broyan at 281-333-8704 or e-mail at broyann@hsd.utc.com.



Gold: 250—330 points

Silver: 225—249 points

Bronze: 200—224 points

Quality: Minimum 125 points

← Our Chapter's points to date: 92

MEMBERSHIP NEWS

By Carla Stinson

Please join me in congratulating the following members on their "milestone" anniversaries with NCMA:

Don Bailor, Jr., S&B Engineers & Constructors, 5 years
Stephen Cleland, NASA, 15 Years

And please give a big welcome to our **new members**:

Kathy Anderson, CapRock Communications
Carrie Bland
Ron Decker, United Space Alliance
James Hahn
Tasneem Malbari
Jean Moncayo
Emilly Sandersfeld, Boeing
William Schwenker



THE GALAXY

We also welcome Cheryl Jones of Raytheon. She just relocated from the Dallas area and transferred her membership to the Space City/Houston chapter. Welcome, Cheryl!!!

If any of you know of folks that attended the Fall Conference in October who are interested in joining Houston's NCMA chapter, please have them contact me at carla.m.stinson@usa-spaceops.com.

2003 Fall Conference Notes

By Tom Devitt

*On October 28th and 29th the Space City Houston Chapter held its annual Fall Conference at the Houston Hobby Hilton. The Fall Conference Banquet was held on Tuesday, October 28th and the Conference was held on Wednesday, October 29th. The theme of this year's conference was: **Acquisition: Meeting Today's Needs**. It featured a virtual Who's-Who from the field of Federal Procurement. Speakers included: **Brigadier General Edward Harrington**, Director of the Defense Contract Management Agency; **Deidre "Dee" Lee**, Director of Procurement for the Department of Defense; **Tom Luedtke**, Assistant NASA Administrator for Procurement; **Randy Gish**, Procurement Officer for Johnson Space Center; **Patricia Olsen**, Vice President for Contracts and Pricing for Boeing Integrated Defense Systems; **Eleanor Spector**, Vice President of Contracts for Lockheed Martin Corporation; **Colonel Ronald Flom**, Commandant for the Defense Acquisition University. **Ann Halligan**, Director of Contracts and Pricing for Boeing NASA Systems, served as our panel moderator.*

Brigadier General Edward Harrington - "The DCMA As Collaborative Agent"

Support of the War

- The events of 9/11 have had a significant impact on DCMA's mission and deployment of its resources.
- The DCMA has played a key role in making sure the federal procurement system can support the war effort.
- The DCMA has supported weapon system procurement and support for the deployment of armed forces into Afghanistan, Kuwait and Iraq.

- DCMA has worked to ensure expedited procurements to put the weapons and resources in the hands of the war fighters. This has required getting the most out of the USA Industrial base.

- Has lead to partnerships with U.S. industry to meet these needs.

- Over 300 DCMA military and civilian personnel have been deployed throughout the world in support of our war efforts (the DCMA even has a field office in Baghdad).

- The DCMA is working closely with Kellogg, Brown & Root who is coordinating much of the logistical support of the war effort.

- The DCMA is overseeing contractors supporting the war effort to ensure costs are reasonable, allowable and allocable.

Transformation of the DCMA

- The DCMA is undergoing a transformation to better meet the needs of its customers. This transformation seeks to make the DCMA more effective and efficient.

- The DCMA is reevaluating where it deploys its resources.

- DCMA source inspection needs to be focused on high dollar/critical to mission success/safety related items.

- In the past, the DCMA has spent too much time looking at things that were low dollar value/low risk.

- The bottom line is that while the DCMA may pull back in doing source selection in some areas, it will continue to do source inspection for critical items.

- The focus will continue to be on whether contractor provided goods and services meet terms and conditions.

- As the DCMA gets smaller and smaller it has to become more effective.

- The DCMA is seeking to leverage its abilities to better meet the needs of its customers.

- The DCMA is transforming from primarily an audit function to that of an acquisition resource.

- 21st Century Contract Management (Meeting Today's Acquisition Needs) requires that the DCMA provide a full range of acquisition support to its customers.

- Critical DCMA transformation tasks include: being the go-to organization to solve customer acquisition problems, facilitate business process modernization, and directly support the war fighter in combat.

- The core purpose of the DCMA is to ensure the Government acquires the right item, on time, and at the right price.



THE GALAXY

-“Ship to – mark for” is more than a phrase – it is an operating philosophy,

-“The struggle is not just to meet the acquisition needs of today but also ensure that the needs of the future war fighter will also be met.”

-Meeting the acquisition needs of today and tomorrow will require an unprecedented level of communication and cooperation between the Government and industry.

-All those involved in the Government acquisition process should challenge themselves to improve the process.

Deidre “Dee” Lee – Keynote: “Trends in Acquisition”

Today’s Acquisition Focus

-It is not how much money you spend but what you get done with what you spend

-The days of, “I spent all my money so that means we had excellent performance” are over

-Do more with less even when the work is more complex

-Acquisition today is more service-oriented

-“Acquisition people are evolving into business brokers”

-“Relationship Management” is becoming more and more critical

-We are seeing more Government/Industry partnerships

-More emphasis on strategic thinking

-Less of an adversarial relationship between Government and Industry

-“Is the taxpayer getting good results?” is the key question we need to ask

-Less pure contract administration and more business management

Five Key DOD Acquisition Issues

#1 Support of the War

-Follow the money. \$87B in supplemental funding had been approved (\$18B in reconstruction alone for Iraq).

-In Iraq, contractors are going in shoulder-to-shoulder with the DOD.

-Contractors are making sure the soldiers have everything they need. Government and contractor acquisition folks need to make sure this happens.

-There are unique challenges acquiring goods and services for Iraq. Much of the procurement infrastructure does not exist over there.

#2 Spend Analysis

-Spend analysis is looking at how you spend money to see if you’ve spent it well.

-This is a challenge for the DOD considering that they spend \$400B annually.

-Purchase Cards were looked at as part of DOD’s spend analysis. What the DOD discovered was that for every 400 cards that were sent out for use only one person was assigned to check to make sure they were used appropriately. The spend analysis found that there was serious misuse of the cards.

-Spend analysis makes you look at your spending habits and helps with future budget planning

-It also enables you to think strategically and plan for being more efficient in how you spend money in the future.

-Don’t wait for receipt of a PR before you start thinking about how you will meet a procurement requirement. Advance planning can make a big difference in how you acquire goods and services. You may be able to combine procurements and develop a more logical spend plan.

-Go back and look at how you spent your dollars for the last year. Where did the money go?

#3 Services

-The DOD spends \$200B annually on services.

-In the old days, NASA would acquire and provide GFE to contractors for use under a NASA contract. Now the Government buys a service and has the contractor acquire the items it needs.

-The DOD is moving toward more Performance Based Mission Support.

-Greater use of a statement of objectives rather than a statement of work.

#4 Small Business

-Small business requirements in Government contracts serve as a job engine for the U.S. economy.

-Small businesses are flexible, innovative and responsive.

-The challenge is to make sure the small business work in a contract is packaged properly.

-We need to think of small businesses as capable.

-We need to look at use of small businesses strategically and not after the fact.

-We need to make sure small businesses are included.



THE GALAXY

#5 Affect of Enron on Acquisition

- It is a good time to get reacquainted with ethics.
- Recent concerns have been expressed about Halliburton being awarded several recent contracts. The facts associated with the award of these contracts were not accurately portrayed in the news media.
- Federal acquisition needs to be “open and transparent.”
- The Government needs to be more open in its dealings.
- The DOD is answerable to Congress on how money is spent.

Dee's Predictions About the Future of Acquisition

- There will be more of an emphasis on strategic buying and strategic arrangements – “elevating procurement to a strategic perspective.”
- Federal acquisition will continue to be used to promote socioeconomic policy.
- The roles of procurement professionals will change in the future.
- In the future the acquisition community will take more of a lead role in setting up business arrangements.
- Procurement personnel will take more of a lead role in putting newer technology in the hands of their customers.
- The contract professional will evolve more into “strategic business advisor.”
- The contract professional will not only be responsible for definitizing the contract but also ensure it meets its objectives.
- Dee told the story of an umpire in 1956 who was brave enough to wear glasses when working a game. Prior to that point, no matter how bad an ump's vision was they would never wear eyeglasses. This ump recognized his weakness and had the courage to deal with it.
- Contracts professionals need to avoid becoming complacent and instead should continuously seek to “stretch” themselves.

Patty Olsen – “Meeting Today's Needs and Preparing for Tomorrow”

- We need to develop the best in ourselves.
- Organizations need to think of people as resources.
- NCMA is an important tool to the contracts professional.
- Historical perspective: It has been 100 years since the Wright Brothers flew, 42 years since Alan Sheppard's flight, 34 years since we first set forth on the moon.
- China has just put a man into space.

- Technology is changing at a rapid pace. The way we do procurement also needs to change.
- Customer needs are changing with these emerging technologies.
- Lewis and Clark – they didn't have a map when they set out. They made a map as they went. The same applies for future steps we take in procurement.
- Procurement professions need to embrace change and take steps to ensure their skills allow them to adapt to future change.
- Leaders in Government and industry are responsible for creating an environment that will allow for innovation.
- Industry is using more multi-disciplined teams to meet new acquisition requirements. Each discipline brings something to the effort and helps leverage team member talents.
- With change comes the opportunity for personal growth.
- The focus needs to be on delivering the right product, the right capability at the right price and value to the customer
- New technology is making it possible to utilize resources from around the world in meeting acquisition requirements.
- The International Space Station is an example of a truly global project. Sixteen nations are working on the station employing over 100,000 people from around the world.
- New technology is enabling us to bridge gaps in distance, time zones, language, and culture in meeting procurement requirements.
- New technology has created many problems in the acquisition arena (e.g. export compliance).
- We are beginning to see the emergence of the Internet and the Internet generation. Young people today have grown up with the Internet while their parents are still struggling to understand how to use it.
- New technology is enabling quicker response to time critical government procurement requirements.
- As the contracts professional evolves from a contract administrator to an acquisition business manager, the skills of these personnel also need to evolve. Both Government and Industry need to make training available to enable this evolution to take place.



THE GALAXY

Tom Luedtke – “Acquisition: The NASA Perspective”

NASA Procurement Initiatives

-Formation of the Federal Acquisition Council. Its focus is on acquisition issues, human capital, assessment of federal acquisition workforce skills/staffing levels, and training/development of procurement personnel

-Competitive Sourcing Initiatives. NASA is gathering data and reevaluating its overall strategy.

-Full Cost Accounting. This is the way NASA wants to do business. The concept is not complicated but implementing it will be difficult. Services that were once free are now going to have to be paid for by programs. All costs are being allocated to programs. This should provide a more realistic assessment of how NASA spends its money. It may lead to changes in what NASA centers receive what work.

Challenges

-NASA’s procurement workforce is aging. Many are close to retirement.

-As procurement is something that you learn by doing, it will take years to get the next generation of NASA procurement professionals the skills they need to assume leadership roles.

-The federal budget deficit will have an effect on NASA budgets. NASA will be competing for scarce procurement dollars with the DOD and other agencies.

-To come up with future business arrangements that are better able to meet customer needs.

-Finding the right incentive structure for future contracts.

-Making the best use of new technology in acquisition.

Colonel Ronald Flom – “The Transformation of Defense Acquisition University and Department of Defense Acquisition Training”

-Organizationally, Defense Acquisition University (DAU) is located within DOD under the Under Secretary of Defense for Acquisition, Technology and Logistics (AT&L).

-DAU’s home campus is located in Ft. Belvoir, Virginia but it also has regional offices throughout the U.S.

-DAU’s mission is to provide practitioner training and services to enable the AT&L community to make smart

business decisions and deliver timely and affordable capabilities to the war fighter.

-DAU’s products and services are aligned to DOD strategic goals and priorities.

-DAU is seeking to support the seven goals of AT&L: Acquisition Excellence with Integrity; Logistics: Integrated and Efficient; Systems Engineering Philosophy Restoration; Technology Dominance; Resources Rationalized; Industrial Base Strengthened; and a Motivated and Agile Workforce.

-DAU is evolving to meet the needs of the AT&L workforce.

-DAU’s budget is decreasing but its student enrollment is increasing.

-DAU is modifying its courses and curriculum to meet current acquisition needs.

[Note: A copy of Colonel Flom’s presentation is available on the Space City Chapter Home page]

Eleanor Spector – Industry Perspective: Critical Acquisition Issues

-Meeting customer requirements and expectations requires access to capital, access to talent, leadership and program performance.

-Defense outlays from 1952 to 2003 have been cyclical.

-Aerospace and defense as an industry has provided poor returns to investors.

-U.S Aerospace Industry employment is the lowest since WWII.

-The Commercial Satellite market is characterized by excess capacity and a weak market.

-May 2003 Report on Acquisition of National Security Space Program Cost Growth and Schedule Delays concluded the following: cost has become the dominant driver in the acquisition process in Government and Industry; excessive emphasis on cost can have a detrimental effect on technical performance and program costs; many programs were based on unrealistic estimates and budget projections; requirements growth is a dominant driver of cost increase and schedule delays; Government capabilities to lead and manage the space acquisition process have seriously eroded due, in part, to acquisition reform; and industry failed to apply best practices on some programs.

[Note: A copy of Eleanor Spector’s presentation is available on the Space City Chapter Home Page]



THE GALAXY

Panel Discussion – Acquisition: Meeting Today's Needs

Panelists – Ann Halligan (Moderator), Colonel Ronald Flom, Randy Gish, Tom Luedtke, Patricia Olsen

How do we better meet today's acquisition needs?

-People are the key. Both the Government and Industry need to hire good people and invest time and resources in their training.

-We need better tools to enable more efficient review of the large amount of data that is out there.

-We need to mature business processes.

-We need to better deal with change. We need to accept change and find better ways to deal with it.

-We need to make available more learning tools to procurement professionals. The right mix of classroom and on-line training. 50/50 seems to be the right mix in most cases. Some training has to occur face to face. Future technology will allow for the balance to swing more toward on line training.

-We need to further explore distance working. This seems to work in some situations but not all.

-We need proper budgeting of programs

-Need more performance-based contracts. This will require a culture change. LOE contracts are deeply ingrained.

-We need better communication between Government and Industry on acquisition issues. We need to enhance the partnering process.

-We need to use competition appropriately. It is not the answer in all cases.

-We need to reexamine A-76 initiatives and apply them where they make sense.

-We need to provide career opportunities for procurement professionals.

-We need to expand the typical role of the procurement professional from contract administrator to business advisor.

-Reverse auctions are an intriguing idea but appear to have limited application.

Employment Opportunities

Lockheed Martin Space Operations located near NASA Johnson Space Center in Houston, Texas, is seeking applicants possessing proven experience in all facets of contract administration, including new business development, proposal preparation, contract negotiation, administration, and closeout. Experience in administering complex contracts with NASA ranging from fixed price, indefinite delivery indefinite quantity, and cost reimbursement is essential. The applicant must be self-confident, self-motivated, possess excellent communication skills, both written and verbal, and be adept at functioning in a fluctuating operational environment. A thorough knowledge of the Federal Acquisition Regulations and NASA FAR Supplements is required, along with a solid fundamental understanding of contract construction, both government and commercial.

Educational Requirements: Minimum BA Degree in Business Administration, Finance or related field.

Experience Requirements: Minimum of 10 years experience in contract administration of US Government contracts (NASA/DOD).

Interested applicants should email your resume' to the Lockheed Martin Human Resources Analyst at the following email address <lori.c.kauniste@lmco.com> or fax your resume to 281-283-4543.

Chapter Funds Statement

The Chapter financial statement is unavailable at this time. Please be sure to check next month's newsletter for the latest statement.



THE GALAXY

Key Contact Points

President – Rosalie Solis, 281-244-7147

rosalie.a.solis@nasa.gov

VP/President Elect – Nancy Broyan, 281-333-8704

broyann@hsd.utc.com

VP Education – Jannette Reed, 281-244-0948

jannette.reed-1@nasa.gov

VP Programs – J.R. Carpentier, 281-244-7254

john.r.carpentier@nasa.gov

VP Membership – Carla Stinson, 281-280-6590

carla.m.stinson@usa-spaceops.com

Chapter Secretary – Diana Gomez, 281-244-8458

diana.gomez-1@nasa.gov

Chapter Treasurer – Angela Swafford, 281-483-9649

angela.l.swafford@nasa.gov

Contractor Reservations – Cindy Vourganas, 281-280-6537

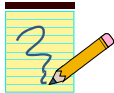
cynthia.l.vourganas@usa-spaceops.com

NASA Reservations – Claire Cox, 281-483-0743

claire.a.cox@nasa.gov

National Director – Sam Morthland, 281-480-9308

smorthla@aol.com



CHAPTER MEMBERSHIP

Submit address/mail code changes to:

Online at: www.NCMAHQ.org or contact Carla Stinson for assistance.

Submit requests for membership to:

Carla Stinson (281) 280-6590

e-mail: carla.m.stinson@usa-spaceops.com



GALAXY EDITORS

Diana Gomez, 281-244-8458; FAX : 281-244-7563

NASA/JSC

Mail Code: BG

e-mail: diana.gomez-1@nasa.gov

J.R. Carpentier, 281-244-7254; FAX: 281-244-7563

NASA/JSC/

Mail Code: BG

e-mail: john.r.carpentier@nasa.gov

Gilruth Public Gate Access:

From Bay Area Blvd.: Turn right on Space Center Blvd. and go 2 miles. The Gilruth entrance is the second entrance on the right.

From Nasa Parkway (formerly Nasa Rd. 1): Turn left on Space Center Blvd. and go 0.8 miles. The Gilruth entrance is the second entrance on the left.