Logistics Management Newsletter

FROM THE LOGISTICS MANAGEMENT DIVISION

FY16 | ISSUE 3   **JULY 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

Update of NPR 4200.1G (NASA Equipment Management Procedural Requirements)

Miguel A. Rodriguez

NPR 4200.1G underwent a complete review and redesign. NPR 4200.1H will supersede NPR 4200.1G in September 2016. The final draft document has been submitted to NASA editors to review the document for compliance with NPR 1400.1G (NASA Directives and Charters Procedural Requirements) and to the Union/Employee Labor Relations office. The draft NPR has also been provided to all Center key logisticians for an informal review and comments before the upload of the document into NODIS for a formal review across the Agency.

Here are some of the major policy updates that NPR 4200.1H brings to the equipment management program:

- The Agency requirement for the execution of annual 100 percent physical inventory campaigns;

- Implementation of timelines to complete the process of property survey reports in 48 business days;

- The property survey process extended to supply and materials transportation and disposal programs;

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- Updated policy governing the loan of equipment (domestic and international loans);

- Clarification of property pass to NASA employees in support of telework agreements and official travel;

- Clarification of individual responsibilities at each level of management and for other key stakeholder positions within the equipment management program;

- Updated requirements for the proper processing of acquisition in the NASA PP&E system;

- An inclusive outline of the various processes and detailed procedures for the management of NASA equipment throughout its life cycle, from acquisition through disposal;

- Detailed requirements to establish equipment accountability, such as receipt, inspection, tagging, and cataloging of equipment items;

- Detailed description of the process to account for lost, damaged, or destroyed equipment;

- Requirement to limit loans of equipment to 4 years;

- Creation of NASA Form 893 (Loan of NASA Equipment), including the requirement to use NF-893 to document all loans of equipment;

- Requirement for OGC/OCC to review all loans external to the Agency;

- Requirement for OIIR/OER to review all loans made to foreign entities;

- Clarification of the different types of inventory;

- Clarified documentation (NF-894) and transfer approval requirements;

- Addition of the concept of collateral investigations in relation to the property survey process; and

- Creation of the Sensitive Items Review Board (SIRB) to conduct an annual review of the sensitive items list.

Personnel Additions to the Equipment Management Community

The Headquarters Logistics Management Division welcomes Candice "Candy" Evans as Langley's new Inventory Management Specialist. Candice started working at Langley's Center Operations Directorate/ Logistics Operations Branch on November 15, 2015.

In this position, Candy will serve as the LaRC Equipment Manager, ensuring Center compliance with Federal Property Management Regulations to maximize equipment utilization and minimize procurement of new equipment when possible. She will monitor the Center's inventories of assets, ensuring that controlled items are properly identified and tracked and that property custodians are kept abreast of property regulations and processes. She will also serve as the key interface among equipment-using organizations, property custodians, contractors, and assigned equipment users in relation to equipment management regulations and requirements.

Candy has been detailed to the Research Directorate since December 28, 2014, serving as an Administrative Officer. Prior to this position, she served in our organization as an Administrative Officer assigned to the Resource Management Office.

Senior Logisticians Meeting at Headquarters

The Logistics Management Division (LMD) hosted a Senior Logisticians meeting at NASA Headquarters on April 12 and 13, 2016. The meeting consisted of Center presentations outlining current

initiatives, challenges, and future projects, as well as presentations from LMD functional managers who described current program issues as requested by each Center. In addition, Headquarters program managers from Science Directorate, Budget, and the International Space Station (ISS) were invited to brief on the latest technological advances, challenges, and current and future projects that will take humans to Mars.

From left to right: Marjorie Jackson (HQ LMD/CCR Team Lead), Miguel Rodriguez (HQ LMD/Equipment), Jerry Phillips (HQ/LMD Engility), Sharrief Wilson (HQ/LMD Engility), Kevin Watson (HQ LMD/Lifecycle Logistics), Michael Eaton (HQ LMD/Disposal), Peral Hill (HQ LMD/Supply and Materials), Eric Kristich (ARC) Robert Sherouse (HQ LMD/Artifacts Identification and Disposition), Frank Johnson (LaRC), Antoine Moss (GRC), Rick Flaisig (GRC), Farley Davis (MSFC), Eric Lau (JPL/NMO), Troy Heron (KSC), Bruce Troutman (JPL/Caltech), Lisa Williams (KSC), Tim Currie (HQ LMD/Transportation), Joyce Meier (MSFC), Kevin Camp (SSC), Naomi Manadier (GSFC), Thomas Weisz (GSFC), Sara Jensen (GSFC), Kevin Roberts (GSFC), Lawana Bryant (HQ OGC Attorney), and Olivette Hooks (Director, Logistics Management Division)

Participated via Skype: Keith Savoy (MAF), Julie Hardcastle (JSC), Ricardo Montenegro (JSC), Tracy Edmonson (AFRC), and Johnny Bernal (WSTF)

SUPPLY AND MATERIALS MANAGEMENT PROGRAM

Revision of NPR 4100.1D Supply and Materials Management

Peral R. Hill

NPR 4100.1D has undergone a revision and is currently making its way through the NODIS review process. Significant changes addressed in this update include clarification of roles and responsibilities at each level of management and identification of key stakeholders within the supply management program. This update incorporates SAP Supply Management System requirements and deletes obsolete and outdated processes and procedures.

The update also incorporates criteria for submitting property survey reports in accordance with NPR 4300 and includes the requirement to submit property survey reports for the following:

a. Lost or stolen hand tools or other pilferable items over $100 unit cost or $500 total cost.

b. Supply system stock records adjusted in excess of $2,500 for pilferable items.

c. Supply system stock records adjusted in excess of $16,000 for uncontrolled or non-pilferable items.

d. Supply system stock record adjustments that exceed $50,000.

The following are significant substantive changes that are not in the 1999 NPR directive or the significantly clarified procedures:

a. Adds option to allow Center organizations to use the Government-wide credit card to purchase office supplies through GSA advantage.

b. Adds new supply metric standards for inventory accuracy and issue effectiveness, including calculation requirements and frequency of reporting.

c. Provides various processes and detailed procedures for the management of NASA supplies and materiel throughout its life cycle, from acquisition to disposal.

d. Introduces new procedures that identify the requirements for processing incoming materiel through receiving. Includes counterfeit avoidance plan requirement.

e. Clarifies procedures for cataloging materiel, supplies, and equipment.

f. Adds detailed requirements for warehousing management and storage of supplies, materiel, and equipment. Clarifies what types of materiel can be stored.

g. Deletes obsolete processes and procedures to include the need to submit requirements on obsolete forms (SF1303) to GSA for cataloging.

h. Identifies SAP Supply Management System (SMS) as the system of record that must be used to identify and classify inventory items as store, program, or standby stock. SMS adds a wavier process to use other systems.

i. Adds justification for retention of inactive supplies and materiel in storage for 24 months with no demands upon management approval.

j. Adds a feature to inform manager when required inventories should be scheduled for supplies, materiel, and equipment in storage. Changes inventory frequency to fiscal year from calendar year. Clarifies approvals for inventory adjustments and includes an element to add inventory analysis requirements.

ARTIFACTS IDENTIFICATION AND DISPOSITION

External Tank (ET)-94 and Special Items

Robert S. Sherouse

Well, it's official. The transfer and relocation of the Space Shuttle Main Tank, designated as ET-94, is complete. It arrived at the California Science Center on May 21. Perhaps you saw some of the generous national and local coverage of the ET-94's journey from the Michaud Assembly Facility (MAF) down the Mississippi River, across the Gulf of Mexico, through the Panama Canal, up the coast, and through the streets of Los Angeles. The California Science Center plans
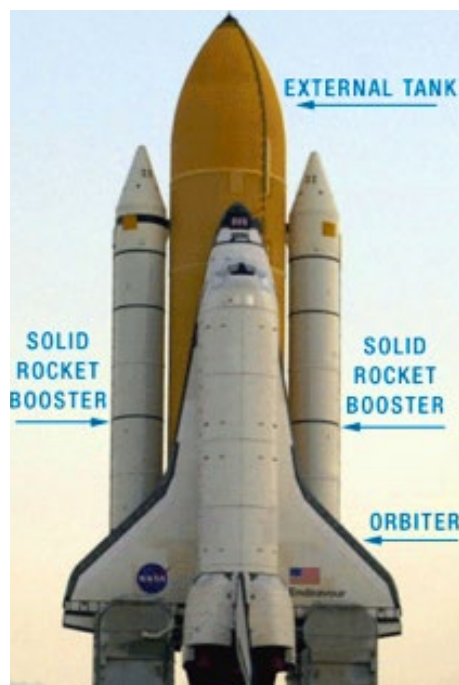
final completion of its exhibit display in the 2018/2019 time frame. The display should be exceptional, depicting the Space Shuttle Endeavour as if prepared for launch inside its own dedicated building.

While there is little dispute in characterizing the ET-94, or the Space Shuttle Endeavor, for that

matter, as artifacts, some folks have asked why we characterize and screen less significant personal property like posters, models, and hardware as potential artifacts in the NASA Artifact Module (*https://gsaxcess.gov/nasawel.htm*). Let me take a moment to explain. The Artifact Module was developed to help with property disposition during the Space Shuttle Transition and Retirement (T&R). The artifact module was intended for screening personal property that might generate broad interest from museums, planetariums, libraries, universities, and schools. With nearly 1.2 million line items of Space Shuttle property to dispose of in a short period of time, we simply wanted the ability to use technology to screen the more interesting items as potential artifacts. The General Services Administration agreed with our intent to offer donations of appropriate Space Shuttle

property to eligible recipients and offered to assist. We screened nearly 50,000 items in the Artifact Module over the past 8 years and were able to place nearly 10,000 items in museums, universities, libraries, and K–12 schools in all 50 states and many U.S. territories.

Excitement abounds from hundreds of recipients. Whether an item goes to the National Air and Space Museum, or a second grade classroom in Idaho, the recipients are proud and excited about their NASA "artifacts" and special items. Whether the item is a poster, piddle pack, expired space food package, flight simulator, space suit glove, or external tank, it generates excitement, tells a NASA story, and fosters an interest in science, technology, engineering, and mathematics. Many items screened, requested, and allocated would have otherwise ended up

in a landfill or shredded up and in the possession of nameless scrap dealers. So, yes, we screen some items that are not artifacts according to the most technical or historical perspective. However, when those items go to a school rather than a landfill or scrap dealer and are placed with an excited recipient, at no cost to NASA, how can we go wrong? Please keep identifying artifacts and other interesting items for screening and donation through the NASA Artifacts Module. We rely heavily on Center Historians, Historic Preservation Officers, Program Managers, Exhibit Managers, Supply and Equipment Management Officers, and our Property Disposal Officers to identify and report potential artifacts for screening in the NASA Artifacts Module. This is simply a win-win for NASA and countless eager artifact and special item recipients across the country.

DISPOSAL MANAGEMENT PROGRAM

Excess Personal Property

Michael Eaton

As of June 2 of fiscal year (FY) 2016, NASA Centers have disposed of 44,181 disposal cases with a total acquisition cost of $376,373,406 (source: Business Objects, BOBJ). In addition, there are 47,339 disposal cases still pending final disposition. These statistics have 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 the FIFO method, goods that are entered into the warehouse inventory first are disposed of first, and newer goods entered into the warehouse

inventory are placed at the end of the line for disposition. This means that at the end of a fiscal year, the items that remain on the active inventory list should be those that were introduced into the inventory most recently.

Computers for Learning (CFL)

As of the end of May of FY 2016, NASA Centers transferred to eligible schools through the General Services Administration (GSA) CFL program 105 pieces of computer technology with a total acquisition cost of $174,065 (source: GSA Report).

Centers are strongly encouraged to support the CFL program to get a full return of taxpayers' dollars from excessed computers and peripherals and support science, technology, engineering, and mathematics (STEM) education outreach. The CFL program evolved as a guide for implementing Executive Order 12999, Educational Technology: Ensuring Opportunity for all Children in the Next Century.

How does CFL work? The CFL Web site enables schools and educational nonprofit organizations to obtain excess computer equipment from Federal agencies. Federal agencies can report their excess computers and related peripheral equipment to GSA through the GSAXcess Web page at *https://gsaxcess.gov/*. Eligible recipients must first register to request the available Federal excess property on the Web site. In order to fulfill registration requirements, recipients must serve some portion of the prekindergarten through grade 12 population and operate primarily for the purpose of

education. Schools must provide a valid National Center for Educational Statistics (NCES) number. Educational nonprofits must provide a 501(c) tax identification number. Once registered, eligible recipients can view and request available excess computers and related peripheral equipment. The Federal agency that reported the property can then allocate the property to the school or educational nonprofit organization of its choice. After allocation, the receiving school or nonprofit organization must pick up the property within a certain time period. The school or educational nonprofit organization is responsible for the shipping and handling costs.

GSA Online Auctions Sales

As of the end of April of FY 2016, NASA Centers have netted a total of $1,040,225 in sales proceeds from GSA online auctions of personal property: (a) $296,245 net sales proceeds under the exchange/sale authority and (b) $743,980 net surplus sales proceeds (source: GSA Report). The sales proceeds under the exchange/sales authority shall 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) and (b) $520,295.90 net sales proceeds 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:

a. Expenses associated with warehouses and storage

b. Sales preparation

c. Environmental services

d. Demilitarization services

e. Advertising and appraisals

f. Security and transportation of property

g. Labor or contract costs related to the sale of the property

h. NASA Centers' established overhead rates for these functions

UNICOR Recycling of NASA Excess Federal Electronic Assets (FEA)

As of the end of April of FY 2016, NASA Centers provided UNICOR a total of 1,311,490 pounds of non-functional Federal Electronics Assets (FEA) with a return of $83,816.10 of recycling proceeds returned to NASA (source UNICOR Report). 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 Federal electronics out of landfills. UNICOR is NASA's designated responsible recycler for e-waste at NASA Centers.
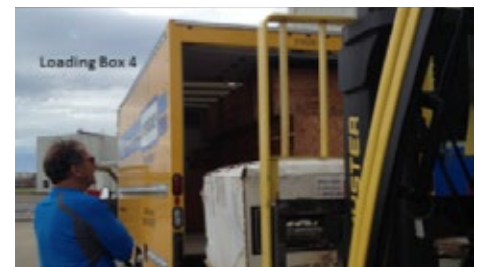
Exchange/Sale Success Stories

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. 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.

Since the previous Logistics Management Newsletter, the following significant sales have taken place:

The Property Disposal Officer (PDO) for Marshall Space Flight Center (MSFC) worked closely with the GSA Region 4 sales office to do an exchange/sale of a 200-ton Link-Belt crane (at left) under the exchange/sale authority, which returned to MSFC $120,500 in proceeds to be used for the acquisition of a replacement crane.

The PDO for Kennedy Space Center (KSC) worked closely with the GSA Region 4 sales office to do

an exchange/sale of some unused precious metal bearing materials, which returned to KSC $158, 949.20 to be used for the acquisition of similar replacement items.

The PDO for Goddard Space Flight Center (GSFC) and Wallops Flight Facility (WFF) worked closely with WFF's flight operations office, Headquarters Aircraft Management Division, NASA's Logistics Management Division, and GSA's Region 9 sales office to do an exchange/sale of a RV-8A aircraft kit, which will yield a net return to WFF of approximately $32,850 in sales proceeds to be used for the acquisition of similar/replacement items.

Success Story: Donation of NASA Aircraft

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 very 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 Armstrong Flight Research Center (AFRC) disposed of two X34 aircraft models, which were later donated by GSA to the Florida State Agency

for Surplus Property (SASP) for the Royal Air Museum in Bonifay, FL. Once GSA approved the transfer, the most difficult part of the process began: the transportation of the aircraft from AFRC to the museum. A great deal of coordination took place between the recipient and AFRC's Property Disposal Office. It took several months before the aircraft actually departed the NASA Center. The good news is that the two X34s finally departed NASA's custody and will be displayed and preserved at the museum, relieving AFRC of the expense for care, handling, and accountability.

Disposal Training Held at Marshall Space Flight Center

On May 10, 2016, the General Services Administration (GSA) Federal Acquisition Training

Symposium was held in Huntsville, AL. The MSFC PDO attended a training session specific to the disposal of personal property led by Mark Brantley, Deputy Director, General Services Administration (GSA), Region 4, Personal Property Management Division, and Tommy Pruitt, GSA Sales Contracting Officer, which included ways to stretch the Federal budget through the acquisition of free excess personal property from other agency inventories and how to sell Federal personal property and use the funds for the purchase of similar replacement property through the exchange/sale process. The following day, while still in Huntsville, Brantley provided GSA disposal training at Marshall Space Flight Center (MSFC) to nine MSFC and two Michoud Assembly Facility (MAF) employees. Topics presented were GSAXcess, GSA auctions, exchange/sale, Stevenson-Wydler authority, property abandonment and destruction (A&D), donations in lieu of AD, property transfers, and the GSA contract for scrap metal sales at MSFC. The training was very beneficial and provided vital instruction to the new MSFC Property Disposal Officer and allowed MSFC and MAF disposal personnel to collaborate and discuss disposal issues with each other and the GSA representatives.

How Do We Handle National Stockpile Material?

> "In accordance with 40 U.S.C. 113€(6), materials acquired for the national stockpile, the supplemental stockpile, or materials or equipment acquired under section 303 of the Defense Production Act of 1950, as amended (50 App. U.S.C. 2093), are not covered by the Federal Management Regulations. The Disposal of these assets is governed by 50 U.S.C. 98d, 98e, and 98f."

When NASA Centers dispose of any excess precious metal materials that may be required by the national stockpile of strategic material, the Center should review the list of materials *http://www.dla.mil/hq/acquisition/strategicmaterials/materials.aspx*. If any of the materials being excessed are listed, you should contact the NASA Headquarters Disposal Program Manager at 202-358-1439 to see if the material is needed by DLA Strategic Materials.

DLA Strategic Materials is the leading U.S. agency for the analysis, planning, procurement, and management of materials critical to national security. We serve our clients through a unique combination of technical expertise, global/geopolitical material supply analysis, and management and tracking of a broad range of existing and future critical materials. DLA

Strategic Materials administers the implementation and execution of Strategic and Critical Materials (S&CM) policies as set forth by the National Defense Stockpile (NDS) Manager. DLA Strategic Materials is responsible for acquiring, upgrading, rotating, and disposing of stockpile materials as provided by the Annual Materials Plan (AMP). Its duties include storage, security, testing, contracting, quality studies, and maintenance and replacement of materials in the NDS. DLA Strategic Materials directs the development of new or revised specifications and special instructions for existing and proposed S&CM to be stockpiled. Along with overseeing the NDS, we administer and implement policies and procedures for the DLA Strategic Materials environmental program.

Disposition of All-in-One PC?

On December 7, 2010, the NASA Office of Inspector General issued a report (Preparing for the Space Shuttle Program's Retirement: A Review of NASA's Disposition of Information Technology Equipment, Report Number IG-11-009), highlighting concerns regarding

the sanitization of computer hard drives being excessed through NASA Centers' disposal operations. As a result, a joint memorandum letter—Subject: Digital Media Sanitization and Disposal Interim Actions—was signed by the NASA Headquarters Chief Information Officer (CIO) and the Assistant Administrator for Office of Strategic Infrastructure in 2011. NASA LMD has supplemented this guidance and provided it to all NASA Centers; it requires all digital storage devices being excessed through the Centers' disposal operations to be destroyed before leaving NASA control unless there is an approved exception to policy by NASA Headquarters OCIO and LMD.

The PDO at KSC discovered an all-in-one PC in the excess warehouse that appeared to be a computer monitor. After inspecting the item, he discovered that this monitor was a complete computer with a hard drive and memory enclosed in the body. NASA Center disposal operations should inspect property to ensure there are no forms of storage located on items going through the excess process. The pictures above are stock photos, and the items may not have a keyboard when excessed. All storage devices should be removed and destroyed with the remnants being recycled through our UNICOR memorandum of agreement.

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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