

Logistics BSA Deep Dive

Summary: The Mission Support Council (MSC) met on October 11, 2018 to review and discuss the results of the Business Services Assessment (BSA) Logistics Deep Dive and proposed options.

Given the evolving nature of NASA's mission support needs, NASA established the Business Services Assessments (BSA) to evaluate business services. Logistics includes functions such as mail operations, transportation and fleet management, personal property/equipment management, life cycle logistics support and supply management, and disposal. The focus of the assessment was institutional logistics although programmatic logistics could be affected in certain areas, namely interface to Agency IT systems, and warehousing/storage.

The Logistics BSA core team was led by a senior level non-subject matter expert (SME) and co-led by a SME. The team had its kick-off on January 16, 2018.

- Based on a preliminary assessment, the Business Services Steering Committee (BSSC) approved the deep dive scope to include: Mail Operations, Organizational Structure, Center & Program Lifecycle Logistics, Transportation and Fleet, Industrial/Contract Property, Personal Property/Equipment Management, and Supply Management.
- The Business Services Steering Committee (BSSC) evaluated BSA core team assessments and developed five proposals, each with various options based on the review of core team findings and observations.
- In addition the team proposed 10 "Just Do Its"
- The proposals were distributed to Center POCs and Mission Directorate Subject Matter Experts for stakeholder consultation and concurrence.

In reaching a decision, the Mission Support Council considered comments submitted by MSC members, and considered consultation by the recommender with stakeholders from all NASA Centers, Mission Directorates, and administrative staff offices.

Decision: The Council met and reviewed five (5) options and the proposed recommendation for each. These decisions are documented on the following pages.

The MSC also reviewed the list of ten "just do it" items identified by the deep dive team. The Chair authorizes the MSD AA to make final decisions regarding implementation of all except #3 and an action was assigned to Procurement.

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Decision 1: Logistics Organization and Service Delivery Model

Council Decision:

The MSC chose a modified Option 4.

In conjunction with MAP implementation, OSI will work towards fully outsourcing the logistics function (with the exception of inherently governmental positions) to a vendor with logistics expertise subject to the following actions:

- 1) OSI to prepare a business case for investment of fully outsourcing the logistics function. The business case must include feasibility to implement, impact to the customer and responses to an RFI to industry/government.
- 2) Report business case and RFI findings to the MSC by June 30, 2019.
- 3) If the business case does not support a fully outsourced delivery model, OSI to implement a centrally managed logistics function and identify specific functions for outsourcing, based on feasibility, potential for efficiency/cost savings and improvement in service delivery with MSC or MSPMC approval in accordance with established thresholds.

Decision 2: IT Systems and Applications

Council Decision:

The MSC chose Option 3.

- 1) Decisions regarding IT applications must be aligned to Decision 1 and OSI will work with OCIO to ensure that IT applications are included in the business case.
- 2) OSI will work with the OCIO to Modernize the Logistics IT Environment by developing a comprehensive roadmap for modernization of logistics IT systems applications, and underlying business processes, including associated implementation plan(s) and funding model and recognizing the need for mobility.
- 3) The long term strategy includes OSI working with the OCIO to include logistics IT as part of the MAP IT Transformation.

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Decision 3: Standardize/Simplify Processes

Council Decision:

The MSC chose an Option 3 and 4 hybrid.

OSI to determine the functions within property management and supply management that should be simplified, standardized, and automated, whether or not the function is fully outsourced, and implement those improvements.

OSI to prepare logistics processes for outsourcing, based on business case outcomes.

Decision 4: Warehouse Utilization/Reduction

Council Decision:

The MSC chose Option 2 with a change to the timeframe. OSI to Establish inventory of active-use vs. inactive (not used within 24-months) supplies with targeted reduction focused on eliminating “inactive/stagnant” equipment/supplies within 30-days of reaching the 24-month limit. OSI must also include waiver process to extend beyond 24-months with justification required.

During implementation plan development, OSI to work with Mission Directorates, Programs or Projects to identify individual items and categories of equipment that qualify for a longer term waiver.

Decision 5: Fleet Management

Council Decision:

The MSC chose Option 4 but modified Option 3 to require a cost comparison vs. a default preference.

OSI to centralize Fleet Management leveraging kiosk approach, where feasible, to develop pool which end-users can reserve vehicles from motor pool thereby reducing Agency general purpose vehicles fleet by 25%, establishing a baseline and giving credit for previous recent reductions.

Before acquiring vehicles, conduct cost benefit analysis for lease vs buy, considering full life cycle costs (including acquisition, operation, disposition, and supporting infrastructure). OSI to develop templates for cost benefit analysis for certain categories of vehicles.

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Just Do It's

Council Decision:

1. Upon contract renewals: programs, projects and technical organizations will have to meet with the HQ Procurement Portfolio Managers to evaluate the use of existing contract vehicles to obtain logistics services in order to eliminate redundancies and gain resource efficiencies (funding and personnel).
2. Consistent with other decisions in this package re: service delivery, work with Procurement to establish an enterprise acquisition solution for the entire logistics function.
- ~~3. Work with Procurement to update the NASA FAR supplement 1845.503-70 to make the default preference Government Furnished Equipment (GFE) versus Installation Accountable Government Property (IAGP)~~**MSC Action.**
4. Conduct a Cost Benefit Analysis to determine if changing the threshold for property accountability would save money (e.g. the cost of tracking and recovery vs the total value of lost items)
5. Reassess the requirement for 100% annual property audits and reassess the definitions for “high risk areas”/”sensitive equipment”
6. Update the Mail Delivery NPD 1460.1 to include minimum requirements for mail delivery, x-raying of mail, and standards for overnight vs priority.
7. Evaluate the Compensating Controls NPR 4000.1 to ensure that high priority areas are assessed and that findings are prioritized in accordance with a risk matrix (likelihood vs. consequences).
8. Provide training to the Property Custodians to ensure they understand the scope and requirements of their position.
9. MSD to update or eliminate baseline service levels and determine service metrics that should be applied to logistics functions.
10. Update Program and Project Life-Cycle Logistics Support Policy, NPD 7500.1, to include requirements for leveraging off of existing center logistics capabilities where possible in order to reduce duplication of services.

NOTE: JDI 1 and JDI 2 will no longer be necessary if the decision to outsource is approved.

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Decision execution responsibility	Accountable for:
Calvin Williams, AA OSI	Oversight for the Office of Strategic Infrastructure: implementation of the decisions in this memo.

Execution milestone	Milestone Date	Responsible Party
Present outsourcing business case findings to MSC for the logistics service delivery function and IT systems and applications.	June 30, 2019	Calvin Williams, AA OSI
Develop an integrated implementation plan including the processes and policies to address the decisions of the MSC for the BSA Logistics Deep Dive recommendations. (Note: Implementation Plan must be approved by the BSSC prior to presentation at the MSC.)	August 30, 2019	Calvin Williams, AA OSI
OSI to work with Procurement to assess whether there are cost implications if NASA FAR supplement 1845.503-70 is updated to make the default preference Government Furnished Property (GFP) versus Installation Accountable Government Property (IAGP).	December 14, 2018	William Roets, Dep. AA OP Calvin Williams, AA OSI

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Decider: (b) (6)
M. Saunders, MSC Chair

Signatures represent concurrence that this decision was reached in compliance with Mission Support Council procedures, ownership of amplifying comments and joint council key stakeholders relative to the topic.

Signature	Amplifying Comments	Signature	Amplifying Comments
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(b) (6)

S. Jurczyk, Acting AA

(b) (6)

J. DeWit, OCFO

(b) (6)

B. Tenney, AA MSD

(b) (6)

T. Wilcutt, OSMA

(b) (6)

R. Wynn, OCIO