



Equipment Management News

From the Logistics Management Division

1ST QUARTER, 2012

Welcome to this edition of the Equipment Management News. This quarterly newsletter is brought to you by the Logistics Management Division (LMD) and is meant to provide you the latest business practices on equipment management, from acquisition to disposal, and to maintain you informed of current events and initiatives impacting the equipment management program.

In this Issue

Aircraft and Other Indefinite Loans	2
ACES Contract Replaces ODIN	3
The MMI Project	4
Updates	4
Items Belonging to the NASA Exhibits Loan Program	4
Reordering NF1517 and NF1517A (Property of NASA – US Government Decal).....	5
Looking Ahead... ..	6
Events	6
1. The CCR Team Visited Stennis	6
2. Equipment Management Community Participates in “Change Management” WEBEX.....	6
3. Property Valuation Webinar on Oct 25 th , 2011.....	6
Article of Interest	
Loss of Property in a Government World	7
Contact Us.....	10

AIRCRAFT AND OTHER INDEFINITE LOANS

In a memorandum to the Assistant Administrator for Public Affairs, dated July 6, 2011, the Assistant Administrator, Office of Strategic Infrastructure, addressed the need to resolve policy and procedural conflict regarding aircraft assets that are on "indefinite" exhibit loan to a variety of recipients. The Assistant administrator stated: "Aircraft is classified as personal property and subject to property management regulations, NASA Aircraft Operations management Procedural Requirements, NPR 7900.3, paragraph 8.4.1 requires aircraft disposition to be processed in accordance with the NASA Personal Property Disposition Requirements, NPR 4300.1. Our aircraft management NPR also requires that any aircraft disposition be coordinated through, and approved by, my office. NPR 4310.1 provides further guidance for disposition of items identified as aircraft. Property disposition is guided by 40 USC and specific Federal regulations. These Federal level regulations require processing of aircraft through the General Services administration, Region IX.

NASA Equipment Management Procedural Requirements, NPR 4200.1, provides the basis for loans of equipment and other controlled property. The legal definition of a loan is based on the **temporary** use of property. This implies defined beginning and ending dates for each loan. Our property procedures and recordkeeping systems are based on this premise. Conversely, procedural requirements for the Exhibits Program, NPR 1387.1, allow for loans of "indefinite" periods. We believe "indefinite loans" to be *de facto* disposition actions, particularly when it is likely that the cost to dismantle an exhibit may be used as a justification to abandon the property to the loan recipient. Based on our understanding of the language of the NPR, we believe that the original intent of "indefinite" loans was to allow loans for limited expositions when the beginning and ending date of that exposition were not definitive. It would appear as though the authority is actually being used to place aircraft and other items in what is, ostensibly, permanent display at museums and other venues.

Placement of items outside of the Federal disposition process, particularly aircraft used in support of the Shuttle and other space programs, does not meet the intent of the Agency, as previously reported to Congress in our Space Shuttle transition plan. As we are under ever increasing scrutiny from the press, the museum community, and other external sources, we do not want to take actions that could provide the appearance of favoritism in placement of limited artifact resources. The Federal property disposition process is designated to place most property disposition decisions under the authority of the General Services Administration. The GSA serves as the "honest broker" for disposition actions, assuring equitable distribution of items across the country, and protecting agencies from external criticisms of favoritism and abuse.

We are taking action to remove any ambiguity within our own regulation so that property, and aircraft in particular, are appropriately dispositioned and that loans are effectively regulated. We intend to require that all items loaned to outside entities for exhibit purposes be added to our recordkeeping systems. Our loan procedures will be revised to provide specific initial loan periods and to require increasingly higher levels of approval for extensions of loans beyond those periods. We intend to require centers to advise Headquarters Logistics of any such loan extensions and to request Headquarters Logistics concurrence in any requests to abandon property in the custody of a loan recipient. We ask that you direct your exhibit coordinators to stop making "indefinite" loans and that you revise the NPR 1387.1 requiring the Exhibits Program to utilize the general, property management loan procedures."

See the Logistics management website for a complete version of the memorandum.

ACES CONTRACT REPLACES ODIN

In the October 2011 NSSC newsletter, the NSSC's Director of Business and Administration (B&A) indicates that B&A staff are supporting the ODIN to ACES services transition by facilitating security and background checks for ACES staff; coordinating facility requirements for the ACES Pro-gram Management and Tier-2 Help Desk support; supporting change management efforts with the OCIO and Center I3P support personnel; and working with the Agency Property Office, as well as the Center Supply and Equipment Management Offices, on the transfer of IT peripheral assets from ODIN.

The Agency's End-user Services are supported by the Agency Consolidated End-user Services (ACES) Contract with Hewlett Packard Enterprise Service (HP ES) being the Service Provider. The ACES Contract will manage the vast majority of NASA's personal computing hardware, Agency-standard software, mobile IT services, peripherals and accessories, associated end-user services, as part of the NASA IT Infrastructure Integration Program (I3P).

All NASA Centers will be affected by the new ACES Contract. The transition schedule below shows when each Center will tentatively transition into the ACES Contract:



Phase-In/Implementation Schedule



Center	Phase-In Start Date	Implementation Date
Wave 1		
Dryden Flight Research Center (DFRC)	5/1/2011	11/1/2011
Goddard Space Flight Center (GSFC)		
Kennedy Space Center (KSC)		
NASA Headquarters (HQ)		
Enterprise-wide support (e.g., central NCMAI)		
Wave 2		
Marshall Space Flight Center (MSFC)	7/1/2011	1/3/2012
NASA Shared Services Center (NSSC)/Stennis Space Center (SSC)		
Glenn Research Center (GRC)		
Jet Propulsion Laboratory (JPL) (MFD seat & Virtual Team Service seat only)		
Wave 3		
Johnson Space Center (JSC)	9/1/2011	3/1/2012
Langley Research Center (LaRC)		
Ames Research Center (ARC)		

THE MMI PROJECT (BY DARLENE BOYKINS)

The purpose of the Materials Management Initiative (MMI) Project is to develop and implement an Agency Materials Management solution, which standardizes business processes utilizing the Agency Enterprise Resource Planning (ERP) System in SAP. The full integration of MMI with NASA's financial system is the last portion of a totally integrated Property Asset Management solution for NASA. To accomplish this goal, the MMI Project Team performed the following:

- Configured the Material Management Module
- Converted portions of the NASA Supply Management System (NSMS) data to SAP
- Converted the features of White Sand's (WSTF) Oracle-based system data to SAP
- Retired both the NSMS and WSTF Oracle-based systems

NSMS was identified as one of the last non-shuttle applications on the Agency's mainframe. A study was conducted and it was determined that moving forward with the current configuration made the utilization of NSMS very expensive to maintain. Therefore, the decision was made by NASA's senior management to transition NSMS and all other applications from the mainframe in early FY 2011.

Several key components played an intricate role in the configuration of the MMI system, to include: The NEACC Security Team worked on several aspects of MMI. The Access Management team configured the baseline security roles utilizing a "least privilege" methodology to ensure each role delivered only the intended access. They also collaborated with the MMI team for testing the roles prior to Go-Live. Further, the Access Management team ensured the project team and Center testers were provided access in a timely basis. Prior to Go Live, they also ensured that all end users were provisioned with their MMI roles in the production environment through a mass upload procedure for SAP R/3, BW, and NASA Account Management System (NAMS) environments. The MMI Security Architects worked with Business Analysts, Solution Architects, Technical experts, and MMI Project Leads to ensure all aspects of security were addressed throughout the MMI project.

Center participants were actively involved in the project and traveled to the NEACC every month to assist the MMI team for one-week intervals for approximately a 13 months period. Among the successes of the project were the revalidations of BW historical data, defining the advanced search criteria for the Online Catalog, reviewing MMI business processes, a discussion on forms requirements, and a tutorial on inventory reporting capabilities within SAP. This project has resulted in a major accomplishment and is expected to save the Agency a tremendous amount of funding over the next several years.

UPDATES

Items Belonging to the NASA Exhibits Loan Program

As initially indicated in July's Newsletter, the "Accountability of Artifacts as Exhibit Items" is a continued effort to develop an Agency policy to establish the authority, requirements, responsibilities, and procedures for the accountability of NASA exhibit items (including shuttle tiles) belonging to the Agency's Exhibits Loan Program. It is important to emphasize that the developing policy does not

govern artifacts transferred out of NASA in the form of donations in the disposal program.

The policy requires the addition of an attribute in the Equipment Master Record (EMR) "NASA Exhibit Item" to properly record and manage these items in the PP&E system (see screenshot below). For this purpose, the center Exhibit Managers were contacted to obtain an up-to-date density of exhibit items (equipment listing), including the assigned ECN numbers (if applicable), their location, and whether these assets are in storage available to be loaned or on loan status.

A service request (SR-247069) has been submitted in order to include this attribute in the EMR. The SR was further explained during the October's Functional Control Board meeting. Centers will be prompted to ensure that catalog information and ECN numbers are assigned to exhibit items upon release of the SR. Additionally, we will discuss with the SEMOs the option to upload pictures to ease the identification of the items during inventory campaigns.

SR: Add NASA Exhibit Flag to the EMR. Add a Checkbox to the NASA Data→Flags tab: Display as NASA Exhibit Item (checked or unchecked)

The screenshot shows a software interface for 'User data' with several tabs: Custodian, End User, Out Status, Codes, Flags, and Miscellaneous. The 'Flags' tab is active. It contains a list of checkboxes for various flags: Inventory Flag, High Risk Flag, Unattached Tag, Space Flight Indicator, NASA Exhibit Item (circled in red), Converted Record (checked), Inactive Flag, and Inactive Date (with an adjacent text input field).

Reordering NF1517 and NF1517A (Property of NASA – US Government Decal)

Per NPR 4200.1G, paragraph 3.1.3.2, "each item of non-controlled equipment shall be affixed with a "Property of U.S. Government" decal, NF 1517 or 1517A, except when not physically or technologically feasible. Smaller versions of the decal are also available for use on small items of non-controlled equipment. The use of NF 1517 on non-controlled office furniture is optional."

To reorder NF 1517, please access the NASA Electronic Forms (NEF) website, complete NF 2 (Request for Blank Forms and Publications), and follow the instructions provided on NF2.

<http://server-mpo.arc.nasa.gov/Services/NEFS>

The completed NF2 should be sent to:

NASA Goddard Space Flight Center
Mail Code 279, Supply Branch
Greenbelt, MD 20771

Or you may fax your request to (301) 286-0348

LOOKING AHEAD

There are program topics that the equipment management community continues to address. Some are brought up to our attention as policy requiring update, some as inquiries on common business practices that are not cost effective in the daily operations, and some that are non-compliant with governing regulations. I would like to share with stakeholders the equipment management issues that we are/will be revising for the improvement of the program:

- Revision of the Equipment Loan procedures and practices
- Continue the consolidation of Equipment Management forms
- Continue with policy revision on walk-through inspections (Para 3.6.5, NPR 4200.1G)

EVENTS

1. The CCR Team Visited Stennis

The Compensating Controls Review team visited the Stennis Space Center from August 7th through 12th. The CCR process was instituted to evaluate the adequacy and consistency of Agency policy execution and procedural compliance with NASA guidance in Logistics Management Operations which incorporates the areas of equipment, disposition, warehousing and storage, mail management, supply, transportation/fleet management, and contractor property management.

2. Equipment Management Community Participates in “Change Management” WEBEX

The logistics community participated in a VITS hosted and funded by NASA Headquarters on September 14, 2011. The VITS was presented by Rick Maurer and it was broadcasted to all NASA Centers. A total of 80 personnel participated across the Agency, including Property Custodians, SEMOs, IPOs, PDOs, and stakeholders in general. A total of 100 books “Beyond the Wall of Resistance” were purchased by NASA HQs and distributed to stakeholders prior to the training. We appreciate your participation. Your demonstrated interest is a clear indication of the importance you give to professional development and consequently the improvement of NASA’s logistics functions.

3. Property Valuation Webinar on Oct 25th, 2011.

NASA Headquarters is also funding a “Property Valuation” webinar on Tuesday, October 25th, 2011, from 1:00 PM to 3:00 PM, Eastern Standard Time.

Every organization, whether it is a private corporation, college or university, or a government entity, has a vested interest in, and a need to know the value of its fixed assets and moveable property. The session will cover the reasons we value property, the types of value and the uses, where to find market data for the valuation of property, and how NPMA is involved in this critical step of asset management.

The Course Instructor is Cheri L. Cross, CPPM, CF. Cheri is the property manager at the Oak Ridge National Laboratory (ORNL). She is currently serving a second two-year term as President of NPMA.

The time length is 87 minutes. All HQ and Center Logistics personnel are invited to participate in this

webinar. We look forward to your participation in this great learning opportunity. If you have any questions regarding this training, please contact Ellen Adintory @ 202-358-1082.

ARTICLE OF INTEREST

The feedback that I normally receive from stakeholders is the frustration they experience getting NASA employees to conduct walk-through inspections, to assist inventory personnel during scheduled inventory campaigns, or to resolve the discrepancies resulting from the same. Equally important is the personal level of care, or disregard, that employees apply towards stewardship of Government property. In many instances, the users of NASA equipment follow their best judgment and do what in their belief seems to be the appropriate practice to safeguard the equipment entrusted to their use and care.

You probably agree with me that our experience reveals that these "opted practices" are not always the most appropriate. I want to share with you an article published by Cindy Bowman in which she shares similar circumstances at her work place, and are to a certain degree, a reflection of our daily experience. Mrs. Bowman not only shares the difficulties she faces, but also recommends options that we may want to consider to overcome the difficulties we encounter in our organization.

Loss of Property in a Government World

By Cindy Bowman, CPPM, CF, NPMA Northwest Chapter

"It always seems that one of the greatest problems you have in any career is people problems, no matter where you work or what you do. Sometimes my job can be frustrating and harried, but I still enjoy the career path I've chosen. The asset management profession has afforded me the opportunity to learn and be aware of the entire life cycle process. Sharing that knowledge with others is a rewarding experience.

In my organization there are a small percentage of all employees who work in the Logistics field and have property management as a full time career. Most custodians and those who administratively support them perform their property management responsibilities as collateral duties. One of the greatest challenges is getting all employees involved, not just those who are responsible for oversight of the asset management program.

Most who are not involved in custodial or logistics duties are not aware of, or ignore any involvement toward a successful asset management program. It's hard to convince engineers, electronics technicians, inspectors, and other technically specialized employees to be involved if it's not directly related to their official duties. It is easy for many to plead ignorance and pass off asset management policies and procedures to someone else's responsibility, as they see their own priorities in their chosen career field as most important. The fact that seems to escape them is the need for us to rely on them as experts in identifying, tracking and maintaining the very same equipment they rely on every single day. The act of communicating and enforcing the need for all to be aware of what's going on around them has not been an easy task.

I frequently find periods of humor, though, in the varying situations people can get themselves into, especially related to loss of property and some of the excuses they can come up with to justify the loss. These stories remind me of the age old 'dog ate my homework' story that has been used many times by young students who have not completed their assignments. Some of the things I've heard are

unbelievable, for example:

Story 1:

A traveling technician carries various test equipment onsite, in the back of a hatchback vehicle. The technician finishes work for the day, putting the equipment in the back and gets into the driver's side to prepare for departure. When the car starts the 'dummy' light goes off telling the occupant that the back hatch door is ajar. The driver remembers closing the hatch and looks in the rear-view mirror – no the back hatch doesn't appear to be open. The technician drives to the hotel, parks the vehicle in the hotel parking lot and retires for the evening. When returning to the vehicle the next morning they discover the back hatch wide open and all the expensive test equipment missing. (Now what in the world is the 'dummy' light for if no one is going to pay attention to it?)

Story 2:

A manager who is going on a business trip signs out a laptop for use while they are away. The traveler discovers that they are overburdened with luggage, so they decide to check the laptop, secured in the laptop case as checked baggage. The checked baggage is obviously a soft-sided laptop case and was not placed inside other luggage, so what do you think happened to the laptop? No one knows, but I can tell you one thing – it never reached its destination! (Even if it would have reached its destination, it probably would not have survived the abuse checked baggage endures!)

Story 3:

An employee borrows a laptop for official business during the work week, but has a weekend tour in the reserves. Instead of turning in the laptop, they decide to take it with them in the pickup truck, leaving it on the front seat with the doors unlocked! (Now, what were they thinking?)

Story 4:

Another employee takes a laptop home for the weekend, leaving the laptop inside an unlocked car, at their residence, in their driveway. When they decide they need the laptop it is gone! (Hello, brain? Anybody in there?)

Story 5:

A custodian determines a piece of equipment is no longer needed. It may be broken, in need of repair or simply not needed by that employee any longer. They assume it's no longer of any value and throw it away in the dumpster. (Regardless of whether the equipment was no longer functional, it was on property records and should have been reported to the disposal officer for action).

Can these people be considered negligent and liable for the loss of the equipment? They might, but it's been my experience that it's not always easy! Negligence in the dictionary is defined as:

1. *The state or quality of being negligent.*
2. *A negligent act or a failure to act.*
3. *Law. Failure to exercise the degree of care considered reasonable under the circumstances, resulting in an unintended injury to another party.*

Every one of the scenarios I've described to you were reviewed by legal counsel, but the employees were considered 'stupid,' not negligent. They never had to pay for the loss! Our policies and procedures are based upon the proof of 'gross negligence' of any individual or group of individuals. I could not easily find a definition of 'Gross Negligence' that applies to loss of property, but it is further defined as:

"Negligence that is marked by conduct that presents an unreasonably high degree of risk to others and by a failure to exercise even the slightest care in protecting them from it and that is sometimes associated with conscious and willful indifference to their rights."

Now I don't know about you, but I perceive the scenarios I mentioned earlier would fit in the category of negligence. Unfortunately, legal counsel didn't agree and stated that there must be "willful intent." In other words, loss must have 'happened more than once' and the guilty party must have 'done it on purpose.' As a property professional and a tax payer, I clearly do not understand!

During your property management career, you may come across similar circumstances when trying to recover the loss of property. At this point, the only recourse you have is supervisory intervention and/or disciplinary action, if the supervisor follows through, but even that may be more than the supervisor wishes to do – just think of all that paperwork!

So how can a property professional decrease loss, improve business practices and increase awareness throughout the organization? There are other ways that may gradually bring change if you are willing to put forth the effort.

Raise Awareness

Need to raise the awareness of the risk of loss – make loss of equipment more visible.

This may likely involve an educational campaign of sorts, using more than one resource to get the message across:

- Develop simplified training materials to use in custodial training sessions.
- Design a brochure as a tool to "market" to employees, using simple language that would easily be understood by the uninformed.
- Develop 5-10 minute briefings on the most visible issues related to loss of property, then schedule time with each department to present your briefing.
- Design an internal website with electronic documents, frequently asked questions, resource links for policies and procedures, contact information, newest updates in business practices, training resources, etc.
- Design flyers for display throughout the building to remind employees of proper procedures for reutilization and disposal of property and hazardous materials.
- Design handouts or brochures dealing with specific parts of the property management life cycle (ex, Property Life Cycle Management, I Can't Find It . . . What's Next?, Employee Responsibilities for Property, How to Process a Report of Survey, What Is The Role of the Survey Board?). Use these to reach various levels within the organization.
- Attend staff meetings to present issues of loss within each department.

I'm sure there are several more methods to get the word out that I haven't mentioned here. Continuous exposure to the issues surrounding the loss of property is the key to some level of success. Market, market, market

Encourage Management to become an advocate for change

Nearly every company, agency and organization has a business or strategic plan, dealing with visible goals, usually defined in general terms with a broad perspective. The trick is to utilize the organizational goals to your advantage.

Managers are very keen on establishing goals, setting timelines and tracking successes related to the

established strategic plan. Your job would be to associate your issues of property loss to the current goals and objectives.

Look for risk factors and trends that you can relate to the organization's plan, then use that association to solicit management to become advocates for change. If you are successful in your presentation to management, you will find most of them more aware of the risks involved in loss of property, as well as a renewed sense of purpose to assist you in eliminating the problem. In other words, once they are "sold" on the fact that your issues are related to their success, the natural progression will be for management to advocate compliance of business practices to reduce the risk of loss.

In the marketing world, it is a known fact that most people must see a particular advertisement or solicitation at least 7-10 times before they become aware of the message. That does not guarantee they will buy what is advertised, but after being exposed to it so many times, they most likely will know it exists, will know what it is for, and will likely think about it if they ever have a reason to need it. The same premise applies to your attempts to increase awareness in property management.

With that in mind, I provide no guarantees that all of your efforts will hit pay dirt. The bureaucratic environment within the Government and in many companies increases the difficulty in making a difference. At the very least, you should see some improvement in awareness within the organization and you will know you have done your professional best to utilize every resource at your disposal. I don't know about you, but the effort in itself provides me with self-satisfaction that I am doing the best I can to contribute to the success of the agency."

CONTACT US

Your involvement, understanding, and feedback are essential to make the Equipment Management Program a success. Please send us your questions/comments by calling or emailing:

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