

Report Recipients:

H/Assistant Administrator
for Procurement

J/Assistant Administrator
for Management Systems

**NASA NONCOMPLIANCE WITH WASTE
REDUCTION REQUIREMENTS**

May 30, 2003

cc:

JM/Director, Management
Assessment Division
NASA Center Directors



National Aeronautics and
Space Administration

OFFICE OF INSPECTOR GENERAL

Released by: [original signed by]

David M. Cushing, Assistant Inspector General for Auditing

NASA Office of Inspector General

IG-03-013
A-01-011-00

May 30, 2003

NASA Noncompliance With Waste Reduction Requirements

We performed this audit to determine whether NASA effectively complied with the requirements of Executive Order (EO) 13101, "Greening the Government Through Waste Prevention, Recycling and Federal Acquisition," September 14, 1998, and the Resource Conservation and Recovery Act (RCRA). One of the Federal government's goals for protecting the environment is to lead waste reduction efforts by using recycled and environmentally preferable products. EO 13101 and Section 6002 of RCRA require agencies to meet this goal by implementing affirmative procurement programs to increase the use of recycled and environmentally preferable products. Details regarding the audit objectives, background, scope, and methodology are in Appendix C.

We found that NASA's affirmative procurement program needs improvements.

- Centers were not obtaining waivers to justify purchases of certain nonrecycled products because Center personnel were not aware that a waiver was required and because a waiver process did not exist at one Center.
- The Federal Acquisition Regulation (FAR) clauses related to waste reduction and using products containing recovered materials were not included in applicable support services contracts because the contracting officers had not received adequate training or guidance on the FAR requirements.
- The Agency Environmental Executive (AEE) needs to be at a higher level to meet EO requirements.

NASA Should Justify Purchases of Certain Products Without Recycled Content

NASA's affirmative procurement program is not fully compliant with EO 13101 and RCRA. The Environmental Protection Agency (EPA) has designated 56 products that agencies are to purchase with recycled content whenever feasible. These products include building insulation, carpet, cement, concrete, latex paint, printer ribbons, toner cartridges, printing paper, and engine coolants. EPA-designated products are general product categories that may or may not contain recycled content, depending upon the manufacturer, supplier, or other factors. For example, printing paper is available from many sources, some of which provide paper produced from only new materials. Other sources provide paper manufactured with recycled materials. Therefore, even though a product is EPA-designated, it may not contain the required recycled content. NASA Procedures and Guidelines (NPG) 8830.1, "Affirmative Procurement for Environmentally Preferable Products," February 1999, requires that when NASA purchases EPA-designated products, the items must contain recycled content unless the purchaser obtains a written waiver. Under the waiver process, a procurement request

originator must furnish a request for a waiver to his or her Center environmental manager, or a designee, for approval before the purchase of a product without the required recycled content. A waiver may be obtained if the products with recycled content are not available competitively within a reasonable time frame, do not meet appropriate performance standards, or are available only at an unreasonable price.

For FYs 2000 and 2001, NASA purchased about \$16.2 million of EPA-designated products. About \$5.9 million (36.4 percent) of this total was for product purchases that required a waiver (that is, the products did not have the required recycled content). However, no waivers were prepared for any of the purchases included in the 2-year period even though the NASA Centers, except for the Johnson Space Center, had a waiver process. NASA purchases that were not supported by waivers increased from 30 percent in FY 2000 to 42 percent in FY 2001 (see Appendix E).

The NASA AEE stated that contracting officers were not aware of affirmative procurement program requirements because of a lack training on the requirements. This official also believed that the lack of emphasis on compliance at the Center level may have contributed to an ineffective program. Center officials also acknowledged that the lack of training and emphasis contributed to an ineffective program.

Required FAR Clauses Not Included in NASA Contracts

Contracting officers can obligate contractors to comply with EO and RCRA requirements by incorporating certain FAR clauses in NASA contracts. The FAR requires that certain clauses directing contractors to reduce waste and to use products containing recovered materials be included in contracts that provide for or support the operation of NASA-owned facilities. From August 1, 2000, through October 30, 2001, NASA awarded 60 such contracts valued at more than \$1.0 billion. Most of those contracts should have included, but did not include the applicable FAR clauses:

- 50 (83.3 percent) of the 60 contracts did not include FAR clause 52.223-10, which requires contractors to establish waste reduction programs, and
- 55 (91.7 percent) contracts omitted FAR clauses 52.223-4 and 52.223-9, which require contractors to certify that they will use at least the amount of recovered materials required by the applicable contract specifications and to estimate the percentage of recovered materials used during the performance of the contract. (see Appendix F).

Contracting officers play a vital role in ensuring that NASA and its contractors fully achieve the benefits associated with reducing waste and buying recycled products. NASA officials at both Headquarters and the Centers attributed the lack of inclusion of the clauses by the contracting officers to a lack of training and to a lack of emphasis on compliance with the requirements of the EO, RCRA, and the FAR. In addition, NASA Procurement Management Surveys, which are used to monitor the effectiveness of

internal controls over Center procurement processes, did not identify that contracting officers had not included the applicable FAR clauses in contracts and, therefore, were not useful in ensuring that the requirements were met.

Agency Environmental Executive Position Is Not at the Level Required

The EO requires that the NASA Administrator establish the NASA AEE position at the Assistant Administrator level to help ensure that EO objectives are given appropriate visibility and management attention throughout the Agency. The NASA Administrator initially designated the Associate Administrator for Management Systems and Facilities (now known as the Assistant Administrator for Management Systems) to be the NASA AEE. However, NASA's Assistant Administrator for Management Systems subsequently designated the Director of the Environmental Management Division as the AEE for NASA and assigned tasks supporting many AEE responsibilities to the Principal Center for Recycling and Affirmative Procurement, which is located at the Kennedy Space Center. According to the Assistant Administrator and Environmental Management Division officials, confusion over the appropriateness of delegating AEE responsibilities to lower organization levels may have existed, because a prior EO and NPG 8830.1 permitted delegation to a lower-level organization.

Delegating the AEE position to a lower-level organization reduced the effectiveness of the AEE position. The Center environmental managers we interviewed believed they did not have enough influence to ensure that program and procurement personnel complied with the EO, RCRA, and FAR requirements and that program direction was needed from a level higher than the Environmental Management Division at Headquarters or the Principal Center. The Centers' noncompliance with EO and RCRA requirements for purchasing products containing recycled content and the award of contracts without the required FAR clauses indicate that the AEE is not at a high enough level to ensure appropriate management attention is given to the affirmative procurement program.

Recommendations for Corrective Action

We recommended that the Assistant Administrator for Management Systems, in coordination with the Assistant Administrator for Procurement, emphasize the affirmative procurement requirements in NPG 8830.1 and provide training on EO and RCRA requirements for applicable personnel. We also recommended that the Director, Johnson Space Center, direct the appropriate officials to implement a waiver process for EPA-designated products in accordance with NPG 8830.1.

In addition, we recommended that the Assistant Administrator for Procurement provide training for contracting officers on affirmative procurement requirements and include a review for affirmative procurement clauses in Procurement Management Surveys. Further, we recommended that the Assistant Administrator for Management Systems revise NPG 8830.1 to address the requirements of the EO and immediately assume the role of the AEE.

Management's Response and our Evaluation of the Response

NASA concurred with the report recommendations and has initiated corrective actions. We consider management's comments (see Appendix H) to be responsive to the recommendations. Details related to disposition of the recommendations are in Appendices A and G.

Appendices

Among the appendices, note that Appendix B includes background on applicable laws and regulations; Appendix C describes objectives, scope, and methodology; and Appendix D includes a summary of prior audits on affirmative procurement. In addition, Appendix E summarizes NASA purchases of EPA-designated products, and Appendix F identifies contracts that should include FAR requirements. Appendix I shows the report distribution.

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Appendix I – Report Distribution

Acronyms

AEE	Agency Environmental Executive
EO	Executive Order
EPA	Environmental Protection Agency
FAR	Federal Acquisition Regulation
FY	Fiscal Year
NPG	NASA Procedures and Guidelines
RCRA	Resource Conservation and Recovery Act

Appendix A. Status of Recommendations

Recommendation No.	Resolved	Unresolved	Open/ECD*	Closed
1	X		7/31/03	
2	X		5/31/04	
3	X		9/30/03	
4	X		5/31/04	
5	X		7/31/03	
6	X		5/31/04	
7	X		6/30/03	

*Estimated completion date.

Appendix B. Background

RCRA Requirements. Section 6002 of the RCRA, dated October 21, 1976, required the Administrator of the EPA to develop and publish guidelines for solid waste management that are to be followed by the Government and the private sector. The RCRA required each procuring agency needing these designated products to procure products composed of the highest percentage of recovered materials practicable consistent with maintaining satisfactory contract competition. The RCRA further specified that procuring agencies did not have to purchase products meeting guidelines if such products:

- (A) Are not reasonably available within a reasonable period of time;
- (B) Fail to meet the performance standards set forth in the applicable specifications or fail to meet the reasonable performance standards of the procuring agencies;
or
- (C) Are only available at an unreasonable price.

Executive Orders 12873 and 13101. As a follow-on to the RCRA requirements, EO 12873, “Federal Acquisition, Recycling, and Waste Prevention,” issued October 20, 1993, and its replacement EO 13101, “Greening the Government through Waste Prevention, Recycling, and Federal Acquisition,” issued September 14, 1998, served to improve the Federal Government’s use of recycled products and environmentally preferable products and services. The EOs required NASA to designate an AEE to assure NASA's compliance with the requirements. The RCRA required NASA to establish affirmative procurement programs for all EPA-designated guideline products purchased by the Agency above the threshold of \$10,000. Both EOs required 100 percent of NASA’s purchases of the EPA-designated guideline products to meet or exceed the guidelines unless NASA’s procurement request originators provided written justifications that the products were not available competitively within reasonable time frames, did not meet appropriate performance standards, or were available only at unreasonable prices. In addition, the EO’s required the AEE to track agency purchases of guideline products and to report the purchases to the Federal Environmental Executive. The Federal Environmental Executive is designated by the President and is located within the EPA.

FAR Clause Requirements. These clauses require contractors to comply with EO and RCRA requirements concerning recovered materials and waste reduction.

- **FAR Clause 52.223-10, "Waste Reduction Program."** This clause requires contractors to establish programs to promote cost-effective waste reduction in all operations and facilities covered by Government contracts. FAR Subpart 23.7, “Contracting for Environmentally Preferable and Energy-Efficient Products and Services,” requires this clause to be incorporated into all solicitations and contracts for contractor operation of Government-owned or -leased facilities and all solicitations and contracts for support services at Government-owned or -operated facilities.

Appendix B

- **FAR Clause 52.223-4, "Recovered Material Certification."** This clause requires contractors to certify that the percentage of recovered materials to be used in performing their contracts will be at least the amounts required by the applicable contract specifications. FAR Subpart 23.4, "Use of Recovered Materials," requires this clause to be inserted in solicitations that are for, or specify the use of, recovered materials.
- **FAR Clause 52.223-9, "Estimate of Percentage of Recovered Material Content for EPA-Designated Products."** This clause requires contractors to estimate the percentages of recovered materials content for the EPA-designated products used in contract performance upon completion of the contracts, including, if applicable, the percentages of postconsumer material content. FAR Subpart 23.4 requires this clause to be included in solicitations and contracts exceeding \$100,000 that include FAR Clause 52.223-4.

These FAR clauses are limited in scope, and contractors are required to comply only if the specific clauses are included in their contracts.

NASA Implementing Guidelines. NASA issued NPG 8830.1, "Affirmative Procurement for Environmentally Preferable Products," in February 1999 to establish standard procedures for procuring environmentally preferable goods and services to the maximum extent possible consistent with requirements in EO 13101, FAR Part 23, and NASA policy and directives. The NPG, signed by the former Administrator, specifies that the Associate Administrator for the Office of Management Systems and Facilities (now the Assistant Administrator for Management Systems) was to function as the AEE for NASA. The NPG also provides that the AEE position could be delegated to lower management levels within the Agency.

Further, the NPG assigns various responsibilities to the Centers: implementing a Center awareness program to promote affirmative procurement; advising procurement request initiators on acquisition strategies for environmentally preferable products and services; ensuring that Center procurements comply with the EO unless a waiver is approved; and reporting these purchases to the Principal Center.

In addition, the NPG established a waiver process to document the approval to purchase products that do not meet EPA guidelines. The NPG requires the procurement request originator to obtain an approved request for a waiver before the purchase of a product that does not meet EPA requirements for recovered materials. The procurement request originator must furnish the approved waiver to the contracting officer for acquisition of the product and for documentation for the contract files. The NPG states that waivers are permitted only for products that cannot be acquired competitively within a reasonable time, or meet appropriate performance standards, or at a reasonable price.

Appendix C. Objectives, Scope, and Methodology

Objectives

The overall audit objective was to determine whether NASA adequately complied with EO 13101, “Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition.” Specifically, we evaluated NASA’s compliance with EO 13101 and efforts to incorporate the FAR clauses related to EO and RCRA requirements into applicable contracts.

Our original objectives also included evaluating waste reduction initiatives implemented in response to the EO. We found that NASA implemented waste reduction initiatives to significantly reduce the amount of waste NASA generates for landfills and to save costs. However, the extent of savings will occur over the long term and cannot be fully evaluated at this time. We also evaluated NASA’s actions to identify and assess opportunities for consolidating waste reduction activities with other collocated Federal agencies and offices. NASA Centers have implemented several initiatives with other Federal agencies that may provide environmental benefits. NASA may have additional opportunities to consolidate waste reduction activities with other Federal agencies, but taking advantage of these opportunities will require the cooperation of the other agencies.

Scope and Methodology

We reviewed applicable NASA and Federal regulations and policies. We visited NASA Headquarters to identify actions taken by the Office of Management Systems, the Environmental Management Division, and the Office of Procurement to comply with the requirements of EO 13101. Additionally, we evaluated the following at Kennedy Space Center (Kennedy), Marshall Space Flight Center (Marshall), and Wallops Flight Facility (Wallops):

- Compliance with the requirements of EO 13101; Section 6002 of RCRA; and NPG 8830.1, “Affirmative Procurement Plan for Environmentally Preferable Products.”
- NASA’s efforts to incorporate the FAR clauses related to EO and RCRA requirements into applicable contracts.

Based on our work at Kennedy, Marshall, and Wallops, we developed questionnaires for the remaining Centers and requested information to determine whether the Centers complied with EO 13101 and Section 6002 of RCRA, how they implemented the affirmative procurement program, and whether appropriate clauses had been included in NASA contracts. Additionally, we interviewed the Deputy Chief, Office of the Federal Environmental Executive, to gain insight into the intent of the EO and RCRA.

We used computer-processed reports from NASA Headquarters and Kennedy to determine the volume of purchases of EPA-designated products. We selectively tested the data by comparing it to Center-provided data to determine its reliability and concluded that the data was reliable.

Appendix C

Management Controls Reviewed

We reviewed the management controls relative to the implementation of EO 13101 and Section 6002 of RCRA. Specifically, we reviewed documentation related to the delegation of the NASA AEE and taskings to the Principal Center. We also reviewed the process and controls over purchasing EPA-designated items and the inclusion of the FAR clauses in applicable contracts. We concluded that NASA's affirmative procurement program needs to be strengthened as described in this report.

Audit Field Work

We conducted field work from February 2001 through August 2002 at NASA Headquarters, Kennedy, Marshall, and Wallops. We performed the audit in accordance with generally accepted government auditing standards.

Appendix D. Prior Audit Coverage

In June 2001, the General Accounting Office issued a report entitled, "Federal Procurement, Better Guidance and Monitoring Needed to Assess Purchases of Environmentally Friendly Products." The General Accounting Office found it could not determine the extent to which the large procuring agencies, including NASA, were procuring EPA-designated products because the agencies lacked reliable and complete data on contractor purchases of these products. The agencies did not have adequate systems to track purchases of EPA-designated products by their contractors. NASA concurred with the draft report and endorsed the General Accounting Office's recommendations for executive action.

The NASA Office of Inspector General issued Report IG-99-051, "Audit of Environmental Aspects of External Tank Contract NAS8-36200," September 24, 1999. The audit found that the external tank contract had not been modified to incorporate the Federal waste reduction program as set forth under the FAR, and as a result, adverse environmental effects may not have been minimized and potential recycling benefits could not be realized.

The NASA Office of Inspector General also issued Report IG-98-017, "Kennedy Space Center's Recycling Efforts," June 12, 1998. The audit found that Kennedy did not collect and report accurate recycling data, which did not allow for reasonable measurements of program accomplishments. In addition, Kennedy had no collection procedures to retain proceeds from its recycling program, which resulted in \$141,431 in revenue not being available to Kennedy for funding additional recycling projects.

Appendix E. NASA Purchases of EPA-Designated Products

Facility	Fiscal Year 2000			Fiscal Year 2001			Total		
	Total Amount Purchased	Amount Requiring Waiver	Percentage Requiring Waiver	Total Amount Purchased	Amount Requiring Waiver	Percentage Requiring Waiver	Total Amount Purchased	Amount Requiring Waiver	Percentage Requiring Waiver
Ames Research Center	\$396,355	\$94,045	23.7	\$281,960	\$196,811	69.8	\$678,315	\$290,856	42.9
Dryden Flight Research Center	73,048	59,316	81.2	25,028	15,870	63.4	98,076	75,186	76.7
Glenn Research Center	516,775	195,575	37.8	719,759	672,364	93.4	1,236,534	867,939	70.2
Goddard Space Flight Center	1,436,165	729,689	50.8	960,564	288,190	30.0	2,396,729	1,017,879	42.5
Headquarters	116,104	6,399	5.5	18,985	14,939	78.7	135,089	21,338	15.8
Jet Propulsion Laboratory	1,171,821	341,996	29.2	1,372,763	448,781	32.7	2,544,584	790,777	31.1
Johnson Space Center	1,151,005	222,697	19.3	709,080	343,375	48.4	1,860,085	566,072	30.4
Kennedy Space Center	1,583,435	477,996	30.2	1,922,076	453,145	23.6	3,505,511	931,141	26.6
Langley Research Center	272,652	32,904	12.1	573,771	215,001	37.5	846,423	247,905	29.3
Marshall Space Flight Center	917,178	28,409	3.1	785,259	479,181	61.0	1,702,437	507,590	29.8
Michoud Assembly Facility	241,004	151,322	62.8	170,334	83,315	48.9	411,338	234,637	57.0
Stennis Space Center	189,185	96,882	51.2	293,425	139,419	47.5	482,610	236,301	49.0
White Sands Test Facility	169,889	38,182	22.5	143,456	27,820	19.4	313,345	66,002	21.1
Total	\$8,234,616	\$2,475,412	30.1	\$7,976,460	\$3,378,211	42.4	\$16,211,076	\$5,853,623	36.1

Source: Center/Facility reports of EPA-designated products to NASA's Agency Environmental Executive.

Note: Goddard Space Flight Center also includes Wallops Flight Facility data.

**Appendix F. Contracts That Should Include FAR Requirements
(Awarded from August 2000 through 2001)**

Center	Number of Contracts Awarded	Total Value of Contracts	Number of Contracts that Did Not Have FAR Clause 52.223-10	Value of Contracts without FAR Clause 52.223-10	Number of Contracts that Did Not Have FAR Clauses 52.223-4 and 52.223-9	Value of Contracts without FAR Clauses 52.223-4 and 52.223-9
Ames Research Center	5	\$23,015,062	5	\$23,015,062	5	\$23,015,062
Dryden Flight Research Center	1	23,333,127	0	0	0	0
Glenn Research Center	4	186,988,619	4	186,988,619	4	186,988,619
Goddard Space Flight Center	20	227,849,774	18	94,945,946	19	152,383,868
Johnson Space Center	18	137,563,734	15	121,734,007	18	137,563,734
Kennedy Space Center	1	1,985,563	0	0	1	1,985,563
Langley Research Center	3	426,300,000	2	423,800,000	2	423,800,000
Marshall Space Flight Center	4	151,742,729	2	136,181,087	2	18,086,435
Stennis Space Center	4	15,590,553	4	15,590,553	4	15,590,553
Totals	<u>60</u>	<u>\$1,194,369,161</u>	<u>50</u>	<u>\$1,002,255,274</u>	<u>55</u>	<u>\$959,413,834</u>

Source: Center/Facility Data on Contracts

Note: Goddard Space Flight Center also includes Wallops Flight Facility data.

Appendix G. Recommendations, Management's Response, and Evaluation of Management's Response

The Assistant Administrator for Management Systems, in coordination with the Assistant Administrator for Procurement, should:

1. Emphasize to Center environmental managers and contracting officers the affirmative procurement requirements in NPG 8830.1, and reaffirm NASA's commitment to the program.

Management's Response. Concur. The Assistant Administrator for Management Systems and Assistant Administrator for Procurement will distribute a memorandum regarding NASA's commitment to affirmative procurement requirements to the environmental managers and contracting officers.

2. Provide training on EO and RCRA requirements for all applicable environmental, procurement, and applicable program office officials.

Management's Response. Concur. NASA will design, develop, and deploy training on affirmative procurement, including guidance on the EO, RCRA, and/or FAR requirements, as appropriate to the job function.

Evaluation of Management's Responses. Management's planned actions to recommendations 1 and 2 are responsive. The recommendations are resolved but will remain undispositioned and open until the agreed-to corrective actions are completed.

3. The Director, Johnson Space Center, should direct the appropriate officials to implement a waiver process for EPA-designated products in accordance with NPG 8830.1.

Management's Response. Concur. The Johnson Space Center is developing a waiver process, based on an evaluation of Center procurement processes. Johnson is also looking at waiver processes developed at other Centers for best practices.

Evaluation of Management's Response. Management's planned actions are responsive. The recommendation is resolved but will remain undispositioned and open until the agreed-to corrective action is completed.

The Assistant Administrator for Procurement should:

4. Provide training for contracting officers on affirmative procurement requirements and the use of related FAR clauses.

Management's Response. Concur. NASA will review existing mandatory training for contracting officers to evaluate its coverage of affirmative procurement requirements and

related FAR clauses. On the basis of that review, NASA will work to assure contracting officer training is adequate, possibly augmenting standard Governmentwide training required for certification.

5. Direct staff performing Procurement Management Surveys to determine whether contracting officers included the required FAR clauses in contracts that provide for or support the operation of NASA-owned facilities.

Management's Response. Concur. The Assistant Administrator for Procurement will review and revise as necessary guidance for Procurement Management Surveys to assure the required FAR clauses are included in contracts that provide for or support the operation of NASA-owned facilities.

Evaluation of Management's Responses. Management's planned actions to recommendations 4 and 5 are responsive. The recommendations are resolved but will remain undispositioned and open until the agreed-to corrective actions are completed.

The Assistant Administrator for Management Systems should:

6. Revise NPG 8830.1 to reflect the EO 13101 requirement that the AEE position be established at no lower than the Assistant Administrator level and that the position cannot be delegated to a lower level.

Management's Response. Concur. NASA will include the requirement as a part of the scheduled revision of NPG 8830.1.

7. Immediately assume the role of the AEE to comply with the requirements of EO 13101.

Management's Response. Concur. NASA will establish the Assistant Administrator for Management Systems as the Agency Environmental Executive, and the Director of Environmental Management as the Alternate Agency Environmental Executive. NASA will distribute a letter to Office of the Federal Environmental Executive to formalize this agreement.

Evaluation of Management's Responses. Management's planned actions to recommendations 6 and 7 are responsive. The recommendations are resolved but will remain undispositioned and open until the agreed-to corrective actions are completed.

Appendix H. Management's Response

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



April 18, 2003

Reply to Attn of: JE

TO: W/Assistant Inspector General for Auditing
FROM: J/Assistant Administrator for Management Systems
SUBJECT: Draft Audit Report "NASA Needs To Improve Waste Reduction Activities",
Assignment Number A-01-011-00

Thank you for the opportunity to review and provide comments on the subject Draft Audit Report. We submit the following consolidated management response to the draft review:

Recommendation Number 1: (The Assistant Administrator for Management Systems, in coordination with the Assistant Administrator for Procurement, should:) Emphasize to Center environmental managers and contracting officers the affirmative procurement requirements in NPG 8830.1, and reaffirm NASA's commitment to the program.

Response to Recommendation Number 1: Concur

NASA will distribute a memorandum regarding NASA's commitment to affirmative procurement requirements from the Assistant Administrator for Management Systems and the Assistant Administrator for Procurement to the environmental managers and Procurement Officers.

Corrective Action Official: Code JE/M. McNeill
Projected Closure Date: July 31, 2003

Recommendation Number 2: (The Assistant Administrator for Management Systems, in coordination with the Assistant Administrator for Procurement, should:) Provide training on EO and RCRA requirements for all applicable environmental, procurement, and program office officials.

Response to Recommendation Number 2: Concur

NASA will design, develop, and deploy, a training course(s) on affirmative procurement, potentially through SOLAR. The course(s) will be designed to provide guidance on the EO, RCRA, and/or FAR requirements, as appropriate to the job function.

Corrective Action Official: Code JE/M. McNeill
Projected Closure Date: May 31, 2004

Recommendation Number 3: The Director, Johnson Space Center, should direct the appropriate officials to implement a waiver process for EPA-designated products in accordance with NPG 8830.1.

Response to Recommendation Number 3: Concur

The Johnson Space Center Office of Procurement and the Center Operations Directorate are currently developing a waiver process based on an evaluation of applicable procurement processes to apply a waiver to, how to document and route waivers, and what is "reasonable price." We are looking at the waiver processes developed at other Centers for best practices. Implementation of a waiver process for EPA-designated products is anticipated by the end of fiscal year 03.

Corrective Action Official: JSC/Code BA/Randy Gish
Projected Closure Date: September 30, 2003

Recommendation Number 4: (The Assistant Administrator for Procurement should:) Provide training for contracting officers on affirmative procurement requirements and the use of related FAR clauses.

Response to Recommendation Number 4: Concur

In accordance with Office of Federal Procurement Policy Letter 97-01, NASA relies primarily on the Defense Acquisition University to provide training for contracting officers. NASA will review existing mandatory training to evaluate its coverage of affirmative procurement requirements and related FAR clauses. On the basis of that review, NASA will work to assure contracting officer training is adequate, possibly augmenting required standard Governmentwide training. This effort will be coordinated with the actions in response to Recommendation Number 2.

Corrective Action Official: Code HK/Patrick Flynn
Projected Closure Date: May 31, 2004

Recommendation Number 5: (The Assistant Administrator for Procurement should:) Direct staff performing Procurement Management Surveys to determine whether contracting officers included the required FAR clauses in contracts that provide for or support the operation of NASA-owned facilities.

Response to Recommendation Number 5: Concur

The procurement management survey team currently reviews a sample of a contracting activity's contracts to determine whether required environmental clauses have been included. This activity is evidenced by reports issued for surveys conducted in 2002 and 2003. Surveys teams will continue to review inclusion of environmental clauses in NASA contracts with added emphasis on verifying whether contracting officers have included the required FAR clauses in contracts that provide for or support the operation of NASA-owned facilities. The next survey is scheduled to take place at the Goddard Space Flight Center during June 2003. A full cycle of procurement surveys will be completed within approximately three years.

Corrective Action Official: Code HK/Patrick Flynn
Projected Closure Date: July 31, 2003

Recommendation Number 6: (The Assistant Administrator for Management Systems should:) Revise NPG 8830.1 to reflect the EO 13101 requirement that the AEE position be established at no lower than the Assistant Administrator level and that the position cannot be delegated to a lower level.

Appendix H

3

Response to Recommendation Number 6: Concur

This action will be accomplished as a part of the scheduled revision of NPG 8830.1.

Corrective Action Official: Code JE/M. McNeill
Projected Closure Date: May 31, 2004

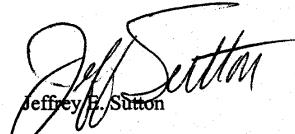
Recommendation Number 7: (The Assistant Administrator for Management Systems should:) Immediately assume the role of the AEE to comply with the requirements of EO 13101.

Response to Recommendation Number 7: Concur

The Office of the Federal Environmental Executive (OFEE) has agreed in concept to establishing the Assistant Administrator for Management Systems as the Agency Environmental Executive, and the Director of Environmental Management as the Alternate Agency Environmental Executive. NASA will distribute a letter to OFEE to formalize this agreement.

Corrective Action Official: Code JE/M. McNeill
Projected Closure Date: June 30, 2003

If you have any questions or need further coordination on this matter, please contact June Flickinger (202-358-2876) or Mike McNeill (202-358-1886)



Jeffrey B. Sutton

cc:
H/T. Luedtke

Appendix I. Report Distribution

National Aeronautics and Space Administration (NASA) Headquarters

A/Administrator
AA/Chief of Staff
ADI/Associate Deputy Administrator for Institutions and Asset Management
ADT/Associate Deputy Administrator for Technical Programs
B/Deputy Chief Financial Officer for Financial Management
B/Deputy Chief Financial Officer for Resources (Comptroller)
BF/Director, Financial Management Division
G/General Counsel
H/Assistant Administrator for Procurement
HK/Director, Contract Management Division
HS/Director, Program Operations Division
J/Assistant Administrator for Management Systems
JM/Director, Management Assessment Division
L/Assistant Administrator for Legislative Affairs

NASA Centers

ARC/D/Director, Ames Research Center
DFRC/X/Director, Dryden Flight Research Center
GRC/0100/Director, John H. Glenn Research Center at Lewis Field
GSFC/100/Director, Goddard Space Flight Center
JSC/AA/Director, Lyndon B. Johnson Space Center
KSC/AA/Director, John F. Kennedy Space Center
LaRC/106/Acting Director, Langley Research Center
MSFC/DA01/Director, George C. Marshall Space Flight Center
SSC/AA00/Director, John C. Stennis Space Center
KSC/CC/Chief Counsel, John F. Kennedy Space Center

Non-NASA Federal Organizations and Individuals

Assistant to the President for Science and Technology Policy
Deputy Associate Director, Energy and Science Division, Office of Management and Budget
Branch Chief, Science and Space Programs Branch, Energy and Science Division, Office of Management and Budget
Managing Director, Acquisition and Sourcing Management Team, General Accounting Office
Managing Director, Natural Resources and Environment, General Accounting Office

Appendix I

Non-NASA Federal Organizations and Individuals (Cont.)

Senior Professional Staff Member, Senate Subcommittee on Science, Technology, and Space

Chairman and Ranking Minority Member – Congressional Committees and Subcommittees

Senate Committee on Appropriations

Senate Subcommittee on VA, HUD, and Independent Agencies

Senate Committee on Commerce, Science, and Transportation

Senate Subcommittee on Science, Technology, and Space

Senate Committee on Environment and Public Works

Senate Subcommittee on Environment and Hazardous Materials

Senate Committee on Governmental Affairs

House Committee on Appropriations

House Subcommittee on VA, HUD, and Independent Agencies

House Committee on Government Reform

House Subcommittee on Government Efficiency and Financial Management

House Subcommittee on Technology, Information Policy, Intergovernmental Relations, and the Census

House Committee on Science

House Subcommittee on Space and Aeronautics

Congressional Member

Honorable Pete Sessions, U.S. House of Representatives

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Report Title: NASA Noncompliance With Waste Reduction Requirements

Report Number: _____ **Report Date:** _____

Circle the appropriate rating for the following statements.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A
1. The report was clear, readable, and logically organized.	5	4	3	2	1	N/A
2. The report was concise and to the point.	5	4	3	2	1	N/A
3. We effectively communicated the audit objectives, scope, and methodology.	5	4	3	2	1	N/A
4. The report contained sufficient information to support the finding(s) in a balanced and objective manner.	5	4	3	2	1	N/A

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- Excellent Fair
 Very Good Poor
 Good

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