PGI 209—Contractor Qualifications

(Revised January 10, 2008)

PGI 209.2—QUALIFICATIONS REQUIREMENTS

PGI 209.202 Policy.

(a)(1) The inclusion of qualification requirements in specifications for products that are to be included on a Qualified Products List, or manufactured by business firms included on a Qualified Manufacturers List, requires approval by the departmental standardization office in accordance with DoD 4120.24-M, Defense Standardization Program (DSP) Policies and Procedures. The inclusion of other qualification requirements in an acquisition or group of acquisitions requires approval by the chief of the contracting office.

PGI 209.270 Aviation and ship critical safety items.

PGI 209.270-4 Procedures.

(1) Policies and procedures applicable to aviation critical safety item design control activities are in DoD 4140.1-R, DoD Supply Chain Materiel Management Regulation, Chapter 8, Section C8.5, DoD Aviation Critical Safety Item (CSI)/Flight Safety Critical Aircraft Part (FSCAP) Program. This regulation provides direction on establishing criticality determinations, identification of aviation critical safety items in the Federal Logistics Information System, and related requirements.

(2) Procedures for management of aviation critical safety items and ship critical safety items are available at http://www.dscr.dla.mil/UserWeb/vg/CriticalPartReview.htm. This web site provides detailed life-cycle procedures for aviation and ship critical safety items, from initial identification through disposal, as well as a detailed list of definitions applicable to aviation and ship critical safety items.

PGI 209—Contractor Qualifications

(Added January 10, 2008)

PGI 209.5—ORGANIZATIONAL AND CONSULTANT CONFLICTS OF INTEREST

PGI 209.570 Limitations on contractors acting as lead system integrators.

PGI 209.570-1 Definitions.

The phrase “substantial portion of the work,” as used in the definition of “lead system integrator with system responsibility” in the clause at DFARS 252.209-7007, may relate to the dollar value of the effort or to the criticality of the effort to be performed.

PGI 209.570-3 Procedures.

(1) After assessing the offeror’s direct financial interests in the development or construction of any individual system or element of any system of systems, if the offeror—

(i) Has no direct financial interest in such systems, the contracting officer shall document the contract file to that effect and may then further consider the offeror for award of the contract;

(ii) Has a direct financial interest in such systems, but the exception in DFARS 209.570-2(b)(2) applies, the contracting officer shall document the contract file to that effect and may then further consider the offeror for award of the contract;

(iii) Has a direct financial interest in such systems and the exception in DFARS 209.570-2(b)(2) does not apply, but the conditions in DFARS 209.570-2(b)(1)(i) and (ii) do apply, the contracting officer—

(A) Shall document the contract file to that effect;

(B) May, in coordination with program officials, request an exception for the offeror from the Secretary of Defense, in accordance with paragraph (2) of this subsection; and

(C) Shall not award to the offeror unless the Secretary of Defense grants the exception and provides the required certification to Congress; or

(iv) Has a direct financial interest in such systems and the exceptions in DFARS 209.570-2(b)(1) and (2) do not apply, the contracting officer shall not award to the offeror.

(2)(i) To process an exception under DFARS 209.570-2(b)(1), the contracting officer shall submit the request and appropriate documentation to—

Director, Defense Procurement and Acquisition Policy
ATTN: OUSD(AT&L)DPAP/PACC
3060 Defense Pentagon
Washington, DC 20301-3060.

Phone: 703-695-4235 FAX: 703-693-9616

(ii) The action officer in the Office of the Director, Defense Procurement and Acquisition Policy, Program Acquisition and Contingency Contracting (DPAP/PACC), will process the request through the Office of the Secretary of Defense and, if approved, to the appropriate committees of Congress. The contracting officer shall not award a contract to the affected offeror until notified by the DPAP/PACC action officer that the exception has been approved and transmitted to Congress.

PGI 216—Types of Contracts

(Revised January 10, 2008)

PGI 216.2—FIXED-PRICE CONTRACTS

PGI 216.203 Fixed-price contracts with economic price adjustment.

PGI 216.203-4 Contract clauses.

Contracting officers should use caution when incorporating Economic Price Adjustment (EPA) provisions in contracts. EPA provisions can result in significant and unanticipated price increases which can have major adverse impacts to a program. EPA provisions should be used only when general economic factors make the estimating of future costs too unpredictable within a fixed-price contract. The primary factors that should be considered before using an EPA provision include volatility of labor and/or material costs and contract length. In cases where cost volatility and/or contract length warrant using an EPA provision, the provision must be carefully crafted to ensure an equitable adjustment to the contract. Accordingly, contracting officers should always request assistance from their local pricing office, the Defense Contract Management Agency, or the Defense Contract Audit Agency when contemplating the use of an EPA provision.

For adjustments based on cost indexes of labor or material, use the following guidelines:

(1) Do not make the clause unnecessarily complex.

(2) Normally, the clause should not provide either a ceiling or a floor for adjustment unless adjustment is based on indices below the six-digit level of the Bureau of Labor Statistics (BLS)—

(i) Producer Price Index;

(ii) Employment Cost Index for wages and salaries, benefits, and compensation costs for aerospace industries (but see paragraphs (3) and (6) of this subsection); or

(iii) North American Industry Classification System (NAICS) Product Code.

(3) DoD contracting officers may no longer use the BLS employment cost index for total compensation, aircraft manufacturing (NAICS Product Code 336411, formerly Standard Industrial Classification Code 3721, Aircraft) in any EPA clause in DoD contracts. This index is ineffective for use as the basis for labor cost adjustments in EPA clauses in DoD contracts.

The BLS employment cost index for wages and salaries, aircraft manufacturing may still be used in EPA clauses for labor costs. If a BLS index for benefits is desired, contracting officers should use a broader based index that will smooth the effects of any large pension

contributions, such as the employment cost index for benefits, total private industry. If a total compensation index is desired, contracting officers should consider the creation of a hybrid index by combining the above referenced indices at a predetermined percentage. For example, a hybrid total compensation index could consist of 68 percent employment cost index for wages and salaries, aircraft manufacturing, and 32 percent of the employment cost index for benefits, private industry.

(4) Normally, the clause should cover potential economic fluctuations within the original contract period of performance using a trigger band. Unless the economic fluctuation exceeds the trigger value, no EPA clause adjustments are made.

(5) The clause must accurately identify the index(es) upon which adjustments will be based.

(i) It must provide for a means to adjust for appropriate economic fluctuation in the event publication of the movement of the designated index is discontinued. This might include the substitution of another index if the time remaining would justify doing so and an appropriate index is reasonably available, or some other method for repricing the remaining portion of work to be performed.

(ii) Normally, there should be no need to make an adjustment if computation of the identified index is altered. However, it may be appropriate to provide for adjustment of the economic fluctuation computations in the event there is such a substantial alteration in the method of computing the index that the original intent of the parties is negated.

(iii) When an index to be used is subject to revision (e.g., the BLS Producer Price Indexes), the EPA clause must specify that any economic price adjustment will be based on a revised index and must identify which revision to the index will be used.

(6) The basis of the index should not be so large and diverse that it is significantly affected by fluctuations not relevant to contract performance, but it must be broad enough to minimize the effect of any single company, including the anticipated contractor(s).

(7) Construction of an index is largely dependent upon three general series published by the U.S. Department of Labor, BLS. These are the—

(i) Industrial Commodities portion of the Producer Price Index;

(ii) Employment Cost Index for wages and salaries, benefits, and compensation costs for aerospace industries (but see paragraphs (3) and (6) of this subsection); and

(iii) NAICS Product Code.

(8) Normally, do not use more than two indices, i.e., one for labor and one for material.

(9) The clause must establish and properly identify a base period comparable to the contract periods for which adjustments are to be made as a reference point for application of an index.

(10) The clause should not provide for an adjustment beyond the original contract performance period, including options. The start date for the adjustment may be the beginning of the contract or a later time, as appropriate, based on the projected rate of expenditures.

(11) The expenditure profile for both labor and material should be based on a predetermined rate of expenditure (expressed as the percentage of material or labor usage as it relates to the total contract price) in lieu of actual cost incurred.

(i) If the clause is to be used in a competitive acquisition, determine the labor and material allocations, with regard to both mix of labor and material and rate of expenditure by percentage, in a manner which will, as nearly as possible, approximate the average expenditure profile of all companies to be solicited so that all companies may compete on an equal basis.

(ii) If the clause is to be used in a noncompetitive acquisition, the labor and material allocations may be subject to negotiation and agreement.

(iii) For multiyear contracts, establish predetermined expenditure profile tables for each of the annual increments in the multiyear buy. Each of the second and subsequent year tables must be cumulative to reflect the total expenditures for all increments funded through the latest multiyear funding.

(12) The clause should state the percentage of the contract price subject to price adjustment.

(i) Normally, do not apply adjustments to the profit portion of the contract.

(ii) Examine the labor and material portions of the contract to exclude any areas that do not require adjustment. For example, it may be possible to exclude—

(A) Subcontracting for short periods of time during the early life of the contract which could be covered by firm-fixed-priced subcontracting;

(B) Certain areas of overhead, e.g., depreciation charges, prepaid insurance costs, rental costs, leases, certain taxes, and utility charges;

(C) Labor costs for which a definitive union agreement exists; and

(D) Those costs not likely to be affected by fluctuation in the economy.

(iii) Allocate that part of the contract price subject to adjustment to specific periods of time (e.g., quarterly, semiannually, etc.) based on the most probable expenditure or commitment basis (expenditure profile).

(13) The clause should provide for definite times or events that trigger price adjustments. Adjustments should be frequent enough to afford the contractor appropriate economic protection without creating a burdensome administrative effort. The adjustment period should normally range from quarterly to annually.

(14) When the contract contains cost incentives, any sums paid to the contractor on account of EPA provisions must be subtracted from the total of the contractor's allowable costs for the purpose of establishing the total costs to which the cost incentive provisions apply. If the incentive arrangement is cited in percentage ranges, rather than dollar ranges, above and below target costs, structure the EPA clause to maintain the original contract incentive range in dollars.

(15) The EPA clause should provide that once the labor and material allocations and the portion of the contract price subject to price adjustment have been established, they remain fixed through the life of the contract and shall not be modified except in the event of significant changes in the scope of the contract. The clause should state that pricing actions pursuant to the Changes clause or other provisions of the contract will be priced as though there were no provisions for economic price adjustment. However, subsequent modifications may include a change to the delivery schedule or significantly change the amount of, or mix of, labor or material for the contract. In such cases, it may be appropriate to prospectively apply EPA coverage. This may be accomplished by—

(i) Using an EPA clause that applies only to the effort covered by the modification;

(ii) Revising the baseline data or period in the EPA clause for the basic contract to include the new work; or

(iii) Using an entirely new EPA clause for the entire contract, including the new work.

(16) Consistent with the factors in paragraphs (1) through (15) of this subsection, it may also be appropriate to provide in the prime contract for similar EPA arrangements between the prime contractor and affected subcontractors to allocate risks properly and ensure that those subcontractors are provided similar economic protection.

(17) When EPA clauses are included in contracts that do not require submission of cost or pricing data as provided for in FAR 15.403-1, the contracting officer must obtain adequate information to establish the baseline from which adjustments will be made. The contracting

officer may require verification of the data submitted to the extent necessary to permit reliance upon the data as a reasonable baseline.

(Revised January 10, 2008)

PGI 225.70—AUTHORIZATION ACTS, APPROPRIATIONS ACTS, AND OTHER STATUTORY RESTRICTIONS ON FOREIGN ACQUISITION

PGI 225.7002 Restrictions on food, clothing, fabrics, specialty metals, and hand or measuring tools.

PGI 225.7002-1 Restrictions.

(a)(2)(A) The following are examples, not all-inclusive, of Federal Supply Classes that contain items of clothing:

(1) Clothing apparel (such as outerwear, headwear, underwear, nightwear, footwear, hosiery, or handwear) listed in Federal Supply Class 8405, 8410, 8415, 8420, 8425, 8450, or 8475.

(2) Footwear listed in Federal Supply Class 8430 or 8435.

(3) Hosiery, handwear, or other items of clothing apparel, such as belts and suspenders, listed in Federal Supply Class 8440 or 8445.

(4) Badges or insignia listed in Federal Supply Class 8455.

(B) The Federal Supply Classes listed in paragraph (a)(2)(A) of this subsection also contain items that are not clothing, such as—

(1) Visors;

(2) Kevlar helmets;

(3) Handbags; and

(4) Plastic identification tags.

(C) Each item should be individually analyzed to determine if it is clothing, rather than relying on the Federal Supply Class alone to make that determination.

(D) The fact that an item is excluded from the foreign source restriction of the Berry Amendment applicable to clothing does not preclude application of another Berry Amendment restriction in DFARS 225.7002-1 to the components of the item.

(E) Small arms protective inserts (SAPI plates) are an example of items added to, and not normally associated with, clothing. Therefore, SAPI plates are not covered

under the Berry Amendment as clothing. However, fabrics used in the SAPI plate are still subject to the foreign source restrictions of the Berry Amendment. If the fabric used in the SAPI plate is a synthetic fabric or a coated synthetic fabric, the fibers and yarns used in the fabric are not covered by the Berry Amendment, because the fabric is a component of an end product that is not a textile product (see DFARS 225.7002-2(o)).

Example: A SAPI plate is compliant with the Berry Amendment if the synthetic fiber or yarn is obtained from foreign country X and woven into synthetic fabric in the United States, which is then incorporated into a SAPI plate manufactured in foreign country Y.

(b) Under Secretary of Defense (Acquisition, Technology, and Logistics) memorandum of June 1, 2006, Subject: Berry Amendment Compliance for Specialty Metals, provides guidance on dealing with specialty metal parts that are noncompliant with the requirements of the Berry Amendment (10 U.S.C. 2533a). Also see the DCMA interim instruction addressing noncompliance with the Preference for Domestic Specialty Metals clause, DFARS 252.225-7014, at http://guidebook.dcma.mil/225/instructions.htm.

PGI 225.7002-2 Exceptions.

(b) *Domestic nonavailability determinations.*

(3) *Defense agencies*.

(A) A defense agency requesting a domestic nonavailability determination must submit the request, including the proposed determination, to—

Director, Defense Procurement and Acquisition Policy
ATTN: OUSD(AT&L)DPAP(CPIC)
3060 Defense Pentagon
Washington, DC 20301-3060.

(B) The Director, Defense Procurement and Acquisition Policy, will forward the request to the Under Secretary of Defense (Acquisition, Technology, and Logistics) as appropriate.

(C) If the domestic nonavailability determination is for the acquisition of titanium or a product containing titanium, the submission shall also include the associated congressional notification letters required by DFARS 225.7002-2(b)(4), for concurrent signature by the Under Secretary of Defense (Acquisition, Technology, and Logistics). The defense agency does not need to take any further action with regard to DFARS 225.7002-2(b)(4).

(4) *Army, Navy, and Air Force.*

Send the copy of the congressional notification and the domestic nonavailability determination for the acquisition of titanium or a product containing titanium to—

Director, Defense Procurement and Acquisition Policy
ATTN: OUSD(AT&L)DPAP(CPIC)
3060 Defense Pentagon
Washington, DC 20301-3060.

(5) *Reciprocal use of domestic nonavailability determinations (DNADs).*

(A) The military departments should establish approval authority, policies, and procedures for the reciprocal use of DNADs. General requirements for broad application of DNADs are as follows:

(1) A class DNAD approved by the Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD(AT&L)) or the Secretary of a military department may be used by USD(AT&L) or another military department, provided the same rationale applies and similar circumstances are involved.

(2) DNADs should clearly establish—

(i) Whether the determination is limited or unlimited in duration; and

(ii) If application outside the approving military department is appropriate.

(3) Upon approval of a DNAD, if application outside the approving military department is appropriate, the approving department shall provide a copy of the DNAD, with information about the items covered and the duration of the determination, to DPAP/CPIC at the address provided in paragraph (b)(4) of this section.

(4) Before relying on an existing DNAD, contact the approving office for current guidance as follows:

(i) USD(AT&L): DPAP/CPIC, 703-697-9352.

(ii) Army: ASA/ALT, 703-604-7006.

(iii) Navy: DASN (Acquisition and Logistics Management), 703-614-9600.

(iv) Air Force: AQCK, 703-588-7040.

(B) DNADs approved by USD(AT&L), that are currently available for reciprocal use, are listed at http://www.acq.osd.mil/dpap/cpic/ic/. To access the list: Under "Topics," click on "Read More" in the "Berry Amendment" or "Restriction on Specialty Metals" bar; then click on "Read More" at the bottom of the page under "DNADs."

PGI 225.7002-3 Contract clauses.

(b) *Class Deviation 2006-O0004, Restriction on Procurement of Specialty Metals, issued on December 6, 2006*.

(i) *Components and tiers*.

(A) *Components*.

(1) The term "component" is defined in the deviation to apply only to parts and assembled articles that are—

(i) Incorporated directly into the end product, meaning the aircraft, missile or space system, ship, tank or automotive item, weapon system, or ammunition (i.e., first-tier components); or

(ii) Incorporated directly into first-tier components (i.e., second-tier components).

(2) Other parts or assemblies are not components.

(3) Items that are not incorporated into the aircraft, missile or space system, ship, tank or automotive item, weapon system, or ammunition end product, such as factory test equipment and ground support equipment, are not components.

(B) *Tiers*. The term "tier" as used here does not apply to subcontractors in the supply chain. The tiers apply to assemblies of major systems in the six major product categories listed in paragraph (b) of the clause prescription of the deviation, and do not change from contract to contract. A component item may be purchased separately as a spare. In that case, it is an "end product" for that procurement, but its component tier status is determined based on its tier status in relation to the item in the covered six product categories where it will be used as a replacement. When the Government separately buys a first-tier component of an aircraft, the first-tier component is the end product of that procurement, and it is also a first-tier component of the aircraft. For example—

(1) An aircraft is Tier 0. Tier 1 assemblies are the first-level assemblies making up the aircraft. Tier 2 assemblies are the assemblies that go into the tier 1 assemblies. If a contractor is providing an item that the Government is buying at the tier 0, 1, or 2 level, it must be compliant at every sub-tier supplier level.

(2) If a spare rocket motor were purchased as a contract line item, that spare rocket motor is a first-tier component of the missile and would be covered by the specialty metals restriction, even if purchased separately from the missile system. If the rocket motor contains a power supply (second-tier component), and the power supply was purchased as a separate line item, it would also be covered. If, however, a lower-level assembly or part (e.g., the printed circuit board contained within the rocket motor power supply) is purchased separately from the missile system (i.e., under a separate contract line item or a separate contract), the restriction does not apply.

(C) *Summary*. When the Government purchases—

(1) An aircraft, missile or space system, ship, tank or automotive item, weapon system, or ammunition (the six product categories), components and all parts and assemblies at all tiers must be compliant;

(2) First-tier components or second-tier components separately, such components, including all parts and assemblies at all tiers, must be compliant;

(3) Other parts or assemblies below the second tier separately (either a separate contract or separate line item), those parts and assemblies are not components and need not comply; or

(4) Items that are not incorporated into the end product, such as factory test equipment and ground support equipment, those items are not components and need not comply.

(ii) *Withholding*. Because this restriction now applies to the item containing the specialty metal, not just the specialty metal, the previous practice of withholding payment while conditionally accepting noncompliant items is not permissible for contracts entered into on or after November 16, 2006. The definition of “contract” with respect to this restriction is based on FAR 2.101 and FAR 43.103.

(iii) *Nonavailability*.

(A) *Fair and reasonable prices*. FAR 15.402 requires that contracting officers purchase supplies and services at fair and reasonable prices. Thus, contracting officers are experienced at determining whether any increase in contract price that results from providing compliant specialty metal is fair and reasonable, given the circumstances of the particular situation. In those cases where the contracting officer determines that the price would not be fair and reasonable, the Secretary of the military department concerned may use that information in determining whether the unreasonable price causes the compliant metal to be effectively “nonavailable.” Where these “reasonable” limits should be drawn is a case-by-case decision, keeping in mind that Congress would not have imposed the

restriction unless they expected DoD to incur some additional cost.

(B) *When needed*. A similar approach may be used to determine whether delays associated with incorporating compliant specialty metals into items being acquired results in the metals being effectively nonavailable.

(C) *Required form*. In determining whether specialty metal is available in the required form, consider the phrase "in the required form" to relate to specialty metal that is formed in some fashion into a part. For example, domestic specialty metals can be determined to be nonavailable in the form required if—

(1) Only bar stock is available, when the fastener industry needs wire rod; or

(2) A turbine blade made predominantly of specialty metal is not available for an engine as and when needed.

(iv) *Commercially available electronic components*.

Example: A contractor is providing an aircraft as an end product, but purchases radio communication equipment for the aircraft from a subcontractor. The subcontractor is the producer of the radio communication equipment, buying some commercially available electronic components to assemble into the radio, as well as other components containing specialty metals. The radio communication equipment is a commercially available electronic component for which the value of the specialty metals melted or produced outside the United States, its outlying areas, or a qualifying country must be less than 10 percent of the value of the radio communication equipment. The individual electronic parts assembled into the radio communication equipment are not the electronic components against which the radio manufacturer calculates the value of the specialty metal, because they are not produced by the radio manufacturer. It is not necessary to know the exact value of the specialty metal, only to reasonably estimate that it is less than 10 percent of the total value of the commercially available electronic component.

PGI 225.7017 Restriction on Ballistic Missile Defense research, development, test, and evaluation.

PGI 225.7017-3 Exceptions.

(b) Before awarding a contract to a foreign entity for conduct of ballistic missile defense research, development, test, and evaluation (RDT&E), the head of the contracting activity must certify, in writing, that a U.S. firm cannot competently perform a contract for RDT&E at a price equal to or less than the price at which a foreign government or firm would perform the RDT&E. The contracting officer or source selection authority must make a determination that will be the basis for that certification, using the following procedures:

(i) The determination shall—

(A) Describe the contract effort;

(B) State the number of proposals solicited and received from both U.S. and foreign firms;

(C) Identify the proposed awardee and the amount of the contract;

(D) State that selection of the contractor was based on the evaluation factors contained in the solicitation, or the criteria contained in the broad agency announcement; and

(E) State that a U.S. firm cannot competently perform the effort at a price equal to, or less than, the price at which the foreign awardee would perform it.

(ii) When either a broad agency announcement or program research and development announcement is used, or when the determination is otherwise not based on direct competition between foreign and domestic proposals, use one of the following approaches:

(A) The determination shall specifically explain its basis, include a description of the method used to determine the competency of U.S. firms, and describe the cost or price analysis performed.

(B) Alternately, the determination may contain—

(1) A finding, including the basis for such finding, that the proposal was submitted solely in response to the terms of a broad agency announcement, program research and development announcement, or other solicitation document without any technical guidance from the program office; and

(2) A finding, including the basis for such finding, that disclosure of the information in the proposal for the purpose of conducting a competitive acquisition is prohibited.

(iii) Within 30 days after contract award, forward a copy of the certification and supporting documentation to the Missile Defense Agency, ATTN: MDA/DRI, 7100 Defense Pentagon, Washington, DC 20301-7100.

(Added January 10, 2008)

PGI 239.71—SECURITY AND PRIVACY FOR COMPUTER SYSTEMS

PGI 239.7102 Policy and responsibilities.

PGI 239.7102-3 Information assurance contractor training and certification.

(1) The designated contracting officer's representative will document the current information assurance certification status of contractor personnel by category and level, in the Defense Eligibility Enrollment Reporting System, as required by DoD Manual 8570.01-M, Information Assurance Workforce Improvement Program.

(2) DoD 8570.01-M, paragraphs C3.2.4.8.1 and C4.2.3.7.1, requires modification of existing contracts to specify contractor training and certification requirements, in accordance with the phased implementation plan in Chapter 9 of DoD 8570.01-M. As with all modifications, any change to contract requirements shall be with appropriate consideration.

PGI 246—Quality Assurance

(Revised January 10, 2008)

PGI 246.4—GOVERNMENT CONTRACT QUALITY ASSURANCE

PGI 246.407 Nonconforming supplies or services.

Additional information on delegation of authority for acceptance of minor nonconformances in aviation and ship critical safety items is available at http://www.dscr.dla.mil/UserWeb/vg/CriticalPartReview.htm.

PGI 246.470 Government contract quality assurance actions.

PGI 246.470-2 Quality evaluation data.

Types of quality evaluation data are--

(1) Quality data developed by the contractor during performance;

(2) Data developed by the Government through contract quality assurance actions; and

(3) Reports by users and customers.

PGI 246.472 Inspection stamping.

(a)(i) There are two DoD quality inspection approval marking designs (stamps).

(A) Both stamps are used—

(1) Only by, or under the direct supervision of, the Government representative; and

(2) For both prime and subcontracts.

(B) The designs of the two stamps and the differences in their uses are—

(1) Partial (Circle) Inspection Approval Stamp.

(i) This circular stamp is used to identify material inspected for conformance to only a portion of the contract quality requirements.

(ii) Further inspection is to be performed at another time and/or place.

(iii) Material not inspected is so listed on the associated DD Form 250 (Material Inspection and Receiving Report), packing list, or comparable document.

(2) Complete (Square) Inspection Approval Stamp.

(i) This square stamp is used to identify material completely inspected for all contract quality requirements at source.

(ii) The material satisfies all contract quality requirements and is in complete conformance with all contract quality requirements applicable at the time and place of inspection.

(iii) Complete inspection approval establishes that material that once was partially approved has subsequently been completely approved.

(iv) One imprint of the square stamp voids multiple imprints of the circle stamp.

(ii) The marking of each item is neither required nor prohibited. Ordinarily, the stamping of shipping containers, packing lists, or routing tickets serves to adequately indicate the status of the material and to control or facilitate its movement.

(iii) Stamping material does not mean that it has been accepted by the Government. Evidence of acceptance is ordinarily a signed acceptance certificate on the DD Form 250, Material Inspection and Receiving Report.