DEPARTMENT OF DEFENSE
Defense Contract Management Agency

INSTRUCTION

First Level Supervisor Review

Multifunctional Instruction **DCMA-INST 1206**
Lead OPR: Quality Assurance Directorate **July 24, 2014**
Validated Current, July 14, 2015

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1. PURPOSE. This Instruction:

a. Cancels and replaces DCMA Instruction (DCMA-INST) 315, "First Level Supervisory Review" (Reference (a)).

b. Establishes policy, assigns roles and responsibilities, and provides procedures for the first level supervisor (FLS) to perform supervisory reviews of assigned functional specialists, processes and/or key controls to verify compliance, and monitor efficacy of applicable DoD and DCMA regulations, procedures, guidance and instructions.

c. Complies in accordance with (IAW) the authority in DoD Directive 5105.64, "Defense Contract Management Agency (DCMA)" (Reference (b)), DCMA-INST 501, "Policy Publications Program" (Reference (c)), and all references listed.

2. APPLICABILITY. This Instruction applies to DCMA Contract Management Office (CMO) Commanders/Center Directors and their reporting functional directors/center group leaders, FLSs, and personnel performing duties and responsibilities as mandated by applicable regulations and DCMA process instructions in the following directorates: Quality Assurance, Engineering & Analysis, and Contracting.

3. MANAGERS' INTERNAL CONTROL PROGRAM (MICP). IAW DCMA-INST 710, "Managers' Internal Control Program" (Reference (d)), this Instruction is subject to evaluation and testing. The process flowchart and MICP Key Controls are located on the policy resource Web page.

4. RELEASABILITY – UNLIMITED. This Instruction is approved for public release.

5. PLAS CODE. 223B – Personnel Management

6. POLICY RESOURCE WEB PAGE. https://home.dcma.mil/Policy/1206r

7. EFFECTIVE DATE. By order of the Director, DCMA, this Instruction is effective July 24, 2014, and all applicable activities shall be fully compliant within 60 days from this date.

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Executive Director
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SUMMARY OF CHANGES

This Instruction has been rewritten and should be read in its entirety. The following identifies the most notable changes.

- This publication incorporates new requirements, clarifications, and meets new Agency policy format requirements. Chapters 1 and 2, Glossary, and Definitions were added IAW the new policy format. Chapter 3 - Procedures, contains substantive changes and should be read in its entirety.
- PLAS code was revised to 223B – Personnel Management
- To include Contracting Business Operations and Cost and Pricing Centers, Center Director, and Center Group Leader titles were added to Chapter 2 - Roles and Responsibilities
- Process flowchart and key control table were moved to the policy resource Web page

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REFERENCES

(a) DCMA-INST 315, "First Level Supervisory Review," January 31, 2013 (hereby cancelled)
(b) DoD Directive 5105.64, "Defense Contract Management Agency (DCMA)," January 10, 2013
(c) DCMA-INST 501, "Policy Publications Program," May 12, 2014
(d) DCMA-INST 710, "Managers' Internal Control Program," April 21, 2014

CHAPTER 1

POLICY

1.1. INTRODUCTION TO FIRST LEVEL SUPERVISOR REVIEW (FLSR).

1.1.1. FLSRs enable the FLS to review the following (as applicable):

1.1.1.1. Assigned functional specialist's work products IAW applicable regulations and DCMA process instructions to observe, document, and verify compliance.

1.1.1.2. Process transactions for compliance with established processes to ensure financial and transactional key controls are completed as required.

1.1.2. The FLSR process helps accomplish mission objectives by:

1.1.2.1. Reviewing the functional specialist's comprehension of regulations and DCMA process instructions.

1.1.2.2. Verifying the functional specialist's execution of regulations and DCMA process instructions.

1.1.2.3. Documenting FLSR noncompliances and maintaining records of FLSR follow-ups and corrective actions.

1.1.2.4. Incorporating, if required, FLSR corrective actions into training plan(s) for the assigned functional specialist or, if applicable, the CMO/Center.

1.1.2.5. Providing structured feedback for process improvements (e.g., recommendations for corrective actions, potential training, CMO/Center level improvements, eTool improvements, policy gaps).

1.2. POLICY. Per this Instruction:

1.2.1. FLSs must schedule, conduct, and document reviews to ensure that assigned functional specialists are in compliance with applicable functional instructions and any instructions that may be related to assigned workload. FLS must verify compliance with the mandatory checklists and maintain adequate records to monitor corrective actions and recommendations for improvement.

1.2.2. A newly hired, promoted, or reassigned FLS must be allowed a 90 day period before being required to initiate FLSRs on assigned functional specialists. The start date of this period begins on the effective date of the new assignment.

1.2.3. FLSRs must be documented in the FLSR eTool (or appropriate Executive Director approved alternate method). **NOTE.** Approved alternative method link is located on the policy resource Web page for this Instruction.

1.2.4. All deviation/waiver requests for this Instruction must be IAW DCMA-INST 501 (Reference (c)).

CHAPTER 2

ROLES AND RESPONSIBILITIES

2.1. HEADQUARTERS (HQ) FUNCTIONAL POLICY PUBLICATION LEAD. The HQ functional policy publication lead assigned to each functional process instruction must:

2.1.1. Maintain and update, as necessary, the applicable process instruction's FLSR eTool checklist (or approved alternate).

2.1.2. Provide the FLSR eTool performance advocate, preferably in an electronic format, the process instruction's FLSR eTool checklist for inclusion into the FLSR eTool (or approved alternate) after the Director approves the instruction.

2.2. CMO COMMANDER/CENTER DIRECTOR. The CMO Commander/Center Director must verify completion of FLSRs IAW this Instruction.

2.3. FUNCTIONAL DIRECTOR/CENTER GROUP LEADER. The Functional Director/ Center Group Leader must provide functional analysis to identify areas for improvement (e.g., CMO/Center level improvements, recommendations for corrective actions, potential training, eTool improvements, policy gaps).

2.4. FIRST LEVEL SUPERVISOR (FLS). The FLS must:

2.4.1. Review the applicable functional instruction(s) to determine the processes that apply to the assigned duties of the functional specialist.

2.4.2. Use the FLSR eTool (or approved alternate) to schedule, conduct, and document FLSR results.

2.4.3. Document verification(s) and corrective action(s) for noncompliances noted during the FLSR using the FLSR eTool or Directorate approved alternate method provided on the FLSR policy resource Web page**.**

CHAPTER 3

PROCEDURES

3.1. DETERMINE FLSR METHODS, CONTROLS, AND FREQUENCY.

3.1.1. FLSR Methods. FLSRs may be accomplished by performing partial reviews, full reviews, or a combination thereof. Partial reviews and full reviews ultimately combine to complete a total review of a functional specialist's assigned duties and work assignments.

3.1.1.1. Partial Review. Defined when a portion of applicable elements (in no particular order) contained in the FLSR eTool checklist (or approved alternate) has been accomplished for any applicable process instruction.

3.1.1.2. Full Review. Defined as complete when all applicable elements contained in a single FLSR eTool checklist (or approved alternate) are accomplished.

3.1.2. Total Review. Defined as complete when all the FLSR eTool checklists (or approved alternates) that the FLS has determined to be applicable to the functional specialist are accomplished.

3.1.3. FLSR Controls. The FLS may use discretion as to the specific method selected to perform the FLSR; however, regardless of the method selected, the following controls apply:

- Contracts, documents, and records chosen to support the review should encompass the time period since the last FLSR.
- Sample sizes selected for each process should be sufficient to verify the functional specialist is compliant with executing the process instruction element.
- Review criteria must be based on documented requirements, as outlined in the applicable process instruction elements, and consistently applied to each functional specialist.

3.1.3.1. FLSs must not delegate the responsibility for validating FLSR results for assigned personnel.

3.1.3.2. FLSs may enlist other qualified personnel (see paragraph 3.1.3.3.) to ensure an accurate and complete FLSR is performed. FLSs enlisting other qualified personnel's assistance must validate all information including, but not limited to, work products used, data collected, and documented FLSR results prior to certifying the FLSR is complete.

3.1.3.3. When an FLS lacks proficiency of a specific process (e.g., Critical Safety Items, Safety of Flight), the FLS should solicit the technical expertise of other qualified personnel to help perform a FLSR of that specific process.

3.1.4. FLSR Frequency. Reviews must be conducted on elements of each applicable regulation and instruction at intervals no greater than 6 months, unless there is data supporting a

longer interval. A total review must be completed for each assigned functional specialist at least every 12 months.

3.1.5. FLSRs for new or transferred personnel must be initiated no later than 90 days following the assignment of an actual workload to a functional specialist. If a qualified individual transfers within the same CMO/Center and adopts the same workload, the FLSR records from their former FLS may be used by the gaining FLS to satisfy FLSR requirements for those applicable process instructions the individual had previously fully completed.

3.2. DETERMINE APPLICABLE REGULATIONS, PROCESS INSTRUCTIONS, TRANSACTIONAL REQUIREMENTS, AND SCHEDULE FLSR.

3.2.1. The FLS must determine applicable regulations, process instructions, and transactional requirements, then schedule FLSRs for each assigned functional specialist using the FLSR eTool (or approved alternate). During the normal day-to-day course of supervision, a FLS may complete and document elements of the FLSR checklist in lieu of waiting on a scheduled review.

3.2.2. For each applicable regulation, process instruction, and transactional requirement, the FLS must determine which elements are: **applicable**, **not applicable**, or **deferred** for a later review. Any elements deferred (e.g., due to time constraints, new employee, illness, extended temporary duty, Contingency Contract Administration Services, or to gather additional information to determine applicability) require an eventual selection of **applicable** or **not applicable** to enable the requirements for completing a FLSR to be closed out in the FLSR eTool (or approved alternate).

3.3. CONDUCT, DOCUMENT, AND COMPLETE THE FLSR.

3.3.1. FLSRs must be conducted for each functional specialist and on all applicable regulations and functional instructions pertaining to work assigned. (**NOTE.** The FLS may focus on those areas needing more oversight based on risk assessment from performance review findings (e.g., Mission Review Team, Corrective Action Status Review, Resource Reviews, Board of Reviews findings, Management Internal Control Reviews, HQ directed, DCMA Items of Interest).

3.3.1.1. Record how each specific element was reviewed. As a minimum, review documentation must identify:

- Reviewer's name, organization code, functional specialist name
- Date(s) of review
- Reference process reviewed
- Surveillance plans (if applicable) chosen to validate the review
- What is being reviewed (e.g., contracts, documents and records)?
- Supplier(s), facility(ies) and/or program(s)

3.3.1.2. Record FLSR Noncompliances. Any noncompliances the FLS determines to be major or critical in nature, (e.g., Critical Safety Items, Safety of Flight) must require immediate

corrective action(s) and follow-up verification. All other noncompliances with a functional instruction element also require corrective action(s) and must be rescheduled for a follow-up FLSR within 90 days.

3.3.1.3. Record the total number of observations and the total number of noncompliant observations for each regulation and/or functional instruction element.

3.3.1.4. Record the review decision as: Compliant/Noncompliant/Deferred.

3.3.2. When a full review is completed on a process instruction, the 12-month requirement is satisfied. However, in the event an FLSR is in-process and a revised checklist for that instruction is posted in the FLSR eTool with new requirements, the FLS may either complete the FLSR in-process or opt to conduct the FLSR using the new checklist.

3.3.3. FLSR records will be maintained in the FLSR eTool (or approved alternate) for a minimum of 2 years from the date of completion.

GLOSSARY

DEFINITIONS

element. A single question or verification statement within each FLSR eTool (or approved alternate) checklist for each process instruction.

observation. The act of verifying, at predetermined incremental stages, the condition of a particular scope of work, activity, task or assembly, and meets or exceeds the distinctive characteristics, properties or attributes that have been specified and defined.

verification. The evaluation of whether or not a product, service, or system complies with a regulation, requirement, specification, or imposed condition. It is often an internal process.

GLOSSARY

ACRONYMS

CMO	contract management office
DCMA-INST	DCMA Instruction
FLS	first level supervisor
FLSR	first level supervisor review
HQ	headquarters
IAW	in accordance with
MICP	Managers' Internal Control Program
OPR	office of primary responsibility
PLAS	Performance Labor Accounting System