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DCMA — DEFENSE CONTRACT MANAGEMENT AGENCY

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Instruction Folder Number: 226-8

Delegate Surveillance - Quality Assurance

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Intent/Outcome/Purpose

Ensure effective prime supplier control of subcontracted work, ensure conformity of high consequence risk subcontracted products and services when that determination can only be made at the subcontract level, or product is direct shipped from the subcontractor location

Process

1. Analyze supplier work requirements and determine need to delegate - Prime suppliers are responsible for their subcontractor's performance. There are instances where Contract Management Offices (CMOs) may determine DCMA needs to delegate specific commitments, tasks, or activities to ensure subcontractor performance or to validate prime supplier controls**. DCMA personnel shall monitor supplier activities associated with their specific functions and initiate delegations to receiving CMOs at the subcontract and further sub-tier levels as appropriate to accomplish necessary contract oversight or the performance of a specific task, function or performance indicator.** These delegations can be for any of the contract administration services which have been delegated to DCMA, including business and technical functions. Contract management at the subcontract level is intended to assure that the government's best interests are served, not the prime suppliers' interests. **DCMA personnel shall assure that delegated work is essential to contract performance and that the surveillance or tasks may only be adequately accomplished through direct DCMA involvement at the subcontract level. Delegations shall be issued when surveillance is required at another CMO or when the activities are required at a different supplier within the same CMO.**

    1.1. Functional Specialist determines workload requirements - **Sender shall analyze work requirement(s) and determine the need for a delegation.**

        1.1.1. Factors affecting the need for issuing delegations are addressed in FAR 46.405 to include:

        - The item is to be shipped from the subcontractor's facility to the using activity and inspection at source is required
        - The contract specifies that certain quality assurance functions, which can only be performed at the subcontractor's facility, are to be performed by the government
        - It is otherwise required by the contract or determined to be in the government's best interest such as high consequence risk or the surveillance plan identifies risks associated with:

            - National Aeronautics and Space Administration (NASA) work. All NASA sub-tier delegations are made in ECARS

            - Navy Special Emphasis Program work
            - Mission critical items (MCI), Critical Safety Items (CSI) and Safety of Flight (SOF) items (e.g. critical characteristics or processes that can not be appropriately verified upon receipt at the prime supplier's facility.)
            - Negative subcontractor performance history e.g. Product Quality Deficiency Report (PQDR) investigations attributable to the subcontractor, high level of failures at the prime supplier caused by subcontracted items, etc.
            - Surveillance activity for a process which has high or moderate risk impact or consequence of failure and the output cannot be verified by subsequent monitoring / measurement or deficiencies affect operational usefulness and become apparent only after the product is in use or the service has been delivered
            - Surveillance activities for a feature / characteristic which has high or moderate risk impact or consequence of failure and conformity can only be determined at the subcontractor level

        - When specific customer directed activities e.g. Quality Assurance Letter of Instruction (QALI), Memorandum of Agreement (MOA), etc. require DCMA support

        - Safety surveillance, pricing reviews, contract administration, property administration, plant clearance, and other contract business operations that are specifically performed at subcontractor locations

        1.1.2. Factors that may not require delegations:

        - Non-critical items
        - Non-complex items
        - Low risk supplier
        - Features, characteristics, and processes with minimal influence/impact on contract performance
        - Moderate and low risk impact or consequence of failure with positive subcontractor performance history

2. Open lines of communication - **Sender shall open lines of communication with receiving CMO(s) prior to delegating to ensure requirements are understood and will maintain communication throughout the life of the delegation.**

    2.1. **Where a place of performance is identified in a contract, the sending CMO shall notify the CMO cognizant of**

the subcontractor of the contract, including the contract number and CAGE code or provide a copy of the contract when not available through Electronic Data Access (EDA) . The CMO cognizant of the subcontractor shall obtain the contract through EDA. Personnel at both locations shall communicate to assure that each party clearly understands the relationship between the prime supplier and the subcontractor and that all appropriate requirements and responsibilities are communicated. If there is a need for more specific instruction to be flowed down to receiving CMOs at these locations, or where functions beyond QA are necessary at the place of performance, DCMA sending CMOs shall issue delegations to receiving CMOs to ensure that activities and mandatory requirements are complied with and understood.

Note: Place of Performance and Direct Shipments are not synonymous terms or situations. Place of Performance contracts may identify line items that are to be shipped directly to the government. However, irrespective of the type of contract, direct shipments to the government from a supplier/subcontractor are not authorized unless specifically identified in the prime contract.

2.2. Communication should include any resource estimates that are known prior to the issuance of the delegation and attempts to resolve any gaps identified.

2.3. **The sender and receiver shall make a determination regarding any special considerations and determine the specific type of delegation needed.** Factors to consider include, but are not limited to:

2.3.1. Corporation Inter/Intra-Divisional Work Transfer - **Where contract performance is shared between different divisions within the same major corporate entity, the sending CMO cognizant of the division that is identified in the contract shall delegate to the receiving CMO cognizant of the division involved with performance.** Typically, the company will use an inter-divisional work order to document this transfer of responsibility between divisions. DCMA Offices at corporate locations should be aware of this workload and engage with the supplier to gain insight into those work requirements.

2.3.2. Blanket delegations may be issued where issuance of individual delegations would be an administrative burden and for a particular group of purchase orders for:

- Surveillance of repetitive processes or tasks in a facility
- Purchases of the same or similar items
- Specific efforts in a particular facility

2.3.3. Host Nation delegations are delegations issued to, or received from a foreign government for the exchange of contract management services and are issued by the cognizant DCMAI CMO. **DCMA Continental United States (CONUS) to DCMA Outside the Continental United States (OCONUS) delegations shall be processed in accordance with this policy; however, when sending delegations to or receiving delegations from a foreign government the International Agreement / International Memoranda of Agreements / Host Nation Contract Management Services Instruction or the International and Federal Business Reimbursable and Non-Reimbursable Support Instruction shall take precedence as applicable.** Note: When receiving a delegation from a foreign government, DCMA is the Host Nation.

2.3.4. **Product Quality Deficiency Report (PQDR) support investigation requests shall be delegated to the sub-tier location via the Product Deficiency Report and Evaluation Program (PDREP).**

2.3.5. International Traffic in Arms Regulation / Export Administration Regulation (ITAR/EAR) are the implementing regulations for export control laws established by the Arms Export Control Act / Export Administration Act (AECA/EAA), respectively, that prohibits the unauthorized transfer of defense articles, defense services, related technical data, commodities, information, technology, and software to foreign persons. **If export-control requirements are imposed on the prime contract and the prime supplier intends to sub-contract to a foreign supplier, the prime CMO shall contact the prime supplier to determine if, during the performance of the sub-contract, the sub-supplier will generate or require access to export-controlled articles or technical data. If the sub-supplier will generate or will require access to export-controlled articles or technical data, DCMA personnel at the prime shall ensure that subcontracts / purchase orders, and delegations to the CAS component cognizant of the subcontractor identify ITAR / EAR restrictions, the appropriate DFARS clause, and the number and expiration date of the applicable export license.** Delegating CMOs should send a copy of the export license to the sub-tier CMO if available. See the Export Control Instructions (TDP) for additional requirements prior to issuing delegations. Note: The supplier is responsible for compliance with ITAR / EAR, not DCMA. However, violations of the ITAR / EAR by DCMA personnel carry civil and criminal penalties under U.S. law that could include up to $1 M in fines or up to 10 years in prison. Agency administrative sanctions are also possible up to and including termination of employment.

2.3.6. DCMA Centers - Centers receive delegations from and issue delegations to other Centers and CMOs. The prime CMO is responsible for identifying other organizations whose assistance is necessary for contract oversight. It is the ACO's responsibility to coordinate with the Centers to understand how work effort is to be delegated to them, because work is not automatically directed to the Centers in Electronic Document Workflow.

2.3.7. Additional information and/or requirements regarding delegations can be found in:

- Aircraft Operations
- National Aeronautics and Space Administration (NASA) Support
- International Agreements / International Memoranda of Understanding / Host Nation Contract Management Services
- Navy Special Emphasis Programs (NSEP)
- Safety of Flight (SOF)

2.4. **Communication shall be documented.** Any mode of communication is acceptable.

3. Prepare and Send Delegation - **The delegation shall be sent after initial communications have been completed whether or not all issues have been resolved.**

3.1. **Delegations shall include appropriate documents, e.g., support contracts, purchase orders, source of Customer Directed Activity (MOA, QALI if applicable), specific regulatory requirements, or risk statements.**

3.1.1. **The prime supplier shall be requested to incorporate government access rights into the applicable subcontract to ensure timely government access to the subcontractor facility. Assure the access wording is consistent with the government rights expressed in the prime contract, reference** FAR 52.246-2 through 8.

3.2. **Delegations shall include specific tasks which shall be performed, e.g. critical characteristics for [CSI], [SOF] characteristics, post-award financial analysis, and Property Administration. These tasks shall be the result of the communication between the sender and receiver.**

3.3. **Delegations for Quality Assurance support shall include or reference the location in the appropriate documents as applicable:**

- Appropriate quality / inspection system requirements
- Appropriate and accurate technical requirements or reference thereto
- Identification of critical safety items, critical product characteristics, and critical processes
- System safety risks that may result in catastrophic failure (i.e. Failure Modes and Effect Criticality Analysis (FMECA) category 1)
- Required personnel, system, process, or material certifications
- Subcontractor/supplier authority relative to processing waivers and deviations
- Requirements relative to subcontractor generated plans, i.e. quality plans, risk management plans, frozen manufacturing planning, configuration management plans, etc.
- Requirements relative to frozen/locked configurations, design reviews, configuration management requirements and audits, first article inspection and/or specific testing requirements; and Instructions related to product release from the subcontractor's facility
- Earned Value requirements
- When applicable, ITAR restrictions, appropriate ITAR DFARS clause, and the number and expiration date, of the applicable export license

LATEST CHANGE

3.4. **The Delegation 1.0 eTool shall be used to delegate QA functions. The exceptions are those which utilize the ECARS system, e.g., International and NASA delegations.**

3.5. **Delegation of surveillance for classified programs shall be processed in accordance with supplemental instructions maintained by the Special Programs Directorate.**

4. Acknowledge the delegation - **The receiver shall analyze delegated work requirement(s) and assign a lead for a multi-functional delegation. Once requirements are determined at the functional level, the receiving CMO shall Accept, Accept with Limitations, or Reject Delegation. Decisions shall be made within 10 work days.** Each CMO should identify the level within the organization to accept or reject delegations. **The Commander, Director, or designee shall be informed of the rationale for limited acceptance or rejection. The reference to designee for limited acceptance or rejection of delegations is operationally defined as the individual formally identified in writing by the Commander/Director to act with the full authority of the Commander/Director.**

5. Rejection of Delegation - Where receiving CMO resources are limited in functional areas, limited acceptance of the delegation should be discussed and negotiated with the sender. Only the receiving CMO Commander/Director or Center Director or their designee can reject a delegation. CMOs should assess workload across their organization and prioritize new delegations against existing workload. If a mutual agreement is reached on a limited delegation, further escalation is not required. **The applicable Regional Commander(s) and HQ Operations Directorate shall be informed of any delegation which is rejected.**

5.1. **The following additional steps shall be taken when a delegation is rejected for resource related issues:**

- CMO Commander/Director or designee elevates to Regional Commander or their designee of their inability to support the delegation request
- Region determines if the required resources and skills are available within the Region
- Region determines if FTE can be reallocated, temporarily or permanently, to CMO requested to perform delegation.
- If Region can not support delegation, elevate to HQ Operations Directorate level to determine if assets are available from other Regions or HQ assets

5.1.1. **If required, inform Customer of inability of DCMA to support workload.**

5.2. **When a rejection occurs for reasons other than resource related, e.g., the factors referenced in [paragraph 1.1], the applicable issue shall be elevated to the HQ Operations Directorate and copied to the Regional Commander or designee.**

6. Re-delegate - The receiving CMO can re-delegate throughout the supply chain, as required. **The same process as described in paragraphs 1- 5 shall be followed with the initial delegating CMO.**

7. Execute the delegation - **The receiver shall perform the delegated work requirement(s) in accordance with applicable agency mission policies.** When the delegated DCMA surveillance activity is the same as the prime supplier representative's activity, e.g., mandatory inspection point, DCMA's effort should be after the prime supplier's representative has accomplished the activity and accepted the result.

8. Manage delegated workload - **The sender shall manage the workload including tracking the status of open delegations and performance, and identifying required changes to the delegation. The receiver shall manage, track, and measure work accomplished.**

Latest Change

8.1. **For blanket delegations, the need for continued support shall be determined and the delegation updated in Delegation 1.0 eTool at least annually to document that they are still appropriate.**

8.2. Close the delegation - The receiver closes the delegation and informs the sender that efforts have been completed, including any lessons learned not already identified. **Records of work performed in support of the delegation shall be retained in accordance with [Records Management](#) instruction.**

8.3. Provide feedback - T**he receiver shall communicate with the sender on a regular basis, keeping them informed of performance status, significant issues, and concerns. After the delegation is completed, the receiver and sender shall discuss any lessons learned.**

Competencies/Certifications

- Current DCMA QA certification requirements are addressed in the [PA Competencies and Certification](#). CMOs may authorize personnel to perform surveillance tasks for which they are qualified whether or not the individual meets certification requirements.
- Prior to assigning QA personnel to work this process, the first level supervisor is responsible to ensure QA personnel are qualified to perform the tasks defined in this policy as it relates to the assigned facility, contract, or product.
- To meet the full competency requirements for this instruction:
  - QA personnel who have not previously taken or received an equivalency for Quality Assurance Fundamentals (S-01) need to take government Contract Quality Assurance (QUAL-101).
  - QA personnel who have previously taken or received an equivalency for Quality Assurance Fundamentals (S-01) need to take government Contract Quality Assurance Advanced/Update(QUAL-201).
  - Both QUAL-101 and QUAL-201 are currently listed in [CTMS](#) (DCMA Training) and should be added to individual eIDPs as appropriate

Training Matrix

Delegate Surveillance-Quality Assurance Training Matrix							
What TASKS are required to accomplish this process?	**Methods of training**						
	On-the-Job Training (OJT)	**Computer Based Training (CBT)**	**Course (Commercial, College/ Vocational)**	**Contractor Sponsored Training**	**Guidebooks**	**DCMA Developed**	**Administrative Task** (The task is wholly enabled by the contents of the instruction and requires no training intervention)
[Task 1 - Analyze work & determine need to delegate](#)						QUAL101	
[Task 2 - Open lines of communication](#)						QUAL101	
[Task 3 - Prepare and send delegation](#)		X				QUAL101	
[Task 4 - Acknowledge delegation](#)		X				QUAL101	
[Task 5 - Delegation rejection](#)		X				QUAL101	
[Task 6 - Re-delegate](#)		X				QUAL101	
[Task 7 - Execute delegation](#)						QUAL101	
[Task 8 - Manage delegated workload](#)						QUAL101	

Higher Level Regulatory Documents

- [FAR 52.246-2 through 8](#) Standard Inspection Clauses
- [FAR 52.246-11](#) Higher Level Contract Quality Requirement
- [FAR 46.405](#)   Subcontracts

Performance Standards

- **Process Indicator/s:**
    - TBD
- **Workload Indicator/s:**
    - TBD
- **Resource Indicator/s:**
    - TBD
- **Supplier Indicator/s:**
    - Top Problem Supplier

PLAS

- PLAS Process code: 085A

Tools & Additional Guidance

- Delegation Flowchart
- Electronic Contract Administration Request System (ECARS) eTool - All non-DoD delegations, including NASA, other federal civilian agencies and foreign customers must be entered into ECARS upon receipt. In addition, delegations and re-delegations must be distributed through ECARS to receiving activities. ECARS will automatically route the delegation to the cognizant CMO (contract receipt point) based on the CAGE code of the supplier performing the work.

Successful Practices

TBD

Portal/Community of Practice

Quality Assurance Sub Community(This is a sub community of the PA Portal)

Points of Contact

DCMA Headquarters:

DCMA Instruction Point of Contact information is not available to the general public.

DCMA employees please click here for the process POC's