Quality and Delivery Assurance and Monitoring
Industrial Specialists
Production Surveillance
Production and Timely Delivery

• Late Deliveries Negatively Impact the Warfighter and Government
  – Raises cost to Government for additional procurements to cover shortfalls
  – Hurts readiness by delaying delivery of critical materials to satisfy Warfighter needs to meet their mission requirements

• Vendors Must Focus on Key Factors in Order to Meet Delivery Schedules
  – Effective production capacity planning, material planning and purchasing
  – Monitoring sub-contractors planning & processes
  – Realistic process scheduling to meet testing requirements
  – Quoting realists delivery schedules

• The Onus is on Suppliers to Meet Delivery Schedules
• Production Surveillance Helps Identify/Resolve Issues
Production and Timely Delivery

• Land & Maritime currently has open contracts with 3680 different vendors
  – The current aggregate 1-year on-time delivery (OTD) rate is 86%
  – 95% of our contracts delivered within 30 days of due date

• There are consequences for late deliveries

• Past Performance Information Retrieval System (PPIRS)
  – Tracks contractor delivery performance for use in award decisions
  – Provides a delivery score from 0 – 100 for each vendor
  – Vendors can submit challenges for alleged discrepant delivery information

• Contractor Performance Assessment Reporting System (CPARS)
  – Past performance “report cards” for use in award decisions
  – Ratings range from Exceptional to Unsatisfactory
Description: Production Surveillance involves review and analysis of contractors’ performance plans, schedules, controls, industrial process, performance

Purpose: To verify that the vendor has the following process safeguards:

- Adequate manufacturing processes in place for contract execution
- An established manufacturing plan for contract execution
- Proper planning: production, material & purchasing, and sub-contractor monitoring
- Adequate resources for plan execution
  - The impact of late deliveries raises cost to the Government and hurts readiness
- Monitor their performance to plan, take corrective action, or make adjustments as necessary
- **Proactive** – known issues exist with vendor
- **Reactive** - New issues or circumstances have been detected that affect delivery, quality or performance of the contract
Production Surveillance

• Post Award Conferences - Desk Audits can be conducted weekly / monthly / quarterly / yearly
  – Verify production, quality and delivery requirements

• Site Visits (Industrial Specialists); monthly/quarterly/annually
  – Will be directed by the Supply Chain and SOP
  – Use to verify Desk Audits

• When to Use Surveillance
  – An award consists of critical items
  – A contract has been awarded to a medium to high risk contractor
  – The contractor fails a pre-award survey, but receives the award through a Certificate of Competency (COC)/Small Business Office
  – A new contractor is awarded a contract
  – Recent or ongoing Performance Issues

• DLA Works in Concert with DCMA to Monitor Vendor Performance
DCMA Quality Assurance

Presented By:

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DCMA Quality Assurance

- FAR Clauses
- Contractual Requirements
- Postaward Orientation Conference (PAOC)
- Scheduling (Inspection or acceptance)
- Ongoing Inspection Failures
FAR Clauses

• FAR 52.246-2
  • Permits the Government into the facility
  • Included on Purchase Orders for Special processes

• FAR 52.246-11
  • Higher Level Quality System (ISO9001, AS9100, AS9003, etc…)
    • System audit Completed prior to completion of contract

• DLAD 252.246-9043 Higher-Level Contract Quality Requirement (Non-Manufacturers)
  • Mainly distributors
Contractual Requirements

- The Contract Administration block must list DCMA
- Inspect at Source, Accept at Source
- Joint Certification Program (JCP) if required
  - May have expired
  - Not authorized to give your subcontractors drawings unless also JCP certified
- “Place of Inspection” or “Place of Acceptance” later in contract
• To achieve a clear and mutual understanding of all contract requirements and identify and resolve potential problems (or possible delays?)
• QA PAOC for the following situations:
  • New supplier
  • Negative or conditional preaward survey findings and recommendations
  • Critical nature and technical complexity of supplies or services is outside of the supplier’s demonstrated competency
  • Adverse supplier performance history
  • Adverse quality history with the item or service being provided
  • Contract contains FAT or PLT (Some conditions apply)
  • Arms, ammunition, and explosives contracts IAW DFARS 252.223-7002
  • Overhaul and repair contracts
Inspection Process Planning

- **Product Examinations**
  - Resident - 2 Days
  - Non resident - 7 Days

- **Process Review for each process**
  - In-house - 7 Days
  - Subcontractor
    - Local 7 - Days
    - Outside the area - 17 Days
      - 10 day delegation acceptance +7 days to witness the process

- **Timer starts once DCMA QAR contacted**

- **Product Acceptance and Release (iRAPT) - ASAP**
Ongoing Inspection Failures

- Incomplete documentation
- Lack of traceability
- Typo errors in the inspection records
- Misinterpretation of drawings
- Not following internal/external documented processes or requirements
- Calibrations inadequate
- Not packaged in accordance with the contract
DCMA Quality Assurance Summary

- FAR Clauses
- Contractual Requirements
- Postaward Orientation Conference (PAOC)
- Scheduling (Inspection or acceptance)
- Ongoing Inspection Failures
Contact Info

http://www.dcma.mil/