1. PURPOSE. This Instruction:
   a. Supersedes DCMA Instruction (DCMA-INST) 321, “Nonconforming Material” (Reference (a)). This Instruction is established as an Enterprise Instruction for all DCMA functional elements that have a role in effectively controlling contractors’ nonconforming material (NCM).
   b. Establishes policy, assigns roles, and responsibilities for DCMA functional elements; provides guidance to develop surveillance plans of the contractors’ NCM policies and procedures; provides the procedure to process the contractors’ Material Review Board (MRB) Request for Variance (RFV) submittals when presented to the Government; and to mutually develop a collaborative effort between the contractor and the Government, if applicable, to minimize/eliminate the tendering of nonconforming supplies and services to the Government.
   c. Complies with DoD Directive (DoDD) 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 all DCMA components that support the “effective control of NCM” activities. Highly sensitive, classified, cryptologic, intelligence projects, and programs shall follow this Instruction to the extent practicable. For example, DCMA Special Programs (DCMAS) maintains and follows supplemental instructions that identify procedures which meet the intent of the policy sections where it cannot comply.

3. MANAGERS’ INTERNAL CONTROL PROGRAM. In accordance with (IAW) DCMA-INST 710, “Managers’ Internal Control Program” (Reference (d)), this Instruction is subject to evaluation and testing. The various process flowcharts and key controls are located at the Resource Web page.

4. RELEASABILITY – UNLIMITED. This Instruction is approved for public release.
5. PLAS CODE.
   a. Processes: Applicable code to appropriate process being performed.
      • QA: 085C – SQA Surveillance Risk Handling Methods
      • EA: 062 – Configuration Management
      • AQ: C041 – ACO Negotiations
      • PM&I: 038 – Program Integration
   b. Programs: ACAT/Other Customers (when applicable).
   c. Other National, Training and Travel, Local Programs (when applicable).

6. POLICY RESOURCE WEB PAGE. https://home.dcma.mil/policy/1207r

7. EFFECTIVE DATE. This Instruction is effective July 2, 2015 and all applicable activities shall be fully compliant within 60 days from this date.

Wendy M. Masiello, Lt Gen, USAF
Director
SUMMARY OF CHANGES

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

- Provides more guidance in developing surveillance plans for contractors’ procedures and processes on controlling NCM.
- Provides step-by-step guidance for DCMA to process the contractors’ submittal of their NCM, now referred to as Material Review Board Request for Variance (MRB RFV).
- Provides more guidance to conduct data collection and analysis on contractors’ nonconforming submittals.
- Provides the guidance to establish a collaborative DCMA/Contractor NCM Reduction Program.
- Provides more guidance in pursuing consideration from the contractor, when applicable.
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(a) DCMA-INST 321, “Nonconforming Material,” September 2011 (hereby canceled)
(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
(e) Federal Acquisition Regulation (FAR) 46.407, “Nonconforming Supplies or Services”
    Management Standard,” June 17, 2011
    February 7, 2001
(h) DCMA-INST 906, “Fraud, Waste, and Abuse,” October 29, 2014
(j) Defense Federal Acquisition Regulation Supplement (DFARS) 246.407 (S-70)
    “Nonconforming Supplies or Services”
(m) FAR 46.102(e) “Quality Assurance, Policy, Nonconforming supplies or services are
    rejected, except as otherwise provided in FAR 46.407”
(n) DCMA-INST 301, “GIDEP and DCMA Forum Regarding Defective/Nonconforming
    Product and Process Notifications,” April 15, 2013
(o) DCMA-INST 313, “International Requests for Contract Administration Services,”
    November 23, 2013
(p) FAR 52.246-11, “Higher-Level Contract Requirements”
(q) FAR 52.246-2, “Inspection of Supplies – Fixed Price”
(r) DCMA-INST 809, “Records Management,” May 1, 2011
(s) DCMA-INST 207, “Engineering Surveillance,” December 8, 2014
(t) DCMA-INST 324, “Product Examination,” August 25, 2014
(w) DCMA-INST 403, “Industry Management Councils (IMC),” July 22, 2014
(y) DCMA-INST 318, “QA Development,” August 18, 2014
CHAPTER 1

POLICY

1.1. POLICY.

1.1.1. DCMA policy is to assure that contractors are effectively controlling their nonconforming supplies and services by fully engaging in all aspects of the contractors’ process(es) and procedure(s); that appropriate root cause analysis and corrective action is taken to prevent recurrence; only approve NCM when it is in the best interest of the Government; and discourage the repeated tender of nonconforming supplies and services IAW Federal Acquisition Regulation (FAR) Part 46.407, “Nonconforming Supplies or Services” (Reference (e)).

1.1.2. This Instruction will:

1.1.2.1. Provide guidance in developing surveillance plans of the contractors’ policies and procedures to control nonconforming supplies and services.

1.1.2.2. Document the DCMA procedure to process the contractors’ MRB RFV submittals of its nonconforming supplies or services. The term “request for variance” aligns with DOD adaptation of DD Form 1694, “Request for Variance,” and DI-SESS-80640, “Request for Deviation,” which prescribes, when in the contract, the documentation contractors are to use when presenting NCM to the Government. For information on the term ‘variance,’ see EIA-649-B, “Configuration Management Standard” (Reference (f)). For information on managing of “Requests for Variance” or “Requests for Deviation” refer to EIA-649 (Reference (f)) and MIL-HDBK-61A, “Configuration Management Guidance” (Reference (g)).

1.1.2.3. Provide guidance to establish a collaborative effort with contractors to develop reduction plans for their nonconforming supplies and services.

1.1.3. If possible fraud or counterfeit is suspected with the presenting of nonconforming supply(ies) or service(s) to the Government, DCMA personnel must contact the Contract Integrity Center (CIC) immediately IAW DCMA INST 906, “Fraud, Waste, and Abuse” (Reference (h)); the nonconforming supplies or services must not be approved or accepted.

1.1.4. The cognizant contract administration office (CAO) may make the determination to accept or reject minor nonconformances, except where this authority is withheld by the contracting office of the contracting activity IAW FAR 46.407(d) (Reference (e)).

1.1.4.1. The contract management office (CMO) (NOTE: For this Instruction, CMO will be used interchangeably with CAO) must perform thorough contract technical review (CTR) IAW DCMA-INST 325, “Contract Technical Review” (Reference (i)), to determine if the authority to accept minor nonconformances has been withheld.

1.1.4.1.1. If authority is withheld from DCMA and then granted to the contractor, a contract deficiency report must be issued to the procuring contracting officer (PCO) for correction.
1.1.4.2. If authority has been withheld and retained at the contracting office, the CMO is to continue surveillance of the contractors’ inspection system and procedures that control the contractors’ nonconforming supplies or services.

1.1.5. The cognizant CAO does not have the authority to make the determination to accept or reject minor nonconformances in aviation or ship critical safety items (CSI), unless the design control activity (DCA) has determined that such authority is appropriate IAW Defense Federal Acquisition Regulation Supplement (DFARS) 246.407 (S-70), “Nonconforming Supplies or Services” (Reference (j)). Additional information on delegation of authority for approval of minor nonconformances in aviation and ship CSI is available at Defense Logistics Agency (DLA) Website: “Aviation Engineering, Engineering Support, Critical Parts Management, Critical Safety Items.” See the Resource Web page under “Guidance and Information.” For further guidance, see DCMA-INST 303, “Critical Safety Items - QA” (Reference (k)).

1.1.5.1. The CMO must perform a thorough CTR IAW DCMA-INST 325 (Reference (i)) to determine if the authority to accept minor nonconformances in aviation or ship CSI has been specifically given to DCMA and the DCA has issued the authority in writing.

1.1.5.2. If authority has not been specifically given, the CMO is to continue surveillance of the contractors’ inspection system and procedures that control the contractors’ nonconforming supplies or services for aviation or ship CSI.

1.1.6. The terms “approve/approval” or “disapprove/disapproval” are used when the MRB RFV submittal for the supply or service is presented to the Government representative in-process/in-line, prior to final product acceptance. Only when the MRB RFV submittal is presented at final product acceptance will the terms “accept or reject” be used.

1.1.7. When a prime contractor subcontracts for supplies or services, the cognizant CMO of the prime contractor may delegate surveillance and the authority to make the determination of minor nonconformances to the cognizant CMO of the subcontractor IAW DCMA-INST 316, “Delegate Surveillance – Quality Assurance” (Reference (l)).

1.1.8. Authority to accept or reject minor nonconformances rests with the cognizant CAO, unless specifically withheld by the contracting office of the procuring activity. To assist in the determination to accept or reject minor nonconformances, the cognizant CAO may establish a joint contractor-CAO review group IAW FAR 46.407(d) (Reference (e)).

1.1.9. The CMO will review all of the contractors’ MRB RFV submittals of post-production; use-as-is and repair (previously known as “waiver”); and pre-production (previously known as “deviations”) IAW FAR 46.102(e), “Quality Assurance” (Reference (m)).

1.1.9.1. For the purpose of this Instruction, there is no distinction between MRB RFV; pre-production and post-production; use-as-is and repairs; both types will be managed in the same manner.

1.1.10. When reviewing the MRB RFV submittals and it has been determined that submittals could present a significant health and safety risk, negatively impact operational readiness or mission success, the CMO Government Industry Data Exchange Program (GIDEP)
representative must be notified IAW DCMA-INSTR 301, “GIDEP and DCMA Forum Regarding
Defective/Nonconforming Product and Process Notifications” (Reference (n)).

1.1.11. When operating outside the continental United States, DCMA International
Directorate (DCMAI) technical specialist (TS) personnel shall follow this policy to the extent
allowable and which actions are not superseded by an hierarchical North Atlantic Treaty
Organization (NATO) Standard or Host Nation Agreement. If NATO Standards or Host Nation
Agreements are in place, DCMAI TS personnel shall follow policy as outlined in DCMA INST
313, “International Requests for Contract Administration Services” (Reference (o)) to identify
NCM/MRB as a requirement on the Request for Government Quality Assurance (RGQA) and as
a risk on the associated Risk Identification, Assessment and Communication (RIAC) form.

1.2. ORDER OF PRECEDENCE. In the event of conflicts between DCMA policy
publications and the contract, the contract takes precedence.

1.3. WAIVER/DEVIAITION AUTHORITY. Any waiver or deviation to this Instruction must
be submitted IAW DCMA-INSTR 501 (Reference (c)).
CHAPTER 2

ROLES AND RESPONSIBILITIES

2.1. EXECUTIVE DIRECTOR, QUALITY ASSURANCE (QA). The QA Executive Director:

2.1.1. Has primary responsibility in defining the Agency’s Nonconforming Material (NCM) Policy and periodically reviews it for currency and effectiveness.

2.1.2. Defines QA roles and responsibilities for the QA workforce

2.2. EXECUTIVE DIRECTOR, CONTRACTS (AQ). The AQ Executive Director:

2.2.1. Has collateral responsibility in establishing the Agency’s NCM Policy.

2.2.2. Defines the roles and responsibilities of contracting workforce.

2.3. EXECUTIVE DIRECTOR, ENGINEERING AND ANALYSIS (EA). The EA Executive Director:

2.3.1. Has collateral responsibility in establishing the Agency’s NCM Policy.

2.3.2. Defines the roles and responsibilities of the E&A workforce.

2.4. CMO COMMANDER/DIRECTORS. Commander/Directors of contract administration activities shall:

2.4.1. Ensure workforce meets the requirements of this Instruction.

2.4.2. Ensure workforce possesses the necessary skills and competencies to perform the tasks defined in this Instruction.

2.4.3. Determine which functional element, quality assurance (QA) or engineering (ENG), which is now referred to as the technical specialist (TS). From Chapter 3 forward of this Instruction, the TS is the best function to process the contractors’ MRB RFV submittal.

2.5. FIRST-LEVEL SUPERVISOR (FLS). The FLS shall:

2.5.1. Ensure personnel performing surveillance of NCM, determination of MRB RFV submittals, and data collection and analysis (DC&A) to evaluate NCM/MRB RFV submittals, possess the necessary qualifications and competencies, as defined in Chapter 4, to perform the tasks defined in this Instruction related to the assigned facility, contract, or program.

2.5.2. Ensure surveillance plans are effective in assessing if the contractors’ NCM/MRB processes and procedures are effectively controlling NCM/MRB.
2.5.3 Review new policy releases or changes to existing policy that are relevant to contractors’ effective control of NCM. Also, these releases or changes are assessed for impact to personnel, tasking, and workload.

2.5.4. Apply leadership discretion in assigning personnel where complexity, criticality, risk, or other relevant characteristics of product and process dictate.

2.6. **ADMINISTRATIVE CONTRACTING OFFICER (ACO).** The ACO will:

2.6.1. Notify and assist the contracting office to resolve ambiguities and/or deficiencies in the contract regarding NCM.

2.6.2. Act upon consideration recommendations that are provided by TS for the MRB RFV submittals and analysis of contractors’ NCM/MRB RFV submittal data. See Section 3.5., “Consideration.”

2.6.3. Coordinate, log, and track all consideration efforts that are acted upon with the buying command and receive consent from buying command before negotiating with the contractor.

2.7. **CONTRACT INTEGRITY CENTER (CIC).** The CIC shall review all reports of fraud or counterfeit parts and when appropriate, coordinate investigations among functional directorates and criminal investigative agencies.

2.8. **TECHNICAL SPECIALIST (TS).** The term “technical specialist” used in this Instruction refers to personnel from the functional element QA or ENG; i.e., QA personnel (quality assurance specialist (QAS) or quality engineer (QE)) or ENG. The TS will:

2.8.1. Actively participate and support the CMO NCM multifunctional working group to influence contractors’ reduction of NCM/MRB RFV and continuous process improvements.

2.8.2. Serve, if so assigned, as the entry point for contractors’ MRB RFV submittals presented to the Government.

2.8.3. Perform verification of the MRB RFV characteristics and confirm nonconformance(s) as presented.

2.8.4. Review for adequacy the supporting analysis, root cause, corrective, and preventative actions of the MRB RFV submittal.

2.8.5. Forward the MRB RFV submittals to the contracting office for determination when the submittal involves critical/significant characteristic(s). These nonconformance types are out of scope for a CAO.

2.8.6. Evaluate the contractors’ technical analysis that accompanied the MRB RFV submittal on the impact of the nonconformance to the products’ performance, reliability, effectivity, maintainability, interchangeability, and safety.
2.8.7. Make a determination, when authority is not withheld, of approval/accept or disapproval/reject on contractors’ minor MRB RFV submittals.

2.8.8. Provide consideration recommendation to ACO, when applicable.

2.9. PROGRAM INTEGRATOR (PI). The PI for Acquisition Category (ACAT) Programs will:

2.9.1. Brief the CMO Commander on NCM/MRB RFV submittal reduction status for performance review.

2.9.2. Document and report the NCM/MRB RFV submittal reduction status when it drives the assessment rating in the program assessment report.

2.10. DCMA SENIOR LEADERSHIP TEAM. Senior Executive Service Director of each Directorate involved in the Contractor Corporate Management Council will support, as needed, engaging the contractor to participate in the collaborative efforts for reducing NCM.

2.11. NCM MULTIFUNCTION WORKING GROUP. Throughout the effort to encourage the contractor to reduce their NCM and MRB RFV submittals to the Government, the various DCMA functions, QA, engineering, contracting, and supply chain will be involved to support this effort.
CHAPTER 3

PROCEDURES

3.1. SURVEILLANCE OF CONTRACTORS’ NCM POLICIES AND PROCEDURES.

3.1.1. A multifunctional working group approach must be utilized in planning surveillance strategy of the contractors’ procedures and policies for controlling NCM. Each functional element (i.e., engineering, QA, contracting) must incorporate this approach into their respective surveillance plans IAW their respective policies for developing surveillance plans. The plan must address surveillance actions for high, moderate, or low NCM risk ratings. In addition, the plan must indicate the contractual requirement(s) and the method the contractor uses when presenting nonconforming supplies or services to the Government (see paragraph 1.1.2.2.). This surveillance strategy may also be referenced as part of an overarching CMO Plan.

3.1.2. The surveillance plan must address the following areas of the contractors’ Quality Management System, when the FAR 52.246-11, “Higher-Level Contract Quality Requirements” (Reference (p)) clause is in the contract:

- Control of Records
- Competence, Training, and Awareness
- Configuration Management
- Internal Audit
- Control of Nonconforming Product
- Analysis of Data

3.1.2.1. When the FAR 52.246-2, “Inspection of Supplies – Fixed Price” (Reference (q)) clause is in the contract, the surveillance plan must examine the contractors’ inspection system to verify if it is acceptable to the Government.

3.1.3. The multifunctional working group must verify that the contractors’ material review process is properly established per the contractors’ procedures and processes.

3.1.3.1. Contractors’ material review process responsibilities should be defined as follows:

3.1.3.1.1. Contractors’ personnel investigate, in a timely manner, all NCM.

3.1.3.1.2. Contractors’ material review process personnel approve all proposed dispositions prior to presenting to the Government.

3.1.3.1.3. Contractors’ personnel prepare and present an analysis along with their proposed use-as-is and repair disposition as to why the nonconformance is “minor.”

3.1.3.1.4. Contractors’ personnel dispose of NCM properly.
3.1.4. The multifunctional working group must document and record results of surveillance activity and store the records IAW DCMA-INST 809, “Records Management” (Reference (r)).

3.1.5. Engineers will perform risk-based surveillance on the contractors’ policies and procedures for classification; e.g., critical, major, and minor of the MRB RFV submittal IAW DCMA-INST 207, “Engineering Surveillance” (Reference (s)).

3.2. DCMA PROCEDURE FOR CONTRACTORS’ REQUEST TO APPROVE/DISAPPROVE MRB RFV SUBMITTAL.

3.2.1. DCMA receives contractors’ MRB RFV submittal. The QAS is normally the initial point of contact (POC) for the contractor in submitting their MRB RFV submittal as well as other duties as identified in their CMO NCM Plan.

3.2.2. The POC must document the MRB RFV submittal into the Engineering Change Proposal/Request for Variance (ECP/RFV) Tracking Log (see Section 3.6.).

3.2.2.1. When a delegation is written for the DCMAI Directorate, the cognizant CMO of the prime contractor may specify which TS function (ENG or QA) should process the contractors’ MRB RFV submittals.

3.2.3. The TS will review the MRB RFV submittal for completeness and accuracy IAW the contractual requirements as described in the statement of work and/or contract data requirements list. This review for completeness and accuracy is considered a product examination and must be conducted IAW DCMA-INST 324, “Product Examination” (Reference (t)). In addition, if fraud or counterfeit is suspected, contact the CIC (Section 2.4.).

3.2.3.1. If the submittal is incomplete, inaccurate, or does not meet the contractual requirements, the TS will make a determination, if necessary, to issue a corrective action request (CAR) IAW DCMA-INST 1201, “Corrective Action Process” (Reference (u)).

3.2.3.2. The MRB RFV submittal that is incomplete, inaccurate, or not IAW contractual requirements, must be returned to the contractor.

3.2.4. Classifications. The TS will determine if the MRB RFV submittal is correctly classified. Classifications are critical, major, or minor.

3.2.4.1. Further guidance on definitions of critical and significant characteristics is found in DCMA-INST 303 (Reference (k)); which may not be readily identified in the item’s configuration documentation.

3.2.4.2. When the defect described meets one of these critical or significant characteristics, the submittal must be classified as critical or major and DCMA does NOT have the authority to make determination.

3.2.4.3. Critical or Major. If the classification is critical or major, and the contracting officer (i.e., PCO) determines if acceptance or conditional acceptance of supplies or services is in the best interest of the Government, the DCMA CMO directly involved must furnish the
requested data to the contracting officer in writing IAW FAR PART 46.407 (c)(2) (Reference (e)).

3.2.4.4. Minor. For MRB RFV submittals classified as minor, the TS will determine through CTR IAW DCMA-INST 325 (Reference (i)), that authority has not been withheld to make a determination. The TS also reviews delegations to understand if DCMA has further responsibilities in regarding MRB RFV.

3.2.4.4.1. The TS will contact the PCO through the ACO, if authority has been withheld, or any question/concerns regarding the withholding of determination authority.

3.2.4.4.2. As necessary, local contract administration personnel may assist to determine that DCMA has been granted the authority to make a determination on minor MRB RFV.

3.2.4.4.3. The TS will confirm that the minor MRB RFV submittal is dispositioned as: “use-as-is,” “repair,” or “pre-production” (See Glossary for definitions). If the MRB RFV submittal is not dispositioned as stated, the submittal must be returned to the contractor. The TS will determine, if necessary, to issue a CAR IAW DCMA-INST 1201 (Reference (u)).

3.2.4.4.4. The TS must review the root cause and corrective action/preventative action plan to determine if they are sufficient to support the MRB RFV submittal. If the TS disagrees, they will make the determination to issue a CAR IAW DCMA-INST 1201 (Reference (u)).

3.2.4.4.5. The TS must review the contractors’ analysis to determine if the analysis supports the MRB RFV submittal as “minor.” If the TS determines that the analysis does not support the submittal classification, the TS will make the determination to issue a CAR IAW DCMA-INST 1201 (Reference (u)).

3.2.5. The TS must make the determination to approve or disapprove the contractors’ MRB RFV submittal.

3.2.5.1. Disapprove. When the determination is made to disapprove the contractors’ MRB RFV submittal:

3.2.5.1.1. The disapproval determination is documented on a DD Form 1998, “Comments on Waiver, Deviation or Engineering Change Request, “ or equivalent, or within the contractors’ database. When not documented in the contractors’ database, the TS must also document the disapproval by signature on the MRB RFV submittal, DD Form 1694 or equivalent. The TS will then forward the disapproval determination to the ACO. The TS also completes the entry into the ECP/RFV Tracking Log.

3.2.5.1.2. The ACO must immediately inform the PCO that the MRB RFV submittal has been disapproved and will also provide a copy of the disapproved MRB RFV submittal to the PCO.
3.2.5.1.3. After the ACO has informed the PCO, the TS will notify the contractor that their MRB RFV submittal has been disapproved.

3.2.5.1.4. The ACO must upload and store the MRB RFV submittal in the official contract file.

3.2.5.2. Approve. When the determination is to approve the contractors’ MRB RFV submittal:

3.2.5.2.1. The TS must review the contractors’ consideration offer and provide recommendation(s) to the ACO. Recommendation(s) may be:

   3.2.5.2.1.1. Government expense for re-inspection or retest and the administrative cost of processing the MRB RFV submittal and processing a contract modification.

   3.2.5.2.1.2. Expenses avoided by the contractor (i.e., savings) if not required to replace.

   3.2.5.2.1.3. Contractors’ expenses in the processing of the replacement supply or service.

   3.2.5.2.1.4. Contractors’ expenses in re-inspecting and retesting of the supply or service.

3.2.5.2.2. When the TS makes the determination to approve the MRB RFV submittal, the approval determination, as well as the consideration recommendation is documented on a DD Form 1998 or equivalent, or within the contractors’ or program offices’ database. The TS must also document the approval by signature on the MRB RFV submittal, DD Form 1694, or contractor or program office equivalent. The TS also completes the entry into the ECP/RFV Tracking Log.

3.2.5.2.3. The TS must forward the approved MRB RFV submittal, DD Form 1998 or equivalent, consideration recommendation, and any other pertinent data to the ACO.

3.2.5.2.4. When the contractor does not use a work flow software system, the TS must forward the approved MRB RFV submittal to the contractor.

3.2.5.3. Additional guidance, “Integrated Process Guides,” in processing the contractors’ MRB RFV submittal is located on the Resource Web page under “Guidance and Information.”

3.2.6. Standard Repair Procedure (SRP). DCMA should discourage the contractor from using SRP when design changes or process improvements are appropriate to eliminate the SRP.

3.2.6.1. If the contractor provides documentation that the process capability cannot be met, DCMA should encourage the contractor to work with the customer to change the technical data package requirement.
3.2.6.2. If process capability cannot be met and a repair procedure must be applied, DCMA should encourage the contractor to submit an ECP to make the additional repair step the standard process, thus eliminating the SRP.

3.2.6.3. A SRP may only be applied if it has been approved with predefined application criteria.

3.2.6.3.1. Predefined application criteria must include the time limit or number of units to which the repair will be applied, expiration date, etc.

3.2.6.3.2. Once the SRP has attained the defined application criteria, it must be re-evaluated for need and adequacy.

3.2.6.3.3. The SRP must document when the necessity exists to hold the product for review after the repair has been applied.

3.2.6.4. If a contractor proposes a new SRP, the new SRP must be evaluated and approved by the TS unless otherwise directed by the contracting office.

3.3. DATA COLLECTION AND ANALYSIS (DC&A).

3.3.1. DC&A of contractors’ MRB RFV submittals on a monthly basis is highly recommended but at a minimum must be completed once every calendar year quarter.

3.3.1.1. When the contractor does have a system for tracking MRB RFV, manual or automated, the TS will work with the contractor to obtain the data in an agreed upon format.

3.3.1.2. When the contractor does not have a system for tracking MRB RFV, manual or automated, the TS will work with the contractors’ data contained in the ECP/RFV Tracking Log.

3.3.2. The TS will perform analysis IAW DCMA-INST 323, “Data Collection and Analysis” (Reference (v)). To assist the TS, a macro application in an Excel file is available to use for the analysis, see the Resource Web page under “Tools, NCM Data Analysis Spreadsheet (NDAS).”

3.3.2.1. With the aid of the NDAS Excel application, the application provides top defective part numbers, top responsible processes, and top part number dispositions for each month of data.

3.3.2.2. The NDAS Excel application also provides a running monthly trend analysis of the top defective part numbers and top five responsible processes. The analysis performed should support NCM reporting during performance reviews to the Operations Directorate (DCMAO) Senior Leadership.

3.3.3. The TS will determine a baseline of MRB RFV performance and assess the health of the contractors’ NCM/MRB RFV process. This baseline will be documented. The TS will provide the contractors’ health assessment to the PI, if applicable.
3.3.4. The TS will continue to analyze additional contractor quality data IAW DCMA-INST 323 (Reference (iv)) and use statistical tools to analyze the contractors’ process(es) to support the reduction of NCM/MRB RFV submittals. Examples of these statistical tools are Pareto charts, process capability, and control charting.

3.4. MRB RFV SUBMITTAL AND NCM REDUCTION PROGRAM.

3.4.1. The objective of the NCM/MRB RFV Submittal Reduction Program is to work proactively with the contractor to reduce and minimize, with the goal to eliminate NCM and MRB RFV submittals. The NCM/MRB RFV Reduction Program may assume various titles/forms within each CMO-contractor setting but must focus on NCM/MRB RFV reduction and promote continuous quality improvement.

3.4.1.1. Continuous quality improvement may involve the following appropriate actions:

- Establish goals and practices to improve manufacturing process capability
- Minimize process variability and increase product uniformity
- Reduce deficiencies during manufacturing, test, and inspection
- Request correction of unrealistic requirements
- Improve first-pass acceptance rates
- Reduce scrap, rework, and repair to lower costs
- Address other criteria and controls that can increase productivity, manufacturing, or operational efficiency and product utility

3.4.2. The CMO must track analysis results of the contractors’ NCM/MRB RFV submittal data, CAR, and manufacturing process capability to understand contractors’ performance. CMO will analyze this data using a 3 to 12-month rolling average. This rolling average will provide the baseline and potentially be used to establish thresholds and goals for reduction and improvement efforts.

3.4.3. Based on the contractors’ performance, the CMO may engage with the contractor to initiate a collaborative DCMA/Contractor NCM/MRB RFV Submittal Reduction Program. Factors to consider for engaging with the contractor:

3.4.3.1. Contractor submits a relatively high number of MRB RFV submittals per month.

3.4.3.2. Contractors’ contract is for an ACAT I or ACAT II Program.

3.4.3.3. Contractors’ Supplier Risk System (SRS) score is unfavorable. A high number of product quality deficiency reports may indicate an unfavorable SRS score.

3.4.3.4. Contractor MRV RFV submittals are recurring for the same defect or defective supply or service.

3.4.3.5. Contractor has not met previously established reduction goals.
3.4.4. Based on the previous listed factors and CMO leaderships’ determination, the CMO will request the contractor establish a collaborative DCMA/Contractor NCM/MRB RFV Reduction Program.

3.4.5. CMO receives feedback from contractor in establishing the DCMA/Contractor Collaborative NCM/MRB RFV Submittal Reduction Program.

3.4.5.1. Contractor agrees; initiate collaborative efforts.

3.4.5.2. Contractor does not agree; bring to the attention of the DCMA Senior Leadership Team. DCMA Senior Leadership will then engage with the contractor to determine the best approach to establish the Collaborative NMC MRB RFV Reduction Program.

3.4.6. Upon positive contractor feedback, the CMO will establish the collaborative DCMA/Contractor NCM/MRB RFV Reduction CMO Management Council IAW DCMA-INST 403, “Industry Management Councils (IMC)” (Reference (w)). The council members, both DCMA and contractor, will be management level as well as necessary DCMA associates that generate and analyze the data. Council members should be comprised of QA, engineering, and contracting.

3.4.7. The Council will identify thresholds, establish metrics, and reduction goals.

3.4.8. Once Council identifies thresholds, establishes metrics, and reduction goals through an acknowledgement, this acknowledgement must be vetted through its appropriate Directorate (DCMAO, DCMAS, or DCMAI) for final approval.

3.4.9. The Council will meet periodically (as decided by the Council) to analyze MRB RFV submittals and the contractors’ NCM data of scrap and rework. In analyzing these data, the Council will identify trends, work proactively to identify root cause, use statistical analytical methods, and determine corrective and preventive actions.

3.4.10. The Council will monitor and analyze data to determine if goals are being met. Council will document results of the monitoring and analysis of data.

3.4.10.1. If goals are met, Council will set new reduction goals for continuous improvement.

3.4.10.2. If goals are not met or if there are other issues or concerns requiring resolution, the CMO Management Council must elevate such issues and concerns to their respective Corporate Management Council, if one has been established with that contractor.

3.4.11. DCMA ACO will maintain communications with contracting office, primarily the PCO, by providing the results and minutes of the council meetings.

3.5. CONSIDERATION. The FAR, Part 46.407(f) (Reference (e)) requires the contract to be modified for an equitable price reduction or other consideration when the Government accepts supplies or services with critical or major nonconformances. However, when the supply involves a minor nonconformance, modifying the contract is only applicable if the savings to the
contractor exceed the cost to the Government to modify the contract. The following procedure must be followed when DCMA determines to seek consideration from the contractor:

3.5.1. Having completed the MRB RFV review and determination process, the TS forwards his or her comments and consideration recommendations of the contractors’ MRB RFV submittal and any supporting documentation, to the ACO for his or her determination to seek consideration.

3.5.2. Upon receiving the data, the ACO will determine whether consideration will be sought from the contractor.

3.5.2.1. If the determination is to not seek consideration, the ACO will document on the MRB RFV as to why consideration is not being sought. The ACO will then upload the MRB RFV into the official contract file and no further action is require.

3.5.2.2. If the determination is to seek consideration, the ACO will coordinate with the PCO and determine which process flow to pursue. The two consideration process flows are “one-off/low level” or “high level.”

3.5.3. **One-off/Low Level.** When the ACO pursues the “one-off/low level” process flow:

3.5.3.1. “One-off/low level” are MRB RFV submittals from contractors that may not normally present NCM to the Government. These submittals may be unique and infrequent from a contractor and should be handled independently.

3.5.3.2. If the ACO and PCO agree to seek consideration, the contractor will be contacted to initiate and finalize negotiations. When finalized, the contract must be appropriately modified.

3.5.4. **High Level.** When the ACO pursues the “high level” process flow:

3.5.4.1. The “high level” process flow may be pursued with contractors involved in the manufacture of major weapon systems and their subcomponents. These contractors can possibly generate hundreds or thousands of MRB RFV submittals per month. These levels may be an indication of systemic issues or repetitive submittals.

3.5.4.2. Using the results of the monthly MRB RFV data analysis and with help from the TS, the ACO should present the data to the PCO, if warranted, in order to seek consideration from the contractor. If the ACO and PCO agree to pursue consideration, ACO develops a position using the data analysis and evaluating contract types, production schedules, and any local conditions.

3.5.4.3. If the ACO and PCO agree to seek consideration, the contractor will be contacted to initiate and finalize negotiations. When finalized, the contract must be appropriately modified.

3.5.5. The ACO must upload and store the MRB RFV submittal in the official contract file.
3.5.6. Additionally, ACO will work with the TS in supporting subsequent contract negotiations to identify cost of nonconforming material that should be considered when negotiating future contacts for similar items. The data will have been recorded in the ECP/RFV Tracking Log and made available for negotiating the future contracts. The ACO will then present the costs of nonconforming material to the contracting office/PCO.

3.5.6.1. When future contract negotiations for similar items are with contractors that are supported by an Integrated Cost Analysis Team (ICAT), then the ACO and ICAT Director will work with the TS to consider nonconforming material costs in subsequent contracts.

3.5.7. The “Consideration Integrated Process Guide” for the consideration process is provided on the Resource Web page under “Guidance and Information.”

3.6. ECP/RFV TRACKING LOG.

3.6.1. The ECP/EFV Tracking Log provides a mechanism to track ECP and MRB RFV. The tracking log also assists the TS in capturing and tracking data that will support NCM surveillance planning and reduction efforts.

3.6.2. The TS will track ECP and MRB RFV in the ECP/RFV Tracking Log. The TS must develop, use, and maintain this log. The ECP/RFV Tracking Log is maintained independently of any contractor automated system. The ECP/RFV Tracking Log source data may be provided by the contractor. NOTE: DCMA INST-217, “Configuration Change Management” (Reference (x)) directs the use of ECP/RFV Tracking Log to track ECP.

3.6.3. The ECP/RFV Tracking Log must contain the minimum required data fields identified in Table 1. The ECP/RFV Tracking Log includes:

3.6.3.1. Minimum required data fields.

3.6.3.2. Any additional optional fields determined by the CMO

3.6.3.3. Any fields pertaining to MRB RFV as agreed to in the collaborative DCMA/Contractor NCM/MRB RFV Submittal Reduction Program.

3.6.4. The format and placement of the minimum required fields are flexible. An example of the minimum required data fields is shown in Figure 1.

3.6.5. An Excel spreadsheet ECP/RFV Tracking Log is available on the Resource Web page under “Tools.”
Table 1. ECP/RFV Tracking Log Minimum Required Fields

<table>
<thead>
<tr>
<th>Column Letters</th>
<th>ECP/RFV Tracking Log Field Names</th>
<th>ECP/RFV Tracking Log Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Row Number</td>
<td>A unique sequential number for identifying each row in the ECP/RFV Tracking Log.</td>
</tr>
<tr>
<td>B</td>
<td>ECP/VECP/RFV Recommendation/Determination Date</td>
<td>The date the DCMA CMO makes the recommendation/determination to accept/approve to reject/disapprove. (Format MM/DD/YYYY)</td>
</tr>
<tr>
<td>C</td>
<td>ECP/VECP/RFV Recommendation/Determination Decision</td>
<td>The type of recommendation or determination as assigned to the ECP/RFV. (Terminology used for determination should agree with the terminology used on the respective ECP/RFV form.)</td>
</tr>
<tr>
<td>D</td>
<td>Date Received</td>
<td>The date the DCMA CMO receives ECP/RFV document from the contractor. (Format MM/DD/YYYY)</td>
</tr>
<tr>
<td>E</td>
<td>DCMA CMO Name</td>
<td>Name of the DCMA CMO receiving the ECP/RFV for recommendation/determination. (CMO name is equal to that found under the eTool titled “Federal Directory of Contract Administration Service (CAS)).”</td>
</tr>
<tr>
<td>F</td>
<td>DCMA CMO DODAAC</td>
<td>The DCMA CMO Department of Defense Activity Address Code (DODAAC) making the ECP/RFV recommendation/determination.</td>
</tr>
<tr>
<td>G</td>
<td>Contract Number</td>
<td>The contract number applicable to the ECP/RFV document. If the CMO was delegated this responsibility by another CMO, enter the delegation unique identifier.</td>
</tr>
<tr>
<td>H</td>
<td>Contractor Name</td>
<td>The contractor that presented the ECP/RFV document. (Contractor name is equal in description to that associated with the CAGE Code.)</td>
</tr>
<tr>
<td>I</td>
<td>CAGE Code</td>
<td>Commercial and Government Entity (CAGE) code for the contractor issuing the ECP/RFV document.</td>
</tr>
<tr>
<td>J</td>
<td>Document Type: ECP, VECP or RFV</td>
<td>The type of document submitted by the contractor. (Format either ECP, VECP, or RFV)</td>
</tr>
<tr>
<td>K</td>
<td>ECP/VECP/RFV Classification Type</td>
<td>The ECP/RFV classification designation assigned by the contractor. (Class I or Class II for ECP/VECP. Critical, Major, or Minor for MRB RFV)</td>
</tr>
<tr>
<td>L</td>
<td>ECP/VECP/RFV Document Number</td>
<td>The ECP/RFV unique identifier or tracking number, assigned by the contractor including any applicable series marker or revision indicator.</td>
</tr>
<tr>
<td>M</td>
<td>ECP/VECP/RFV Document Title</td>
<td>ECP/RFV document descriptive title.</td>
</tr>
<tr>
<td>N*</td>
<td>Affected Item NSN/Part Number</td>
<td>Enter the national stock number or contractor part number affected by the nonconformance described in the RFV.</td>
</tr>
<tr>
<td>O*</td>
<td>Affected Item Nomenclature</td>
<td>Nomenclature for the affected nonconforming NSN or contractor part number.</td>
</tr>
<tr>
<td>P*</td>
<td>Verification Date</td>
<td>The date the DCMA CMO confirmed the ECP or RFV document description/content or confirmed that the repair described in the RFV will produce the desired results. (Format MM/DD/YYYY)</td>
</tr>
<tr>
<td>Q*</td>
<td>Distribution Date</td>
<td>Date the ECP/RFV document was transferred to the ACO.</td>
</tr>
<tr>
<td>R*</td>
<td>ACO seeks Consideration</td>
<td>Record decision by ACO to seek or not seek consideration, (Yes or No)</td>
</tr>
<tr>
<td>S*</td>
<td>Type &amp; Amount of Consideration</td>
<td>Record the type and amount of consideration achieved from contractor.</td>
</tr>
<tr>
<td>T</td>
<td>Comments</td>
<td>Enter comments, as necessary.</td>
</tr>
</tbody>
</table>

“*”—Applicable to MRB RFV only.
Figure 1. ECP/RFV Tracking Log

<table>
<thead>
<tr>
<th>Row</th>
<th>Item Number</th>
<th>Determination / Recommendation Date</th>
<th>Date Received</th>
<th>DCMA CMO URI</th>
<th>DCMA CMD DOI</th>
<th>Determination / Recommendation</th>
<th>Decision / Recommendation Date</th>
<th>ECP / VECP / RFV Determination</th>
<th>ECP / VECP / RFV Classification Type</th>
<th>ECP / VECP / RFV Document Title</th>
<th>Affected Item Nomenclature</th>
<th>VerDate</th>
<th>Distribution Date</th>
<th>ACO Seeks Consideration (Yes/No)</th>
<th>Monetary Consideration Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10-Dec-14</td>
<td>Approve / Accept</td>
<td>3-Dec-14</td>
<td>STL</td>
<td>5S230D</td>
<td>STL 5S230D</td>
<td>3-Dec-14</td>
<td>STL 5S230D RFV</td>
<td>Minor</td>
<td>NG-2013-0002</td>
<td>CBore Depth Too Shallow</td>
<td>25-Dec-14</td>
<td>6-Dec-14</td>
<td>Yes</td>
<td>Monetary $50/unit</td>
</tr>
<tr>
<td>2</td>
<td></td>
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</table>
CHAPTER 4
QUALIFICATIONS AND COMPETENCY

4.1. QUALIFICATIONS.

4.1.1. The TS performing MRB RFV submittal determinations must be qualified to perform such tasks.

4.1.2. At a minimum, personnel must:

4.1.2.1. Complete the Agency’s Control of NCM/Material Review Board Request For Variance Policy Overview Workshop or the Agency’s other equivalent classroom training.

4.1.2.2. Complete a mentoring program as a mentee as prescribed by local CMO instructions.

4.1.2.3. Have the technical skill set appropriate to the supply or service which contains the minor defect.

4.1.2.4. If applicable, have specialized DCMA or industry certifications appropriate to the process(es) used to produce the supply or service which contains the minor defect.

4.1.2.5. If applicable, complete training (DCMA or contractor) of the contractors’ work flow software system.

4.1.2.6. Complete any other relevant training as determined by CMO leadership.

4.2 COMPETENCY.

4.2.1. DCMA personnel, TS, performing MRB RFV submittal determinations must satisfy the qualifications as stated in Section 4.1. to perform such tasks.

4.2.2. FLS of QA personnel are responsible to document and maintain records IAW DCMA-INST 318, “QA Development” (Reference (y)). FLS of engineers are responsible to document and maintain records IAW with the respective Engineering and Analysis Directorate Instruction.
GLOSSARY

DEFINITIONS

**accept/acceptance.** To agree that the supply or service presented to the Government is accurate and complete.

**approve/approval.** To agree that the NCM presented to the Government has no effect on form, fit, or function and may continue within the contractors’ production system to be presented at product acceptance.

**aviation critical safety item.** A part, an assembly, installation equipment, launch equipment, recovery equipment, or support equipment for an aircraft or aviation weapon system if the part, assembly, or equipment contains a characteristic any failure, malfunction, or absence of which could cause – (1) a catastrophic or critical failure resulting in the loss of or serious damage to the aircraft or weapon system; (2) an unacceptable risk of personnel injury or loss of life; or (3) an uncommand engine shutdown that jeopardizes safety.

**corrective action.** Action taken to eliminate and prevent recurrence of the root cause for a detected nonconformance or an undesirable situation. This action could include changes to processes, work instructions, workmanship practices, training, inspections, tests, procedures, specifications, drawings, tools, equipment, facilities, resources, or material that result in preventing and eliminating a nonconformance.

**determination.** The evaluation on the contractor’s NCM and the decision made by the Government, DCMA, to either approve/accept or disapprove/reject.

**disapprove/disapproval.** To not agree and that the NCM presented to the Government does have an effect on form, fit, or function and may not continue within the contractors’ production system or be presented at “product acceptance.”

**effectivity.** A designation, defining the product range; e.g., serial numbers, block numbers, batch numbers, lot numbers, model, dates or event, at which a specific product configuration applies, a change is to be or has been affected, or to which a variance applies.

**high-level NCM/MRB RFV activity.** This category of RFV activity normally applies to large defense contractors involved in the manufacture of major weapon systems and their subcomponents. They are performing under higher level quality requirements (-11), have extensive ISO/ASO quality programs in place; and the commensurate NCM processes/procedures that come along with those certifications. These facilities/contracts can generate hundreds and thousands of NCM situations a month. Typically in these high volume scenarios, companies have an ingrained automated NCM processing and tracking system; and DCMA QAS and ENG have access to and disposition RFV within those systems. DCMA interest in these NCM programs/procedures and resultant RFV is high based on the resources expended in monitoring NCM activity and dispositioning RFV. Additionally, that interest extends to pre MRB NCM activities such as scrap, return to vendor (RTV), and rework as those
nonconformance activities can easily generate excessive costs that get rolled up into a contractors’ overhead rates. Companies with this level of activity are prime candidates for DCMA insistence on an NCM reduction program, especially if the contractor has not displayed an effective process improvement program in the past.

**MRB.** Contractors’ board consisting of representative of contractors’ departments necessary to review, evaluate, and recommend disposition of NCM referred to this board. An MRB is normally composed of the following principal members: a representative of the contractors’ quality organization as chairperson, and a representative of the contractors’ engineering organization that is responsible for product design and/or has technical knowledge of product application.

**MRB RFV Submittal.** The document used by the contractor to record the noncompliance when presenting it to the Government. The contract may specify the format of the document, either the use of DD Form 1694 or contractor format by specifying a Data Item Description. In this Instruction, the use of MRB RFV submittal refers to either the DD Form 1694 or contractor format.

**nonconformance.** The non-fulfillment of a requirement. This includes a failure of a characteristic to conform to the requirements specified in the contract, drawings, specifications, or other approved configuration documentation.

**NCM.** Any item, part, supplies, or product containing one or more nonconformances.

- **critical nonconformance.** The variance consists of a departure from one or more of the following: (1) safety; (2) health; (3) environment or the configuration documentation and/or contract defining the requirements for the item classifies defects in requirements and the variances consist of a departure from a requirement classified as critical.

- **major nonconformance.** A variance consisting of a departure involving:
  - Performance
  - Interchangeability, reliability, survivability, maintainability, or durability of the item or its repair parts
  - Effective use or operation
  - Weight and size
  - Appearance (when a factor) or
  - When the configuration documentation and/or contract defining the requirements for the item classifies defects in requirements and the deviations consist of a departure from a requirement classified as major.

- **minor nonconformance.** A nonconformance which does not adversely affect or involve any factors listed as critical or major nonconformance. Multiple minor nonconformances, when considered collectively, may raise the category to a critical or major nonconformance.

**NCM disposition.** All NCM dispositioned per contractors’ control of nonconforming procedures as follows:
• Scrap
• Rework
• RVT
• Recommend to Government: Repair
• Recommend to Government: Use-As-Is

**occurrence.** The first time a nonconformance is detected on a specific characteristic of a part or process. All nonconformances attributed to the same cause and identified before the date, item, unit, lot number, or other commitment for effective corrective action are also considered occurrences.

**one-off RFV activity.** This category of activity applies to over 95% of companies that DCMA oversees. “One-Off” means that they are being presented from companies that normally do not have a NCM/situation that requires approaching the Government with an RFV. In all cases, these RFV should include an offer of consideration from the company if appropriate to the nonconformance. Typically (but not always), these companies are smaller; performing on fixed price contracts to a lower level quality requirement (-2), are providing less complex items, etc. This type of company/contract situation does not lend itself to DCMA or the contractor expending resources on an NCM reduction program.

**post-production RFV.** An MRB submittal prepared by the contractor to describe nonconformity of a configuration item “after” the product has been produced or manufactured and before Government acceptance. Post-production RFV submittal is classified as minor, major, or critical and is either “use-as-is” or “repair.” Special attention should be given to thorough root cause, specific quantity, and period of time of production; i.e., effectivity (previously known as “waivers”).

**pre-production RFV.** An MRB submittal prepared by the contractor to describe a nonconformity of a configuration item “before” the product has been produced or manufactured. A pre-production RFV submittal requests Government permission to produce the configuration item as nonconforming. Submittals with this product state may describe a temporary condition usually caused by the lack of material required by the contract or technical data package. Special attention should be given to thorough root cause, specific quantity and period of time of production; i.e., effectivity (previously known as “deviations”).

**product acceptance.** Contractors offer their supplies or services for formal acceptance.

**recurring defect/repeat MRB RFV Submittal.** A defect that occurs in the current month, for which there are 3 or more instances in the current month and the previous 11 months, combined (aka repetitive MRB RFV submittal).

**reject.** To refuse the supply or service presented to the Government is accurate and complete.
**repair.** Repair is distinguished from rework in that the item after repair still does not completely conform to the applicable drawings or specifications but will meet the performance requirements. A “reworked” item should conform to the drawing or specifications after the action is completed.

**RFV.** A contractors’ request to depart from, or conform to, particular requirement(s) of a configuration items’ current approved configuration documentation for a specific number of units or a specified period of time. (The RFV differs from an engineering change since it does not effect a permanent change to a configuration item or baseline.) An RFV can pertain to configuration item made prior to manufacture, during manufacture, or after manufacture. RFV are the documents that accompany NCM presented to the Government for disposition. RFV are classified by their originators as minor, major or critical.

**rework.** A procedure applied to a nonconformance that will completely eliminate it and result in a characteristic that conforms completely to the drawings, specifications, or contract requirements. The contractor must disclose that the rework occurred when outside the normal process to manufacture the part.

**return to vendor.** Disposition denoting a nonconforming purchased item that will be returned to vendor or contractor for replacement, credit, and/or rework/repair due to a nonconformance caused by the source.

**scrap.** Nonconforming material that is not suitable for its intended purpose and which cannot be repaired in a manner acceptable to the Government.

**ship CSI.** Any ship part, assembly, or support equipment containing a critical characteristic whose failure, malfunction, or absence of which could cause a catastrophic or critical failure resulting in loss of or serious damage to the ship, or unacceptable risk of personal injury or loss of life.

**Standard Repair Procedure (SRP)** A documented technique for a repair of a type of nonconformance which has been demonstrated to be an adequate repair when properly applied. SRP are developed by the contractor, reviewed by the MRB and approved for recurrent use under defined conditions. Defined conditions shall include an expiration date or a finite limit on the number of applications or both.

**use-as-is.** A disposition of material with one or more minor non-conformances determined to be useable for its intended purpose in its existing condition.

**variance.** A departure from approved product definition information for a limited amount of time or for a specified effectivity that does not require revision of approved product definition information (previously known as waiver, now referred to as “post-production,” or deviation, now referred to as “pre-production”).
GLOSSARY

ACRONYMS

ACAT acquisition category
ACO administrative contracting officer

CAGE Commercial and Government Entity Code
CAO contract administration office (can use synonymously with CMO)
CAR corrective action request
CIC Contract Integrity Center
CMO contract management office (can use synonymously with CAO)
CSI critical safety item
CTR contract technical review

DCA design control authority
DC&A data collection and analysis
DCMAI DCMA International
DCMA-INST DCMA Instruction
DCMAO DCMA Operations
DCMAS DCMA Special Programs
DFARS Defense Federal Acquisition Regulation Supplement
DLA Defense Logistics Agency
DoDD Department of Defense directive
DODAAC Department of Defense Activity Address Code

EA engineering and analysis
ECP engineering change proposal
ENG engineer

FAR Federal Acquisition Regulation
FLS first level supervisor

GIDEP Government Industry Data Exchange Program

IAW in accordance with
ICAT Integrated Cost Analysis Team

MICP manager internal control procedure
MIL-HDBK military handbook
MRB Material Review Board

NATO North Atlantic Treaty Organization
NCM nonconforming material
NDAS Nonconforming Material Data Analysis Spreadsheet
PCO: procuring contracting officer
PI: program integrator
PLAS: Performance Labor Accounting System
POC: point of contact
QA: quality assurance
QAS: quality assurance specialist
QE: quality engineer
RFV: request for variance
RTV: return to vendor
SRP: standard repair procedure
SRS: Supply Risk System
TS: technical specialist