



DCMA Instruction 2303 Surveillance

**Office of Primary
Responsibility**

Contractor Effectiveness Capability

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Approved by:

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Purpose: This issuance, in accordance with the authority in DoD Directive 5105.64, “Defense Contract Management Agency (DCMA)”:

- Establishes policy and assigns responsibility for conducting surveillance
- Establishes and integrates an overarching surveillance framework that includes surveillance: risk, planning, execution, document, and provide feedback

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This Instruction applies to all Defense Contract Management Agency (DCMA) activities unless higher-level regulations, policy, guidance, or agreements take precedence (e.g., National Aeronautics and Space Administration (NASA)). The terms “contractor and subcontractor” are synonymous with the terms “supplier and sub-tier supplier.”

1.2. POLICY. It is DCMA policy to:

a. Perform surveillance functions in compliance with the Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation Supplement (DFARS), and other applicable regulations, supplements, and directives in accordance with DCMA Instructions.

b. Ensure Detection to Prevention (D2P) Business Capability is implemented.

c. Execute this Instruction in a safe, efficient, effective, and ethical manner.

SECTION 2: RESPONSIBILITIES

2.1. DCMA COMPONENT HEADS AND CAPABILITY MANAGERS. DCMA Component Heads and/or Capability Managers will make sure issuing and deploying surveillance related publications, training, guidance, and tools align with this Instruction and DCMA Manual (DCMA-MAN) 2303-series.

2.2. OPERATIONAL UNIT COMMANDERS/DIRECTORS AND CENTER DIRECTORS. Operational Unit Commanders/Directors and Center Directors will:

- a. Implement the applicable “Surveillance” processes as published in DCMA-MAN 2303-series.
- b. Implement “Surveillance” process by ensuring continuous improvements and initiatives through the agency capabilities and functions.
- c. Make sure their issuing and deploying surveillance related training, guidance, Standard Operating Procedures (SOPs) and tools align with this Instruction and DCMA-MAN 2303-series.

2.3. CONTRACT MANAGEMENT OFFICE (CMO) COMMANDERS/DIRECTORS. CMO Commanders/Directors will:

- a. Execute and oversee their organizations’ “Surveillance” process as published in the DCMA-MAN 2303-series.
- b. Implement a detection-to-prevention approach to improve the “Surveillance” process approach.
- c. Evaluate their organizations’ “Surveillance” process compliance, performance, and effectiveness. (See resource page for Detection to Prevention.)
- d. Implement “Surveillance” process by ensuring continuous improvements and initiatives through the agency capabilities and functions.
- e. Make sure CMO issuing and deploying surveillance related training, guidance, SOPs, and tools align with this Instruction and DCMA-MAN 2303-series.

SECTION 3: GENERAL PROVISIONS

3.1. DESCRIPTION. Surveillance is a function of contract administration used to assess and report Contractors' progress and/or compliance. It includes evaluation for adequacy (when applicable) and compliance to contractual, statutory, regulatory, or contractor requirements. All surveillance falls within one or more overarching surveillance categories: Process Evaluations, Progress Evaluations, and Deliverable Supplies/Service Evaluations. When noncompliances are identified, Corrective Action Requests (CAR) are required. Surveillance is conducted using four recurring steps as shown in Figure 1.

Figure 1. Surveillance Steps



3.2. MANUALS. The manuals that support this Instruction are:

- a. DCMA-MAN 2303-01, "Surveillance - Assess Risk." This manual prescribes the procedures for implementing a risk assessment process that will be used to plan surveillance events.
- b. DCMA-MAN 2303-02, "Surveillance - Plan Events." This manual provides procedures for implementing a surveillance planning process that will be used to plan and schedule surveillance events.
- c. DCMA-MAN 2303-03, "Surveillance - Execute with Standard Techniques." This manual standardizes surveillance terminology and surveillance techniques that will be used when planning and executing surveillance events.
- d. DCMA-MAN 2303-04, "Surveillance - Document and Provide Feedback." This manual provides procedures for documenting surveillance event(s) completion, results, CAR, and feedback.

GLOSSARY

G.1. DEFINITIONS.

Adequacy. Adequacy is an evaluation of the contractor's policies and procedures to determine if they are based on contractual requirement(s) and are current, accurate, complete, and sufficient to satisfy a requirement, need or intent.

Assess. A systematic evaluation process of collecting and analyzing data to determine the current, historical, or projected compliance of an organization to a standard.

Assessments. Risk assessment (e.g., assessment of risks through failure to create, maintain, and control adequate records of:

- The performance and adequacy of records processes to create, capture, and control records
- Assessment of the adequacy and performance of records systems (including business systems to create and control records), the suitability of technological tools used, and facilities and equipment established
- Evaluation of the different levels of competence in records management required across an organization and the assessment of that competence
- Significance of the content, context, structure, representation, and control information (metadata) required to define and manage records and records systems

Compliance. Compliance is an affirmative condition that the contractor is adhering and conforming to their policies and procedures and/or to the contractual requirements.

Deliverable Supplies. Deliverable supplies are conforming items that are specified in the contract and require delivery to the Government. These items may include hardware, software, or Contract Data Requirements Lists (CDRLs).

D2P. D2P process:

- Reengineer business practices and identify opportunities to improve business processes in such a way that will result in a reduction of redundant surveillance activities and reliance on governmental "end-product" inspections
- Shift the enterprise culture to data collection and analysis decision making activities, which will result in synthesizing data in order to improve understanding and validate the effectiveness and efficiency of the processes
- Develop partnerships with acquisition enterprise stakeholders to share viable data, so that it may be used to gain insight and a basis for resourcing decisions
- Leverage collaborative pilot projects which are value-added
- Increase early participation and collaboration in acquisition strategies on Major Programs

Insight. Insight results from the monitoring of contractor quality data and Government-identified metrics and contracted milestones, and may also involve the review of contractor work procedures and records. Insight results from a continuum that can range from low intensity, such as reviewing quarterly reports, to high intensity, such as performing surveys and reviews.

Operational Units. DCMA organizational entity charged with ensuring mission accomplishment for their organization. For purposes of this Instruction and associated manuals only, Operational Units include: East, Central, and West Regions, International Directorate, Special Programs Directorate and Centers.

Process Evaluation. Process Evaluation is a **surveillance category** that is used for conducting surveillance of a system, subsystem, and/or process (referred to as “process”). Process Evaluation must be used when assessing Contractor Business Systems, quality systems, management systems or processes (primarily at the multi-facility or facility level). It involves evaluating contractor process adequacy, compliance, and outputs. Process evaluations may be a single review or executed through a recurring (e.g., weekly, monthly) or ongoing basis for a specified duration.

Progress Evaluation. Progress Evaluation is a **surveillance category** used to evaluate actual progress performed as compared to the contractual schedule or milestone requirement. The actual progress is substantiated through summarizing completed work, in-process work, materials received, and milestones completed (as applicable). This progress determination can be used for assessing accuracy of the progress payment requests, performance based payments, or similar requests for payment. It may also be used for evaluating contractor status and/or progress.

Review. Determination of the suitability, adequacy or effectiveness of an object to achieve established objectives. Example: Management review, design and development review, review of customer requirements, review of corrective action and peer review. Review can also include the determination of efficiency.

Surveillance. Surveillance is a function of contract administration used to determine or assess contractors progress and/or compliance through “data collection and analysis”. In DCMA, surveillance is often a multifunctional insight effort to review and analyze contractor plans, schedules, policies/procedures, systems, processes, process outputs, and/or products. Surveillance includes reviews for adequacy (when applicable) and to determine compliance to contractual, statutory, regulatory, or contractor requirements. Surveillance involves collecting data and assessing it to support a determination.

GLOSSARY

G.2. ACRONYMS.

CAR	corrective action request
CMO	Contract Management Office
D2P	Detection to Prevention
DCMA-INST	DCMA Instruction
DCMA-MAN	DCMA Manual
DFARS	Defense Federal Acquisition Regulation Supplement
FAR	Federal Acquisition Regulation
SOP	standard operating procedures

REFERENCES

Code of Federal Regulations, Title 48, Chapter 1, "Federal Acquisition Regulation"
Code of Federal Regulations, Title 48, Chapter 2, "Department of Defense"
DCMA-Manual 2303-01, "Surveillance - Assess Risk," TBD
DCMA-Manual 2303-02, "Surveillance - Plan Events," TBD
DCMA-Manual 2303-03, "Surveillance - Execute with Standard Techniques," TBD
DCMA-Manual 2303-04, "Surveillance - Document and Provide Feedback," TBD
DoD Directive 5105.64, "Defense Contract Management Agency (DCMA)," January 10, 2013