



## DCMA Manual 2301-05

# Navy Special Emphasis Program

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<b>Office of Primary Responsibility</b>	<b>Contractor Effectiveness Capability</b>
<b>Effective:</b>	November 30, 2018
<b>Releasability:</b>	Cleared for public release
<b>New Issuance</b>	
<b>Implements:</b>	DCMA-INST 2301, "Contractor Effectiveness"
<b>Incorporates and Cancels:</b>	DCMA-INST 320, "Navy Special Emphasis Program (NSEP)," November 18, 2014, as amended
<b>Internal Control:</b>	Process flow and key controls are located on the Resource Page
<b>Labor Codes:</b>	Located on the Resource page
<b>Resource page Link:</b>	<a href="https://360.dcma.mil/sites/policy/CE/SitePages/2301-05r.aspx">https://360.dcma.mil/sites/policy/CE/SitePages/2301-05r.aspx</a>
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**Purpose:** This issuance, in accordance with the authority in DoD Directive 5105.64:

- Implements policy established in DCMA-INST 2301
- Provides and defines procedures for use by Navy Special Emphasis Operations personnel responsible for in-plant quality assurance oversight of Navy Special Emphasis Program s suppliers

## TABLE OF CONTENTS

<b>SECTION 1: GENERAL ISSUANCE INFORMATION</b> .....	3
1.1. Applicability.....	3
1.2. Policy .....	3
<b>SECTION 2: RESPONSIBILITIES</b> .....	5
2.1. Navy Special Emphasis Operations Commander .....	5
2.2. Navy Special Emphasis Operations Quality Assurance Group Leader.....	5
2.3. Navy Special Emphasis Operations Quality Assurance Team Leader.....	5
2.4. Navy Special Emphasis Operations Quality Assurance Personnel .....	5
2.5. Navy Special Emphasis Operations Aircraft Launch and Recovery Equipment Critical Safety Items Program Integrator/Manager.....	6
<b>SECTION 3: PROCEDURES</b> .....	7
3.1. Preaward Surveys.....	7
3.2. Contract Receipt and Review .....	7
3.3. Quality Assurance Functional Specialist Meeting .....	7
3.4. Delegations.....	8
3.5. Plan and Execute Surveillance Events.....	8
3.6. Surveillance Plan.....	9
3.7. Quality System Audits.....	10
3.8. Process Oversight.....	12
3.9. Product Examination .....	14
3.10 Additional Oversight Requirements .....	15
<b>SECTION 4: TRAINING</b> .....	17
4.1. Training Requirements .....	17
<b>GLOSSARY</b>	
G.1. Definitions.....	18
G.2. Acronyms .....	22
<b>REFERENCES</b> .....	25

## SECTION 1: GENERAL ISSUANCE INFORMATION

**1.1. APPLICABILITY.** This Manual applies to all Navy Special Emphasis Operations (NSEO) Quality Assurance (QA) personnel with in-plant QA oversight and/or administrative responsibilities unless higher-level regulations, policy, guidance, or agreements take precedence.

a. This Manual does not apply to Naval Nuclear Propulsion Program (NNPP) principal suppliers (See paragraph 2.4.c.).

b. NSEO QA personnel will follow the applicable direction given through the existing Memorandum of Agreements (MOA), operational instructions (OPINST), and mandatory inspection (MI) requirements provided by Naval Sea Systems Command (NAVSEA Code 08), Naval Supply Systems Command Weapon Systems Support (NAVSUP-WSS Code 94) or Assistant NAVSEA Technical Representative (ANSTR). The terminology utilized throughout this Manual, while similar to DCMA terminology, is mandated through the MOAs, OPINST, and MIs agreed to by NAVSEA and DCMA.

c. Any conflict(s) between this Manual and other DCMA Guidance, Instructions or Manuals will be directed to the team lead for management resolution per the DCMA Manual (DCMA-MAN) 501-01. The requirements of this Manual must be followed unless higher-level regulations, policy, guidance, or agreements take precedence.

**1.2. POLICY.** It is DCMA policy that:

a. Navy Special Emphasis Programs (NSEP) require maximum confidence in the materials, components, documents, and systems used onboard all United States Navy vessels, including nuclear powered aircraft carriers and submarines, and nonnuclear powered surface ships. These materials, components, documents, and systems are of the highest level of criticality and are essential to the continued safe operation and maintenance of the entire United States Naval fleet. This level of criticality requires additional oversight and extreme vigilance to ensure procured materiel meets all contractual, technical, and administrative requirements. DCMA NSEO personnel are required to perform the work described herein on all NSEO contracts assigned for inspection and/or acceptance unless directed otherwise by a delegating activity. NSEO personnel must perform oversight of all in-plant NSEP and non-NSEP contracts/purchase orders (at NSEO administered suppliers) in accordance with (IAW) this Manual and all applicable DCMA Instructions/Manuals. Designated NSEP programs include:

- Nuclear Plant Material (NPM) Program
- Level I/Subsafe (LI/SS) Program
- Naval Propulsion Program (NPP)
- Deep Submergence Systems/Scope of Certification Program (DSS-SOC)
- Fly By Wire Ship Control Systems (FBWSCS)
- Ship Critical Safety Item (SCSI)
- Naval Nuclear Propulsion Program (NNPP) – see paragraph 2.4.c.

b. DCMA NSEO QA personnel must identify quality, technical, and administrative requirements for QA oversight of NSEO prime contractors and subcontractors. Full contract management of NSEP contracts is accomplished by the NSEO Contract Management Office (CMO) for contractors that are administered by the NSEO. Contractors with NSEP contracts that are administered by other CMOs are referred to as shared suppliers because they are administered by the local, geographically located CMO, but NSEO Quality Assurance Representatives (QARs) perform the QA oversight. NSEO personnel must identify contracts for applicable NSEP-designated programs, as noted in paragraph 1.2.a. of this Manual, using the “NSEP Contract Identifiers” document located on the NSEO Resource page. Careful coordination is required at shared suppliers to ensure QA oversight of NSEP contracts is accomplished only by NSEO QARs. Example Contract Identifiers are located in the glossary for each NSEP.

c. Execution of this Manual is conducted in a safe, efficient, and ethical manner.

## SECTION 2: RESPONSIBILITIES

**2.1. NAVY SPECIAL EMPHASIS OPERATIONS COMMANDER.** The NSEO Commander is responsible for the overall implementation and execution of oversight activities described in this Manual. The NSEO Commander may also direct specific oversight activities based on risk.

**2.2. NAVY SPECIAL EMPHASIS OPERATIONS QUALITY ASSURANCE GROUP LEADER.** The group leader responsible for NSEO support will ensure consistent application of this Manual and all other applicable Instructions across all QA teams.

**2.3. NAVY SPECIAL EMPHASIS OPERATIONS QUALITY ASSURANCE TEAM LEADER.**

a. Must ensure NSEO QA personnel possess the necessary competencies to perform the tasks defined in this Manual as it relates to the assigned facility, contract, or product.

b. Must ensure compliance with this Manual and all other applicable Instructions.

**2.4. NAVY SPECIAL EMPHASIS OPERATIONS QUALITY ASSURANCE PERSONNEL.**

a. Suppliers/Contracts Administered by NSEO. NSEO QA personnel must perform QA oversight of all in-plant NSEP and non-NSEP contracts/purchase orders IAW this Manual and all other applicable DCMA Instructions/Manuals. QA personnel must inspect product to the requirements of the contract per the applicable program requirements.

b. Suppliers/Contracts Not Administered by NSEO. Non-NSEO QA personnel have primary responsibility for performing oversight on all non-NSEO contracts and purchase orders at a shared supplier. The NSEO QA personnel assigned to the shared supplier must perform all required QA oversight only on NSEP products, contracts, and/or purchase orders.

(1) NSEO QA personnel will develop a system of communication with the non-NSEO (primary) QA personnel so that contract responsibility and quality issues are acknowledged and understood by all assigned QA personnel.

(2) NSEO QA personnel will coordinate and perform Government Contract Quality Assurance (GCQA) activities (Quality Systems Audits (QSAs), Process Oversight, Data Collection and Analysis (DC&A), etc.) with the non-NSEO QA personnel, whenever possible, to avoid duplication of efforts and unnecessary disruption of work at suppliers.

c. NNPP Principal Suppliers. NSEO QA personnel assigned to an NNPP Principal supplier must perform QA oversight IAW ANSTR-2000, "Naval Nuclear Propulsion Program Manual for In-Plant Quality Assurance Oversight." For suppliers designated by ANSTR as NNPP principal suppliers, the NSEO QA personnel must use ANSTR-2000 as the oversight Instruction regardless of the classification of the material. ANSTR-2000 must always take precedence over

this Manual or other DCMA QA instructions at NNPP principal suppliers. Any questions regarding facility oversight or product inspection must be raised to the team leader/group leader.

d. Documentation Requirements and Records Management (DRRM). NSEO QA personnel will use the DRRM document located on the NSEO Resource page which contains documentation and records retention requirements for both NSEO personnel and NSEP suppliers.

## **2.5. NAVY SPECIAL EMPHASIS OPERATIONS AIRCRAFT LAUNCH AND RECOVERY EQUIPMENT CRITICAL SAFETY ITEMS PROGRAM INTEGRATOR/MANAGER.**

a. Monitors performance levels and provides assistance to CMOs performing GCQA on contracts for Aircraft Launch and Recovery Equipment Critical Safety Items to include auditing, analyses, and coordinated assistance visits.

b. Performs other responsibilities as directed.

c. Quality Assurance oversight of Aircraft Launch and Recovery Equipment Critical Safety Items is accomplished by the CMO administering the contracts. NSEO QA personnel only perform QA oversight of Aircraft Launch and Recovery Equipment Critical Safety Items at NSEO administered facilities.

## SECTION 3: PROCEDURES

**3.1. PREAWARD SURVEYS.** NSEO personnel follow DCMA-MAN 2501-01, “Contract Receipt & Review.” For a Preaward Survey whose resulting recommendation is “No Award” NSEO personnel must obtain approval from the NSEO Commander prior to entering “No Award” in the Preaward Survey System (PASS) eTool application.

**3.2. CONTRACT RECEIPT AND REVIEW.** NSEO QA personnel must perform all contract receipt and review (CRR) IAW DCMA- MAN 2501-01. Due to the extensive, detailed technical and Key Contract Requirements (KCRs) of NSEP contracts, NSEO QA personnel must document all CRR IAW the following:

a. NSEO QA personnel must document all specific technical requirements using one of the following methods:

(1) Use NSEO Contract Receipt Review and Planning Document (CRR form 1) located on the NSEO Resource page.

(2) Use their product examination (PE) planning document or a similar, adequate CRR form approved by their team leader.

b. NSEO QA personnel must also document the technical and KCRs associated with received letters of delegation (LODs) and quality assurance letters of instruction (QALIs) for non-prime contract procurement documents (purchase orders, interplant work orders, etc.) using one of the above documentation methods.

c. All completed CRR forms, CRR Form 1, and/or PE planning documents for prime contracts will be uploaded into the Integrated Workload Management System (IWMS).

### **3.3. QUALITY ASSURANCE FUNCTIONAL SPECIALIST MEETING.**

a. NSEO QA personnel must determine the need for postaward orientation conference (PAOC) or a Quality Assurance functional specialist meeting (QAFSM) using the criteria stated in DCMA-MAN 2501-01.

b. The following NSEO specific guidance applies:

(1) Negative quality history, which would indicate the need for a QAFSM, (formerly referred to as a QA Only PAOC) for an NSEP supplier is defined as unsatisfactory results from routine NSEO oversight activities (PE, Process Oversight, or QSA)

(2) Suppliers with oversight based on Contract Based Surveillance (CBS) requirements (discussed later in this Manual) will be considered New Suppliers when determining if a QAFSM is required. A QA functional specialist meeting must be performed, at a minimum, on the first contract received during a calendar year.

(3) When in doubt about performing a full PAOC, NSEO QA personnel will default to conducting a QA functional specialist meeting.

(4) NSEO QA personnel must advise the administrative contracting officer (ACO) of the recommendation to conduct a PAOC by email. NSEO QA personnel must also invite the NSEO ACO by email to participate in QAFSMs conducted at NSEO administered contractor facilities/sites. A response from, or participation by, the NSEO ACO is not required to plan and execute QAFSMs.

(5) The NSEO QA functional specialist meeting checklist, located on the NSEO Resource page, will be used in the performance of either a full PAOC or QAFSM, and the completed checklist will be uploaded to the IWMS.

### **3.4. DELEGATIONS.**

a. NSEO QA personnel follow DCMA-MAN 2101-04, "Delegate Surveillance." However, some NSEPs require delegations to be sent without using the Delegation 1.0 eTool such as sensitive or classified information which cannot go into an unclassified etool and is manually tracked by the delegator.

b. NSEO QARs must ensure the customer technical and administrative requirements of NSEP customer issued LOD's are accomplished as requested by the customer.

**3.5. PLAN AND EXECUTE SURVEILLANCE EVENTS.** NSEO QA personnel must ensure the activities associated with the NSEP oversight strategy discussed in paragraphs 3.5.a. through 3.5.c. have been accomplished IAW this Manual and applicable MOAs, MIs and NAVSEA OPINST. For NSEO administered suppliers, the NSEP surveillance plan (SP) will be used to plan and conduct all GCQA surveillance activities. At shared suppliers, the NSEP SP will be used to plan and conduct all NSEO GCQA activities.

a. SP. The fundamental element of the NSEO supplier oversight program is the SP. A SP must be developed, maintained, and implemented for all active (having an active NSEP contract or purchase order) NSEP suppliers. The SP indicates periodic recurring oversight and evaluation, acts as a vehicle to document the NSEO QA personnel's concerns, and serves as a means for communication and coordination of oversight efforts with customers. The SP is documented in the Product Data Reporting and Evaluation Program (PDREP) system.

b. Execution of the NSEP SP is based on the NSEP oversight strategy consisting of the following three activities:

(1) QSA. Includes applicable QA system checklists, quality system annual assessments, quality process reviews (QPR), and quality process surveillances (QPS).

(2) Process Oversight. Includes both process review (PR) and process surveillance (PS) utilizing the applicable manufacturing process review (MPR) checklists and/or manufacturing process surveillance (MPS) checklists.

(3) PE. Includes customer-imposed MI's and NSEO QA personnel determined PE IAW DCMA-MAN 2303-03, "Surveillance – Execute with Standard Techniques."

c. NSEO QA personnel must use the results of DC&A in the development/adjustment of surveillance planning for all three activities IAW DCMA-INST 323, "Data Collection and Analysis."

d. Job Hazard Analysis (JHA). NSEO QA personnel must prepare and review site specific JHA to be cognizant of hazards, exposures and control associated with their surveillance activities IAW DCMA-MAN 4201-16, "Safety and Occupational Health."

### **3.6. SURVEILLANCE PLAN.**

a. NSEO QA personnel must develop their SP in the Naval Sea Logistics Center PDREP system. See Resource page for link to the PDREP system. The SP will be developed, transmitted, and be made available through the Facility Oversight Plan (FOP) link in PDREP. The SP will be developed IAW the "Surveillance Plan User Guide" located on the NSEO Resource page and in PDREP. This guide provides instructions on how to create and update the SP (FOP in the PDREP system). These plans must be tailored to the supplier based on activity. The JHA will be documented in the Other Information block when completed (e. g., Update 4/2/2018, JHA completed on 4/1/2018), and the most current completion entry must remain in the plan. For sub-tier suppliers with LODs to only verify or witness specific tasks, NSEO QA personnel must document the specific tasks in the "other information" block in their surveillance plan.

(1) A supplier becomes inactive when they have no open contracts/purchase orders, and the QAR will select the "inactive" radio button in their SP to indicate the supplier is currently inactive.

(2) If the supplier becomes active again (by receiving an NSEP contract or purchase order) the QAR will select the "active" radio button in their SP.

b. DCMA NSEO QA personnel at NSEO administered suppliers will include the applicable non-NSEP programs in their NSEO SP in PDREP and will follow the applicable DCMA Instructions/Manuals for those programs.

c. The SP must address key process and system requirements identified during CRR. Scope, intensity, and frequency for GCQA surveillance activities must be established to meet customer-directed requirements, to ensure the supplier is meeting contractual requirements, and to establish and maintain a basis of confidence for product/service acceptance.

d. The SP must be developed and implemented as either facility-based surveillance (FBS), one based on continuous PS to cover all supplier contracts/purchase orders; or CBS, one that tailors independent surveillance to each separate contract/purchase order. Nonresident facilities that have a sufficient number of overlapping contracts to support continuous PS may be managed

by FBS. Nonresident facilities that have non-overlapping and sporadic contracts may be managed by CBS, if advantageous. If there is the opportunity to conduct continuous PS at a nonresident facility, the team leader and NSEO QA personnel may consider managing the facility as an FBS.

e. All surveillance plans must be updated in PDREP within 7 business days, to reflect any new contract requirements, change in supplier's production activity, customer feedback, the supplier's quality and technical performance history, and NSEO QA personnel oversight activities. NSEO QA personnel must review and update their SP and JHA at least once every 12 months and then submit to their team leader for approval. NSEO QARs will enter "Reviewed" followed by the date of the annual review in the Other Information block of the SP to indicate the annual review has been conducted. Standard entries in the SP blocks (including the Other Information block if applicable) will have the word "Update" followed by the date of the update followed by the entry. Any date format is allowed.

f. DC&A Plans and Analysis/Results are required to be uploaded to the applicable SP. Then the QARs will update the DC&A block of their FOP to indicate that they have uploaded a new DC&A Plan and/or analysis (e.g., Update 11/12/2017 DC&A Analysis completed and attached to the SP).

(1) Data Analysis at FBS suppliers must be accomplished semi-annually, at a minimum.

(2) Data Analysis at CBS suppliers must be accomplished annually, at a minimum.

g. NSEO SPs for Place of Performance (POP) only Prime Contractors (see the NSEO Glossary) and NNPP Principal Supplier SPs. The NSEO will maintain a PDREP SP with limited information. NSEO personnel will use the POP/NNPP SP Guidance document located on the NSEO Resource page to develop these SPs.

### **3.7. QUALITY SYSTEM AUDITS.**

a. A NSEO QSA is a second party audit (See definition on the ASQ web page) which focuses on ensuring the contractor's Quality Management System (QMS) is acceptable to the government and meets contractual requirements. The QSA is performed on the highest contractually imposed quality system. QSA results must be included in DC&A.

(1) It is understood that Federal Acquisition Regulation (FAR) 52.246-2 through 9 do not impose a QMS requirement, however, NSEP suppliers must adhere to standard quality requirements which must be audited. MIL-I-45208A is a cancelled specification, however many Navy contracts have a waiver to allow its use IAW DoDM 4120.24, "Defense Standardization Program (DSP) Procedures," and it must also be audited.

(2) NSEO QA personnel must perform and document QSAs at all active NSEP suppliers. QSAs consist of QSA baselines and/or annual assessments as detailed in paragraphs 3.7.b. through 3.7.g.

b. FBS with higher level quality system requirements QSAs. FBSs with higher level (FAR 52.246-11) quality system requirements require both a QSA baseline and an annual assessment.

(1) A QSA baseline is accomplished by using the appropriate quality system checklist obtained from the NSEO Resource page. The link to the NSEO Resource page is located on this Manual's Resource page. The entire checklist will be completed for both adequacy and compliance to complete the QSA baseline.

(a) The QAR will review the supplier's QMS procedures against the applicable QSA checklist for adequacy. This must be accomplished within 3 months of initially becoming an active NSEP supplier. An update must be entered in the "Other Information" block of the SP indicating the date the adequacy check was completed. (Plans that have already had the full baseline completed do not require a date for adequacy completion.) Once the baseline is completed and recorded, the adequacy check completion entry is no longer required to remain in the plan.

(b) After the adequacy portion is completed, the QAR must verify all areas for compliance and document on the applicable QSA checklist. NSEO QA personnel have 2 years to complete a full QSA baseline. Once the entire baseline has been completed, an entry must be made in the "Other Information" block of the SP indicating the date the baseline was accomplished. (If the baseline has already been accomplished, the date completed must be entered in the "Other Information" block of the SP, and the baseline completion entry must remain in the SP.)

(2) After the QSA Baseline has been completed it does not need to be re-performed unless a systemic failure of 1 or more QMS elements is identified as a result of GCQA activities.

(3) The QAR may utilize Objective Quality Evidence (OQE) from prior audits (conducted either by another Government entity or DCMA personnel) if it is sufficient to meet the baseline requirement. The QAR must record a statement in the "Other Information Block" of the SP indicating the date of completion, the source(s) (Government entity or DCMA), and the location of the OQE.

(4) After the QSA Baseline has been completed, Annual Assessments must be performed by completing the Standard Inspection and Higher Level Performance Factor sections of the NSEO QMS Annual Assessment checklist obtained from the NSEO Resource page. QSA Annual Assessments are used to perform risk-based continuous surveillance of a supplier's QMS.

c. FBSs with only standard inspection clause requirements QSAs. The QAR will complete an initial QSA assessment by completing only the Standard Inspection Performance Factor section of the NSEO QMS Annual Assessment checklist initially and then annually thereafter.

d. CBS suppliers with higher level quality system requirements (FAR 52.246-11) QSAs. The QAR will complete the Standard Inspection and Higher Level Performance Factor sections

of the NSEO QMS Annual Assessment checklist upon receipt of the first contract or subcontract Purchase Order of the calendar year.

e. CBS suppliers with only standard inspection clause requirements QSAs. The QAR will complete only the Standard Inspection Performance Factor section of the NSEO QMS Annual Assessment checklist upon receipt of the first contract or subcontract Purchase Order of the calendar year.

f. Additional QSA Oversight. When Data Analysis indicates a need for further evaluation of the quality system, NSEO QA personnel may utilize the applicable Quality Process Oversight (QPR)/QPS) checklists. The SP must then be adjusted to include the quality process(es) selected.

g. Completed Checklists.

(1) Completed QSA Baseline checklists must be uploaded to IWMS.

(2) Completed NSEO QMS Annual Assessment Checklists must be attached to the FOP (SP) in PDREP.

**3.8. PROCESS OVERSIGHT.** NSEP process oversight consists of PR and PS. PRs consist of MPR and QPR, and PS consists of MPS and QPS.

a. Process Review. Is a method to determine the suitability, adequacy, effectiveness, and consistency of a supplier's process to meet contractual requirements, and is performed as part of the NSEP oversight strategy at FBS facilities. If possible, process reviews must be accomplished at the first opportunity to review NSEP material being manufactured, inspected, or tested through the specific process at FBS facilities.

b. Process Surveillance. Is the floor-level surveillance of a process by direct observation of supplier personnel performing manufacturing, inspection, and test operations to assess compliance with established methods, procedures, and requirements applicable to the contract/purchase order. It is a real-time snapshot evaluation of people and process steps at the place being performed to determine conformity to established procedures or expected results. PS is part of the NSEP oversight strategy for both FBS and CBS facilities. It is a tool used on a recurring basis to monitor continued compliance to supplier procedures, and at FBSs, of the process baseline established by the PR.

c. Process Oversight requirements. QARs must perform process oversight at all active NSEP suppliers. Not all processes occurring at the facility need to be included in the SP. Processes that have a Mandatory Oversight Requirement (MOR) (any QALI, LOD, or other MI requirement) will be included in the SP for process oversight. The selection of additional processes to include in the SP for oversight will be based on DC&A. Information such as the Important Manufacturing Process (IMP) list and the NSEO Significant Characteristics list (located on the NSEO Resource page), issues noted during preaward surveys, PAOCs, QA functional specialist meetings, PE results, etc., may be used for planning purposes.

(1) At FBS suppliers all processes selected for oversight, or those that have associated MOR, must have the associated MPR or QPR for that process initially accomplished and then periodic PS of the associated process must be performed at the frequency determined by the QAR in the SP.

(2) At CBS suppliers NSEO QA personnel are only required to perform PS on a per contract basis. However, if a surveillance for a process has been accomplished at a CBS supplier within the last 6 months, the QAR is not required to re-accomplish that PS unless DC&A prompts them.

(3) NSEO QA personnel must consider adjusting the scope and/or frequency of the applicable PS based on any changes to manpower, materials, machinery, methods, or environment (4M's and E). Unsatisfactory results from an MPS/QPS may warrant performing the PR at a CBS or re-performing of a previously accomplished PR at an FBS. PS may be implemented concurrent with the performance of PE (including customer mandatories) or as an independent oversight activity.

(4) NSEO QA personnel must use a schedule (an example is located on the NSEO Resource page) to perform process oversight based on both the availability (evaluation opportunity) and contractor performance on a process. If PS is not accomplished IAW the SP, whether due to contractor non-accomplishment of a process or NSEO QA personnel's inability to witness accomplishment of a process, NSEO QA personnel must document the missed surveillance in the "other information" block of their SP.

(5) For PRs, NSEO QA personnel must use the applicable MPR/QPR checklist(s) located on the NSEO Resource page to document PRs, and completed checklists must be uploaded to the Supplier Audit Program (SAP) module database in PDREP. PRs (other than the mandatory process oversight discussed in paragraph 3.8.d.(1), do not need to be re-performed unless DC&A indicates a concern with a process.

(6) For PSs, NSEO QA personnel must use the applicable MPS/QPS checklist(s) located on the NSEO Resource page to document PS, and completed checklists must be uploaded to the SP in PDREP.

d. Mandatory Process Oversight.

(1) MPR #6 (Material Control) and MPR #15 (Supplier Control of OQE and Material Traceability) are required to be performed every 2 years at all FBSs that have Nuclear Propulsion Material workload for Level I nuclear material (X1, X2, X4, and X6 special material identification codes (SMICs)) or Level I workload with DI-MISC-81020, "Certification Data for Non-Nuclear Level I Material" requirements. MPR 15 need not be delegated nor performed at sub tier suppliers whose processes do not affect the material traceability (i.e., Non-Destructive Testing (NDT) or preservation, packaging, packing, and marking (PPP&M)).

(2) MPS #6 and MPS #15 are required to be performed at all CBSs that have NPM workload for Level I nuclear material (X1, X2, X4, and X6 SMICs) or Level I workload with DI-MISC-81020 requirements. MPS #15 need not be delegated nor performed at sub tier suppliers whose processes do not affect the material traceability (i.e., NDT or PPP&M)

(3) When there is a mandatory inspection requirement for part marking, QARs need to establish process oversight that covers part marking or the inspection of part marking. The QAR must induct process oversight of either #5 (Inspection and Testing), #17 (Final Inspection), or #35 (Marking and Marking Inspection), for the process oversight of part marking.

(4) Processes that have a MOR must be included in the SP for process oversight.

**3.9. PRODUCT EXAMINATION.** PE must be conducted IAW DCMA-INST 324, “Product Examination.”

a. NSEO QARs have various MORs directing them to perform PE sampling per the specific customer request, and there may be non-standard sampling required. QARs will document the specific customer directed sampling in their PE records. NSEO QARs will also document all non-NSEP PE sampling requirements (Aircraft Launch and Recovery Equipment (ALRE)/ National Aeronautics and Space Administration (NASA)/ Critical Safety Item (CSI)) when applicable.

b. QARs must verify any outgoing Purchase Orders requiring Government Source Inspection to ensure appropriate requirements and government access rights are being flowed down to subcontractors, and QARs must document the verification in their PE records.

c. PE characteristics must be determined by IMP list, NSEO Significant Characteristics list, and MORs.

d. Contract Data Requirements List (CDRL) (DD Form 1423 Requirements). CDRL oversight requirements for NSEPs are covered in the NAVSUP WSS Code N94 and Code N97 Minimum Mandatory Inspections document located on the NSEO Resource page. Non-NSEP CDRLs must be reviewed during CRR.

(1) NSEO QARs are required to perform material trace code verification for traceable NSEP material (NPM contracts for Level I nuclear material (X1, X2, X4, and X6 SMICs)) or Level I contracts with DI-MISC-81020 invoked. QARs must complete this verification using the Material Trace Code Sheet located on the NSEO Resource page or on their PE record as long as it includes all the same information.

(2) Data Item Description (DID) checklists are available on the NSEO Resource page for QARs to use as an aid in performing any required CDRL reviews. QARs will document completion of each specific required review in the QAR’s PE records.

(3) Destination Acceptance CDRLs. QARs may complete the physical final product and packaging inspections after the vendor has submitted the required CDRL items in wide area

work flow (WAWF) for destination acceptance and presents the product to the QAR. Upon destination acceptance of the CDRL in WAWF and after having completed final product and packaging inspections, the QAR will sign off for product inspection and/or acceptance in WAWF. QARs must not sign for inspection and/or acceptance of product in WAWF until CDRLs associated with the product are accepted per contract requirements.

(4) Letters of Transmittal (LT). QARs must ensure any applicable LTs have been submitted and approved, if required, prior to signing for inspection and/or acceptance of product in WAWF. If possible, QARs for NSEO administrated facilities are to request to have their contractors copy the assigned Industrial Specialist (IS) when receiving the approved LTs. If the supplier does not agree to, the QAR will forward a copy of the approved LT to the IS, if possible.

### **3.10. ADDITIONAL OVERSIGHT REQUIREMENTS.**

a. The NAVSUP WSS Code N94 and Code N97 Minimum Mandatory Inspections document located on the NSEO Resource page contains required minimum mandatory oversight required for NAVSUP WSS Level I and NPM Contracts, Defense Logistics Agency (DLA) Maritime Level I, and shipyard Level I and NPM contracts. QARs must also perform any additional MORs received by a QALI or LOD. These minimum mandatory requirements also apply for any replacement material due to Product Quality Deficiency Reports (PQDRs). Additional NPM contractual information can be found in the Navy E-Commerce Online application referred to as NECO. The link to NECO is located on this manuals resource page.

b. NPP oversight must be IAW the NPP requirements documents located on the NSEO Resource page and any additional QALIs or LODs received.

c. When inspection and/or acceptance of product is at another supplier, prime NSEO QA personnel retain the responsibility for oversight/evaluation of any certification of compliance/certifications, as applicable. Prime NSEO QA personnel must coordinate this effort with the subcontract NSEO QA personnel.

d. Control of NSEP Material. Administration of NSEP suppliers requires additional security measures to ensure matters of national security are not compromised. NSEO QA personnel must comply with applicable DCMA-MAN 3301-08, "Information Security," and Naval Sea Systems Command instructions on identification, handling, safeguarding, transmitting, and discarding Naval Nuclear Propulsion Information (NNPI) and no foreign nationals (NOFORN) marked information and hardware. Unclassified Naval Nuclear Propulsion Information (U-NNPI) and NOFORN information must be stored in a locked container, file drawer, or cabinet. NOFORN must be properly shredded or placed in burn bags for disposal. Control of U-NNPI must be the same as NOFORN. Transmission of U-NNPI and NOFORN via the Internet (i.e., WAWF, IWMS) or DCMA email is forbidden and must be immediately reported to DCMA NSEO management when observed.

(1) U/NNPI is sensitive military information relating to naval nuclear propulsion technology. U/NNPI is defined as "Classified or Unclassified information concerning the design, arrangement, development, manufacture, testing, operation, administration, training,

maintenance and repair of the propulsion plants of naval nuclear-powered ships and prototypes, including the associated shipboard and shore-based nuclear support facilities.” Office of the Chief of Naval Operations Instruction (OPNAVINST) N9210.3, “Engineering Department Manual for Naval Nuclear Propulsion Plants,” provides detailed guidance on this type of information to include safeguarding requirements.

(2) Security Incidents involving NOFORN or U/NNPI information. Spillage occurs when classified information or NOFORN or U/NNPI information is introduced to an unapproved or unclassified computing device (DCMA network) or electronic environment. Actual or potential compromises of classified information involving automated information systems or computer systems, terminals, or equipment require immediate action to contain the situation and prevent further unauthorized disclosures. All actual or suspected computer spillage must be promptly reported to the DCMA Network Operations Center (NOSC) at (678) 626-4400.

e. Navy Source Certification Process. When Navy (LI/DSS-SOC) contract/purchase orders contain customer source certification requirements at the supplier’s facility, QARs must follow the guidance provided in the Navy Source Certification Guidance document on the NSEO Resource page.

f. Corrective Action Requests (CAR). NSEO personnel must comply with DCMA-MAN-2303-04, “Surveillance – Document and Provide Feedback,” for the Corrective Action Requests process.” In addition, NSEO personnel must comply with any customer request for copies of CARs.

(1) CARs are not required to be issued to a supplier for a customer observed deficiency covered under a PQDR unless there is a failure to comply with any implementation actions as stated by the supplier in their PQDR response.

(2) QARs must include the purchase order number in CARs associated with customer issued LODs.

g. Waivers, Deviations, and Engineering Changes. All waiver and deviation (variance) requests and engineering change proposals received by the QAR for comment must be processed IAW NSEO local instruction EX-024, Waivers, Deviations, and Configuration Management. If the request is associated with a PQDR, the request will be routed through the Team Leader to the NSEO Deficiency Report Program Manager (DRPM). On NSEP contracts/purchase orders, any noncompliance to contract requirements affecting product and/or documentation is considered a critical or major non-conformance and will require procuring activity waiver approval to accept. The QAR must not accept the non-conformance unless authorized by the PCO/other authorized official. Waiver/Deviation authority is withheld on all NSEP contracts/purchase orders.

h. Deficiency Reports. NSEO personnel must follow DCMA-MAN 2301-06, “Discrepancy Processing,” and NSEO Local Instruction EX-023, PQDR Processing.

## SECTION 4: TRAINING

### 4.1. TRAINING REQUIREMENTS.

a. NSEO QA personnel assigned to NSEP suppliers with NSEP nondestructive testing (NDT) requirements on contracts and/or purchase orders must be trained and certified in the specific specifications and methods prior to performing QA oversight of supplier NDT processes IAW ANSTR-99-DCMA, “Naval Nuclear Propulsion Program Qualification and Monitoring Requirements for Defense Contract Management Agency Nondestructive Test Personnel.”

(1) NSEO QA personnel who are delegated NDT oversight must not perform to a delegation without being trained and certified in the delegated methods of NDT. The NSEO QA personnel performing certification package reviews which contain NDT reports are not required to be certified in the NDT method reflected in the report.

(2) All NSEO QA personnel requiring NDT certifications must follow the requirements of NSEO local instruction EX-027, “NSEO Nondestructive Testing Program.”

(3) Noncertified QA personnel may assist certified QA personnel with oversight of NDT processes without being Level II certified. They are not certified to inspect and accept product with NDT requirements.

b. In addition to the DCMA QA development training required IAW DCMA-MAN 4201-17, “Training, Certifications, and Tuition Assistance,” and required training IAW DCMA-MAN 4201-16, NSEO assigned personnel or any other personnel performing oversight of NSEPs must complete all NSEP technical skill courses, including NSEO NDT, based on the technical skills required to perform their assigned oversight functions for their current positions, as determined by their team leader with concurrence from the applicable NSEO Group Leader.

## GLOSSARY

### G.1. DEFINITIONS.

**Active NSEP supplier.** A supplier that has open NSEP contracts or NSEP purchase orders with government source inspection requirements at source.

**Continuous Process Surveillance.** In the context of performing process oversight of a FBS, this means that the QAR schedules recurring, periodic process surveillance of supplier processes at the facility at a minimum frequency of semi-annual. (quarterly, monthly, and per contract are the additional options)

**Contract Based Surveillance (CBS).** Oversight of a supplier that tailors surveillance to each individual contract/purchase order. Non-resident facilities that have non-overlapping and sporadic contracts may be designated as CBS if advantageous.

**Data Collection and Analysis (DC&A).** A tool to assess and evaluate supplier performance. The outcome will direct the NSEO QAR's in-plant efforts toward those products and processes that present the highest risk and be used when developing/revising the SP. It entails collecting and analyzing supplier, government, and customer data and then adjusting oversight based on the analysis.

**Deep Submergence Systems/Scope of Certification (DSS-SOC).** Program associated with the overhaul and maintenance of special purpose submarine vehicles. (Special Material Identification Codes (SMICs) - D0, D4, D5, D6, D7, D8, etc.)

**Facility Based Surveillance (FBS).** Oversight of a supplier that is based on continuous process surveillance to cover all supplier contracts/purchase orders. Resident facilities will always fall into this category. Non-resident facilities that have a sufficient number of overlapping contracts/purchase orders to support continuous process surveillance will also be designated FBS.

**Facility Oversight Plan (FOP).** Old terminology used to reference the name assigned in the PDREP FOP module system. The FOP module in PDREP is where NSEO QARs develop their Surveillance Plan (SP).

**Fly-By-Wire Ship Control Systems (FBWSCS).** Program associated with the fly-by-wire maneuvering technology. The technology is an all-electronic control system, in lieu of traditional manual drive devices. It uses joy sticks and a series of touch screen flat panel displays that make up the ships control center. (SMICs - VU for Virginia Class FBW; SW - for Seawolf Class FBW).

**Inactive NSEP supplier.** A supplier that no longer has any open NSEP contracts or NSEP purchase orders.

**Level I/Subsafe Program (LI/SS) (NAVSUP WSS code 97).** Program instituted by the Navy after the loss of the USS Thresher. Typically referred to as the Level I program. Consists of components involved with the hull integrity boundary of the naval nuclear reactor and the ability of submarines to control and recover from flooding casualties. This also includes the various piping and valve systems throughout the vessel. (SMICs - LI, S1, C1, SB, VG, Q3, Q5)

**Mandatory Oversight Requirements (MOR).** Quality Assurance Letters of Instruction (QALI), Letters of Delegation (LOD), Mandatory Process Reviews, Mandatory Inspections (MI) and any other requests that are mandatory to comply with.

**Mandatory Process Review.** A process review that has been delegated to the NSEO or that is required by the NSEO as a mandatory review.

**Manufacturing Process Review (MPR).** Process reviews of manufacturing system processes using MPR checklists located in the NSEO Resource page.

**Manufacturing Process Surveillance (MPS).** Process surveillance of a manufacturing process using an MPS checklist located on the NSEO Resource page.

**Naval Nuclear Propulsion Program (NNPP).** Program comprised of the military and civilian personnel who design, build, operate, maintain, and manage the nuclear-powered ships and facilities that support the U.S. nuclear-powered naval fleet. The Program has “cradle-to-grave” responsibility for all naval nuclear propulsion matters and delegates specific quality assurance oversight activities to DCMA NSEO personnel. NNPP products are associated with navy nuclear reactors and support systems.

**Navy Propulsion Program (NPP).** Program involving oversight of ship propulsion and sharing issues and related items including propellers, propulsors, propulsion shaft bearings. Propellers and Propulsion shafting NSNs include Cognizant (COG) (Prefix) numbers of 2S or 4Y and SMIC (suffix) of LI, P2 or P3.

**NNPP Principal Supplier.** Key suppliers designated by the NNPP that require specialized oversight IAW ANSTR-2000.

**Non-resident facility.** An NSEP supplier where the NSEO QAR perform their in-plant oversight efforts on an itinerant basis. (The QAR may have his/her duty station at the supplier but is not primarily assigned to that facility.)

**NSEP Supplier.** A supplier that receives NSEP contracts or delegations from Government buying activities. This may include, but is not limited to, contracts or delegations from NAVSUP Weapon System Support (NAVSUP WSS) (NPM, L1, NPP, DSS-SOC, FBWSCS and SCS contracts), Government (Public) Shipyards, Purchase Orders from NNPP Prime Contractors, Letters of Delegations (LOD) from Supervisor of Shipbuilding (SUPSHIP), and/or as otherwise designated in the contract or by DCMA NSEO and NAVSEA Management determination.

**Nuclear Plant Material (NPM) (NAVSUP WSS code 94).** Program governing all components within the secondary loop boundary of the naval nuclear reactor. Associated SMICs ( X1, X2, X3, X4, X5, X6, X7, etc.)

**PE Planning document.** A NSEP term for a PE record that has sufficient detail to be considered a suitable record as either a standalone CRR record or part of a CRR record as well as a PE record.

**Place of Performance (POP) contract.** A manufacturing location called out in the contract, other than the prime location, where inspection and/or acceptance by DCMA is to occur.

**Place of Performance (POP) only Prime contractor.** A non-manufacturing facility where product is never physically processed. (Product never flows through the facility.) The location of all manufacturing and processes take place at other than the prime contractor location.

**Primary QAR.** The Non-NSEO QAR assigned to a shared supplier. This QAR is the “QAR of Record,” and will perform the oversight on all Non-NSEP contracts and purchase orders at the Shared Supplier. The NSEO QAR assigned to the supplier performs all required QA oversight only on NSEP products, contracts, and/or purchase orders.

**Process Oversight.** The generic term referring to PR and PS. It is used as a method of oversight to determine the suitability, adequacy, effectiveness and consistency of a supplier’s processes to meet contractual requirements.

**Process Review.** A detailed review of a supplier’s manufacturing or quality process from beginning to end which considers manpower, manufacturing, machinery, methods, and environmental factors to determine the suitability, adequacy, effectiveness and consistency of a supplier’s process to meet contractual requirements. Performed on either manufacturing processes using MPR checklists or quality processes using QPR checklists. The PR establishes a baseline for oversight of the process at FBS suppliers, and completed PRs support the Navy SAP.

**Process Surveillance (PS).** Real-time snapshot evaluation of people and process steps at the place of performance to determine conformity to established procedures or expected results. Performed on either manufacturing processes using MPS checklists or quality processes using QPS checklists. Used to assess compliance with established methods, procedures, and requirements applicable to contract/purchase orders. It is a tool used on a recurring basis to monitor continued compliance with the process baseline established by the MPR/QPR at FBS suppliers or as a verification of compliance with established procedures at a CBS supplier. MPS/QPS checklists are derived from the MPR/QPR checklists and are located on the NSEO Resource page.

**Product Examination (PE).** IAW DCMA-MAN 2303-03, PE is a method to determine conformance of one or more physical characteristics of the product with contractual requirements. PE technique definitions for NSEO compliance with specific, Navy customer direction (QALI, LODs, and Minimum Mandatories) are further clarified as:

- **Witness:** Observe manufacturing operations, tests, or inspections.
- **Verify:** Review Contractor's Objective Quality Evidence for compliance with a specific requirement(s).
- **Inspect:** Physically determine product conformance.
- **Process Surveillance:** Direct observation of contractor personnel performing manufacturing, inspection, or test operations. This may be satisfied through a combination of witness, inspection, and/or verification activities.

**Quality Process Review (QPR).** The PR of a quality process using a QPR checklist located on the NSEO Resource page.

**Quality Process Surveillance (QPS).** PS of a quality process using a QPS checklist located on the NSEO Resource page.

**Quality System Audit (QSA).** An evaluation of the contractor's established quality system to meet the contractual quality requirements. This evaluation establishes a supplier's quality system acceptability to the government, regardless if they have an inspection system or a quality management system.

**Resident Facility.** An NSEP supplier that has an NSEO QAR assigned in-plant with the supplier facility serving as the QAR's official duty station and primary oversight responsibility.

**Shared supplier.** Non-NSEO administered suppliers that have an assigned Primary DCMA QAR but have the requirement that an NSEO QAR perform inspection and/or acceptance on a particular Contract or Purchase Order having NSEP requirements. The Primary QAR will perform the oversight on all Non-NSEP contracts and purchase orders at a Shared Supplier. The NSEO QAR must perform all required QA oversight **only** on NSEP products, contracts, and/or purchase orders.

**Ship Critical Safety Item (SCSI).** Other products identified by the customer as ship critical but that do not fall within the other NSEPs.

**Surveillance Plan (SP).** The QAR's SP detailing the in-plant quality assurance oversight efforts for the assigned active NSEP supplier. This plan is located in the PDREP. This plan, with its associated inspection records and DC&A Plan and results constitute the SP. The scope (entailing all elements of a QSA, PE or PR/PS or just selected elements), method (any combination of QSA/PE, or PR/PS), intensity (level of effort (to include sampling acceptable quality limit AQL or focus of QSA or PR/PS) and frequency (as reflected in the PDREP FOP) are included as part of the SP.

**Traceability.** A positive means of identifying material to its OQE. Traceability marking is determined by specific contractual requirements, but will normally either be heat/lot number, a unique vendor traceability number/code, or a combination thereof to maintain complete traceability to certified material test reports/reports of test and inspections/OQE.

## GLOSSARY

### G.2. ACRONYMS.

ACO	administrative contracting officer
ALRE	Aircraft Launch and Recovery Equipment
ANSTR	Assistant Naval Sea Systems Command Technical Representative
CAR	corrective action request
CBS	contract based surveillance
CDRL	contract data requirements list
CMO	contract management office
CRR	contract receipt and review
DCMA-INST	DCMA instruction
DCMA-MAN	DCMA manual
DC&A	data collection and analysis
DRRM	Documentation Requirements and Records Management
DSS-SOC	Deep Submergence Systems/Scope of Certification Program
FAR	Federal Acquisition Regulation
FBS	facility based surveillance
FBWSCS	Fly-By-Wire Ship Control Systems
FOP	facility oversight plan
GCQA	government contract quality assurance
IAW	in accordance with
IMP	important manufacturing process
IWMS	integrated workload management system
JHA	Job hazard analysis
KCR	Key Contract Requirement
LI	Level I
LOD	letter of delegation
LT	letter of transmittal
MI	Mandatory Inspection
MOA	Memorandum of Agreement
MOR	mandatory oversight requirement
MPR	manufacturing process review
MPS	manufacturing process surveillance
NAVSEA	Naval Sea Systems Command

NAVSUP	Naval Supply Systems Command
NDT	nondestructive testing
NECO	Navy E-Commerce Online Application
NNPI	naval nuclear propulsion information
NNPP	Naval Nuclear Propulsion Program
NOFORN	no foreign nationals
NPM	nuclear plant material
NPP	Naval Propulsion Program
NSEO	Naval Special Emphasis Operations
NSEP	Navy Special Emphasis Program
OPINST	Operational Instruction
OPNAVINST	Office of the Chief of Naval Operations Instruction
OQE	objective quality evidence
PAOC	post award orientation conference
PDREP	Product Data Reporting and Evaluation Program
PE	product examination
POP	place of performance
PPP&M	preservation packaging packing and marking
PR	Process Review
PS	Process Surveillance
PQDR	product quality deficiency report
QA	quality assurance
QAFSM	quality assurance functional specialist meeting
QAR	quality assurance representative
QALI	quality assurance letter of instruction
QMS	quality management system
QPR	quality process review
QPS	quality process surveillance
QSA	quality system audit
SAP	supplier audit program
SCSI	Ship Critical Safety Item
SMIC	special material identification code
SP	surveillance plan
U-NNPI	unclassified naval nuclear propulsion information
WAWF	Wide Area Workflow
WSS	Weapon System Support

## REFERENCES

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- DCMA Instruction 323, “Data Collection and Analysis,” May 15, 2013
- DCMA Instruction 324, “Product Examination,” July 26, 2013
- DCMA Instruction 710, “Managers’ Internal Control Program,” April 21, 2014
- DCMA Instruction 2101, “Product Acceptance and Proper Payment,” TBD
- DCMA Manual 501-01, “Policy Issuances Procedures,” April 13, 2017
- DCMA Manual 2101-01, “Acceptance,” TBD
- DCMA Manual 2101-04, “Delegate Surveillance,” TBD
- DCMA Manual 2301-06, “Nonconforming Material,” TBD
- DCMA Manual 2303-03, “Surveillance – Execute with Standard Techniques,” TBD
- DCMA Manual 2303-04, “Surveillance – Document and Provide Feedback,” TBD
- DCMA Manual 2501-01, “Contract Receipt and Review,” TBD
- DCMA Manual 3301-08, “Information Security,” TBD
- DCMA Manual 4201-16, “Safety and Occupational Health,” TBD
- DCMA Manual 4201-17, “Training, Certifications, and Tuition assistance,” TBD
- DI-MISC-81020, “Certification Data for Non-nuclear Level One Material,” June 11, 1990
- DoD Directive 5105.64, “Defense Contract Management Agency (DCMA),” January 10, 2013
- DoD Manual 4120.24, “Defense Standardization Program (DSP) Procedures,” September 24, 2014, as amended
- Federal Acquisition Regulation 52.246, as amended
- Memorandum of Agreement Between the Naval Nuclear Propulsion Program and DCMA, August 2, 2012
- Operational Instruction and Agreement Between Navy Nuclear Propulsion Program (NNPP) and DCMA, December 10, 2012
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- OPNAVINST N9210.3, “Engineering Department Manual for Naval Nuclear Propulsion Plants,” 30 June, 2015