DCMA Manual 2303-03

Surveillance - Execute with Standard Techniques

Office of Primary Responsibility	Contractor Effectiveness Capability
Effective:	November 5, 2018
Releasability:	Cleared for public release
New Issuance	
Implements:	DCMA-INST 2303, "Surveillance," November 5, 2018
Internal Control:	Process flow and key controls are located on the Resource Page
Labor Codes:	Located on the Resource Page
Resource Page Link:	https://360.dcma.mil/sites/policy/CE/SitePages/2303-03R.aspx
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Purpose: This issuance, in accordance with the authority in DoD Directive 5105.64, "Defense Contract Management Agency (DCMA)," January 10, 2013

- Implements policy established in DCMA-INST 2303, "Surveillance"
- Defines and implements standard surveillance techniques and terminology to be used throughout the agency for consistency and clarity

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This issuance applies to all Defense Contract Management Agency (DCMA) organizational elements who enable or perform surveillance on: DCMA administered contracts, contracts awarded by DCMA, and contracts with delegations (e.g., National Aeronautics and Space Administration (NASA)) to DCMA.

a. This Manual is the Agency source for the identification of surveillance techniques and terminology. Other issuances containing surveillance requirements will reference the identified techniques and terminology after the official release of this Manual.

b. 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 contract administration duties outlined in the Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation Supplement (DFARS), and other applicable regulations, supplements, and directives in accordance with (IAW) DCMA Instructions.

b. Establish and maintain this Manual, which provides standardized surveillance terminology, techniques, and an overarching surveillance execution model. More specific surveillance guidance, criteria, and/or requirements will be defined in other related manuals, publications, and resource pages.

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

SECTION 2: RESPONSIBILITIES

2.1. DCMA COMPONENT HEADS AND/OR CAPABILITY MANAGERS. DCMA Component Heads and/or Capability Managers will align their surveillance related issuances, training, guidance, and tools with this Manual.

2.2. OPERATIONAL UNIT COMMANDERS/DIRECTORS. Operational Unit Commanders/Directors will:

a. Ensure compliance with this Manual.

b. Align their issued/deployed surveillance related publications, training, guidance, and tools with this Manual.

2.3. CONTRACT MANAGEMENT OFFICE (CMO) COMMANDERS/DIRECTORS, GROUP DIRECTORS, AND SUPERVISORS. CMO Commanders/Directors, Group Directors, and Supervisors will:

a. Ensure compliance with this Manual.

b. Align CMO surveillance related publications, training, guidance, and tools with this Manual.

2.4. FUNCTIONAL SPECIALISTS. Functional Specialists must comply with this Manual and all other higher directives and policies.

SECTION 3: STANDARD SURVEILLANCE

3.1. STANDARD SURVEILLANCE PROCESS OVERVIEW.

a. Contractors use systems, processes, policies/procedures, controls, plans, and schedules to meet contractual requirements and deliver product or services IAW the FAR, DFARS, and other regulations in the contract. During surveillance, DCMA evaluates contractor plans, schedules, policies/procedures, systems, processes, process outputs, product, or services to assess adequacy, compliance, and/or progress at various points per the FAR, DFARS, and other regulations.

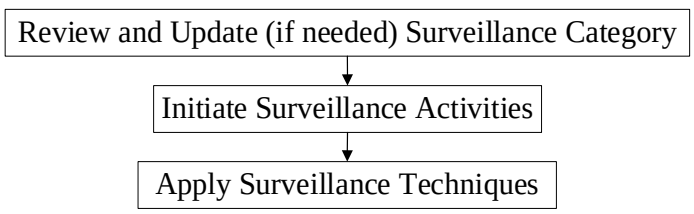
b. Surveillance is a function of contract administration used to determine or assess contract progress and/or compliance using "data collection and analysis." Surveillance is often a multifunctional insight effort. Surveillance includes reviews for adequacy (when applicable) and evaluations of compliance to contractual, statutory, regulatory, or contractor requirements. Risk-based surveillance must be planned and performed on DCMA administered contracts, contracts awarded by DCMA, and contracts with delegations (e.g., NASA) to DCMA, unless specifically delegated otherwise. (Refer to DCMA-MAN 3101-03, "National Aeronautics and Space Administration (NASA)" for further guidance on delegations from NASA.) Surveillance can be conducted at various levels: multi-facility (e.g., Business Segment), facility, program, or contract level. When appropriate, perform surveillance at the higher levels (e.g., facility vs. program) to improve surveillance efficiencies; however, unique program (e.g., DCMA-INST 3101, "Program Support" requirements) or contract specific processes must be considered. Surveillance activities apply primarily to post-award but may apply to some pre-award activities.

c. DCMA-INST 2303 depicts surveillance as being comprised of four recurring steps, as shown in Figure 1.

Figure 1. Surveillance Model

3.2. EXECUTE WITH STANDARD TECHNIQUES. This Manual focuses on the "Execute with Standard Techniques" steps, and it provides standardized terminology and techniques. It also provides an overarching "Execute with Standard Techniques" model, as shown in Figure 2. The activities/steps in the model may not always be performed sequentially and may often be performed repetitively depending on surveillance results.

Figure 2. Execute with Standard Techniques Model



a. Review and Update (if needed) Surveillance Category. At minimum, one surveillance category is identified during "Plan Events." A surveillance category can also be added or adjusted during "Execute with Standard Techniques." All surveillance falls within one or more of three overarching categories. Multiple surveillance categories may be used during system-level surveillance. The three overarching surveillance categories are:

- Process Evaluation
- Progress Evaluation
- Deliverable Product or Service Evaluation

(1) Process Evaluation. This surveillance category is to evaluate processes applied to system/subsystem (e.g., Contractor Business System, higher-level quality system, management system) or process. Any form of a system/subsystem/process is hereafter referred to as a "process.A There is inherent risk, if a full process evaluation has not been performed. It is essential that a comprehensive review of the entire process must be considered/performed in order to establish a process evaluation baseline. This comprehensive review must also be considered/performed after major process changes have occurred or significant change in personnel. This baseline will drive the scope of future surveillance, which may be performed on a subset of the process based on risk. Process evaluations may be conducted or executed as a single review, on a recurring (e.g., weekly, monthly) interval, or on an ongoing basis for a specified duration. Process Evaluations are complete after performing the following steps:

(a) Evaluate adequacy. Evaluate the contractor's command media (policies/ procedures) to determine if they are adequately documented and enable the process to meet the contractual requirements. Adequacy evaluations address whether or not the command media is current, accurate, complete, and capable to satisfy a requirement or meet the need/intent.

1. The [name of Functional Specialist/Functional Department] must evaluate the contractor's policies and procedures on command media to determine if the contractor has adequately documented processes that assure compliance with contractual requirements.

2. The [name of Functional Specialist/Functional Department] will evaluate the adequacy of command media by determining whether the command media is current, accurate, complete, and satisfies contract requirements.

3. Examples of command media adequacy questions:

a. Do the contractor's policies/procedures adequately satisfy the requirement?

b. Can the contractor's policies/procedures be verified for compliance?

c. Can the information in the contractor's policies/procedures executable without extensive guidance or support?

d. Are there undocumented steps necessary to achieve the policy/procedure's output?

(b) Evaluate Compliance. Evaluate the contractor's ability to demonstrate the implementation of the contractor's process as described in the contractor's policies/procedures. Assess whether the contractor is adhering to the contractor's policies/procedures. Examples of compliance questions:

1. Does the contractor follow their policies/procedures and are they readily available to the contractors employees and DCMA?

2. Are the contractor's policies/procedures under configuration control and are the most recent policies/procedures revision being used?

3. If compliance questions were unsatisfactorily met, what was the nature and number of each noncompliance?

(c) Evaluate Process Outputs. Evaluate whether the process provides outputs that meet requirements. Examples of process output questions include:

1. Do the outputs of the process provide what is expected?

2. Are process outputs sufficient to satisfy a requirement or meet the need/intent?

(d) If a process and/or its outputs do not meet the requirement(s) and a noncompliance is identified, further action will be required IAW the DCMA corrective action process. Noncompliant process output often results from inadequate policies/procedures.

(2) Progress Evaluation. This surveillance category is used to evaluate time-phased actual progress compared to the contractual or approved schedule requirements. For example, progress can be verified through evaluations of completed work, work in-progress, materials received, milestones completed, and entrance/exit criteria (primarily performed at the program/contract level). Evaluations of work can include technical work or cost assessments when time-phased. Some examples of progress evaluations are:

(a) Evaluating accuracy and/or cost realism of the progress payment requests or performance-based payment requests.

(b) Evaluating the contractor's progress towards contractual/program milestone objectives based on entrance criteria.

(c) Evaluating contractor progress towards closure of their contractual/program milestone action items based on exit criteria.

(d) Assessing maturity or readiness level to determine if progress is being made.

(e) Evaluating contractor progress in executing their Corrective Action Plan (CAP) schedule.

(f) Evaluating contractor progress compared to the Performance Measurement Baseline.

(g) Evaluating Technical Performance Measure progress against a time-phased planned profile.

(3) Deliverable Product or Service Evaluation. This surveillance category is used to evaluate deliverable product or services in DCMA administered contracts, contracts awarded by DCMA, and contracts with delegations (e.g., NASA) to DCMA.

(a) Deliverable Product Evaluations can be performed in any phase of the development or production of the product. They include evaluations of hardware, software, product, or Contract Data Requirements List (CDRL) items. Deliverable Product Evaluations are appropriate when supplier performance risk warrants it. DCMA should always approach Deliverable Product Evaluations with the understanding the contractor is responsible for delivering conforming product via their inspection process. Surveillance focused on prevention over detection is preferred preventative approach more than a stand alone.

(b) Deliverable Service Evaluation is used for monitoring compliance of deliverable services throughout a specified period of time based on contract requirements, and may involve periodic acceptance and performance assessments for progress and compliance. Deliverable service evaluation can be applied to service contracts awarded by DCMA for facility maintenance, Information Technology (IT) system development/maintenance or similar services. Deliverable service evaluation should also be applied to DoD awarded contracts, that include service requirements such as engineering evaluations or logistics support.

b. Initiate Surveillance Activities. Several surveillance activities must be considered. **The sequence of these activities may vary and/or be repetitive**. To minimize impact on contractor resources and to improve efficiency, DCMA should consider activities not requiring performance at the contractor's location. Surveillance activities include:

(1) Perform Surveillance Requirements Document Review. This review is typically performed remotely. Perform reviews of the applicable documents for specific requirements related to surveillance:

(a) Planning events documents (e.g., Surveillance Plan).

(b) Applicable DCMA manuals, publications, and resource pages.

(c) Contract Receipt and Review documentation and/or latest contract modifications.

(d) Delegations, Quality Assurance Letter of Instruction, Memorandums of Agreement, and Memorandums of Understanding.

(2) Determine Surveillance Logistics. Perform the following logistics preparation activities:

(a) Confirm and/or adjust surveillance objectives and determine focus areas.

(b) Determine if joint surveillance should be considered. Joint Surveillance is surveillance that is performed as a team with either the contractor, other government entities (e.g., Missile Defense Agency (MDA)), and/or DCMA multifunctional members. The use of co-leads should be encouraged when conducting joint surveillance. The functional specialist performs an independent evaluation and may conclude different results.

(c) Ensure surveillance team's required skills and resources are available.

(d) Coordinate with team members and identify roles and responsibilities.

(e) Identify logistical considerations such as travel, contractor coordination, data needs, access/availability, and whether on-site or virtual surveillance is required.

(3) Review Data. Identify and review data that is required to be evaluated and consider sampling when appropriate. Review the data for completeness and obtain additional data as necessary. Examples of relevant data to obtain:

(a) Contractor's policies/procedures.

(b) Policy/procedure defined work products or process outputs (artifacts).

(c) Performance metrics or indices (procuring activity, contractor or government data).

(d) Contractor personnel required certifications.

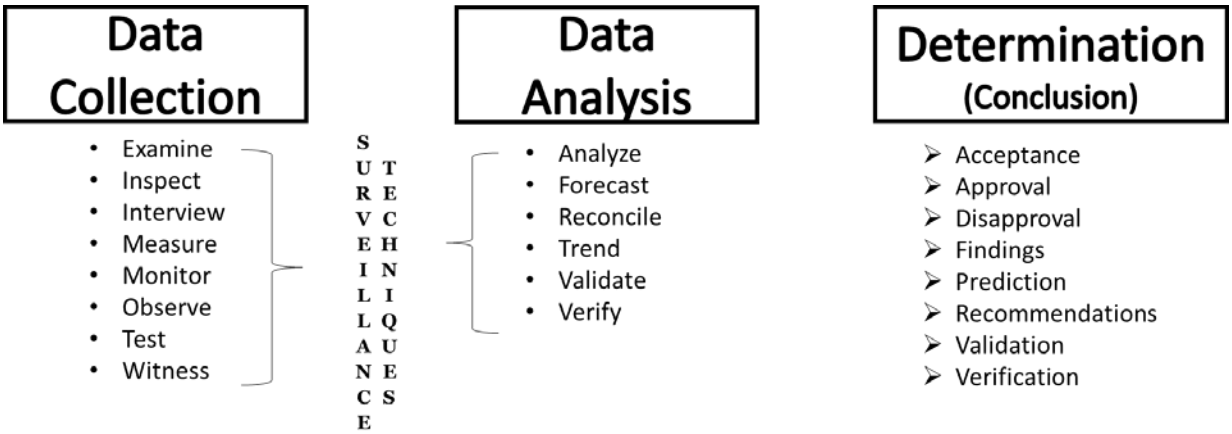
(e) Past DCMA evaluations, corrective action requests, CAPs, contractor internal and external audit results.

(f) Test Results.

(4) Identify Surveillance Techniques. DCMA uses 14 standard surveillance techniques. Surveillance techniques are actions that describe collecting and/or assessing data to make determinations or conclusions related to the evaluation of a process, progress, and/or deliverable product/services. Surveillance techniques must be identified and can be adjusted as necessary. The scope of the surveillance event will drive the surveillance techniques. Multiple surveillance techniques can be used during a surveillance event. Some techniques can be performed concurrently (e.g., interview can be done during an inspection). One surveillance technique can support other techniques (e.g., examine can support analyze). Surveillance techniques are

primarily aligned to data collection or data analysis as shown in Figure 3. The figure conveys that both data collection and data analysis are required to make a determination or conclusion.

Figure 3. Surveillance Techniques in Support of Determinations



(5) DCMA performs the following surveillance techniques (see resource page for additional examples):

(a) Analyze. Analyze is used to review and evaluate collected, created, or observed data or information. Analyze is the "general" data analysis technique that should be used when other more specific analysis techniques (i.e., forecast, reconcile, trend, validate, or verify) do **not** apply. This technique can be used as a desktop review prior to meeting with the contractor and to analyze data. Analyze can also be done during or after a meeting with the contractor. The technique provides a basis for problem solving, explanation, interpretation, and decision making or to assess data for compliance or progress. This technique can include statistical methods. Examples include analyzing nonconforming material data, technical performance measures, on-time delivery (OTD), root causes of problems, repair turnaround time, and repair proposals.

(b) Examine. Examine is used to review **non-deliverable** contractor process outputs/artifacts, material, equipment, tooling, and policies/procedures for features/ characteristics that will be evaluated against requirements using other analysis techniques (e.g., analyze, verify). It can also be used to examine government property, equipment, or material. Examples include examining Engineering Change Proposals (ECPs), logs, reports, material, special tooling, or a configuration management procedure.

(c) Forecast. Forecast is used to compare historical trends, issues and risks against future requirements to make a projection. Examples are forecasting future contractual compliance or noncompliance, projecting rates, projecting future states, and predictive analysis.

(d) Inspect. Inspect is used to determine **deliverable product** conformity or compliance IAW the contract, specifications, Data Item Description, or other defined requirements. Inspect surveillance technique applies to product or services provided to the

government for acceptance and can be done in-process or at final acceptance. Examples include inspecting deliverable product such as hardware, software, or CDRLs.

(e) Interview. Interview is used to gather information during personal interaction (virtual or in person) and/or evaluate the interviewee's knowledge and understanding of the subject. Sampling of deliverable product is permitted when it provides adequate intelligence (insight) at a cost, which is reasonable rather than prohibitive. Examples include interviewing contractor employee(s) about a process, product, service, or output.

(f) Measure. Measure is used to create a metric (e.g., quantity, percentage, standard deviation). It can be performed over time and it is used to convert raw data into quantifiable and comparable information or metrics. Examples include measuring a percent progress to schedule; measuring progress against goals; and measuring the quality/timeliness of CDRL submissions, corrective actions, action items, and other requirements.

(g) Monitor. Monitor is used for periodic or ongoing observations/reviews of data or of a process. Data can be collected through direct observations, email, or data repositories, and then evaluated over time for adequacy and compliance. Examples include monitoring delivery performance, test process, Integrated Product Teams progress, milestone event progress, or DCMA contracted services.

(h) Observe. Observe is used for instances of noticing. Examples include observing inventory, nonconforming material storage/segregation, real-time review of contractor information systems, and tool control.

(i) Reconcile. Reconcile is used for item examination or comparison using related data sets obtained from different sources to determine accuracy and/or identify errors. Examples include reconciling contractor OTD records with DCMA OTD records, property records to property serial numbers, drawing characteristics to the product configuration, and actual costs to contractor books and records.

(j) Test. Test is a rarely used but supports product acceptance when DCMA is mandated/required to **conduct** all or portions of a contractually required test through physical operation of the product, system, sub-system, or test equipment. It also applies when DCMA records test data for the official test record. Examples include DCMA operating test equipment, performing a flight or driving test, or recording test data during the test. The test technique is not the same as monitoring or witnessing a test.

(k) Trend. Trend is a surveillance technique that is used for evaluating a data set over time to assess the rate of change and trajectory. Examples include trending OTD, cost overruns, and contractor performance metrics.

(l) Validate. Validate is used to confirm or determine that a process, product, or service meets the intended objective or need as viewed by the user and supports a validation determination. Validate is a measure of effectiveness; it is not the same as verify. For example, this technique can be used for validating that a CAP has met the desired intent of fixing the

problem. Another example is whether the software application meets the desired intent/need of the user as validated through flight test, live fire test, or other tests performed by the user.

(m) Verify. Verify is used to confirm or determine the level of conformity/ compliance to contractual or policy/procedure requirements through objective evidence. The technique supports a verification determination. Verify is often used after techniques such as analyze, examine, observe, or test. Examples are: the software meets the design requirements as verified through test; the contractor's ECP, report, or log meets the policy/procedure requirements; contractor costs are charged in alignment with the Disclosure Statement; or the contractor implemented the actions identified in their CAP.

(n) Witness. Witness is **100 percent observation**, of an entire event to confirm the occurrence of the event and/or adherence to requirements. This can be a very labor intensive technique. This technique can be required by a procuring activity or self-imposed when the risk is high. Examples include witnessing tests, lifts, and critical events.

c. Apply Surveillance Techniques. Perform surveillance using the appropriate surveillance techniques. If the surveillance objectives have not been met or satisfied, the steps such as review data and identify surveillance techniques may have to reoccur. During surveillance, it is important to review and assess information/data to make determinations. Determinations are made after data collection and analysis. Examples of determinations or conclusions are: verification or validation of conformity/nonconformity; acceptance or negative findings related to a product/service; negative process findings; approval/disapproval of a Contractor Business System or a request for payment; and a prediction of future compliance/noncompliance/risk. Objective evidence must be collected and documented for all surveillance activities. See resource page for the detailed flow chart of this Manual. This Manual will be used in conjunction with all Contractor Effectiveness Capability and other Business Capability instructions and manuals.

GLOSSARY

G.1. DEFINITIONS.

Adequacy. Adequacy is an evaluation of the contractor's policies/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.

Analyze. Analyze is a **surveillance technique** that is used to review and evaluate collected, created, or observed data or information. Analyze is the "general" data analysis technique that should be used when other more specific analysis techniques (i.e., forecast, reconcile, trend, validate, or verify) do not apply. This technique can be used as a desktop review prior to meeting with the contractor and to analyze data. Analyze can also be done during or after a meeting with the contractor. The technique provides a basis for problem solving, explanation, interpretation, and decision making or to assess data for compliance or progress. This technique can include statistical methods. Examples include analyzing nonconforming material data, technical performance measures, OTD, root causes of problems, repair turnaround time, and repair proposals.

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

Artifact. Artifact is a process output or work product required per contractor's policies/ procedures or a subset of contractor data (e.g., screen shot). Artifacts may serve as evidence to demonstrate compliance or noncompliance.

Command Media. Command Media includes tangible documents (including electronic) such as contractor policies, procedures, manuals, and instructions that are developed and implemented to control the organization. Command media is synonymous with the plain language term, policy and procedures.

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

Contractor Business System. Contractor Business Systems are comprised of, but not limited to, the following: Accounting, Contractor Purchasing, Cost Estimating, Earned Value Management, Material Management and Accounting, and Property Management.

Data. Data is a collection of facts, recorded observations or requirements from a variety of sources such as the contract, the contractor, industry, or the government. Types of data used in surveillance include, but is not limited to, policies/procedures, artifacts, records, spreadsheets, and observations.

Deliverable Product or Service Evaluation. Deliverable Product or Service Evaluation is a **surveillance category** that is used to evaluate deliverable product or services. Deliverable product evaluation is used for evaluating what will eventually be provided to the Government for acceptance. These evaluations can be performed in any phase of the product's completion and include those on hardware, software, or CDRLs. Deliverable service evaluation is used for monitoring compliance of deliverable services throughout a specified period of time based on Government requirements, and may involve periodic acceptance and performance assessments for progress and compliance. This Deliverable Product or Service Evaluation can be used for assessing contractual deliverables in DCMA administered contracts, contracts awarded by DCMA, and contracts with delegations (e.g., NASA) to DCMA.

Deliverable Product. Deliverable Product is an item that is specified in the contract and requires acceptance by the Government. These items may include hardware, software, product, or CDRLs.

Deliverable Service. Deliverable Service is an activity to provide time, effort, and/or expertise that is specified in the contract and requires acceptance by the Government. Examples could include janitorial services, programming, rebuilding equipment, gathering documented information, etc.

Examine. Examine is a **surveillance technique** that is used to review **non-deliverable** contractor process outputs/artifacts, material, equipment, tooling, policies/procedures for features/characteristics that will be evaluated against requirements using other analysis techniques (e.g., analyze, verify). It can also be used to examine government property, equipment, or material. Examples include examining ECPs, logs, reports, material, special tooling, or a configuration management procedure.

Forecast. Forecast is a **surveillance technique** that is used to compare historical trends, issues, and risks against future requirements to make a projection. Examples are forecasting future contractual compliance or noncompliance, projecting rates, projecting future states, and deriving a predictive analysis.

Functional Specialists. Functional Specialists are personnel assigned to perform various tasks or functions in support of the Agency's mission (e.g., administrative contracting officer, contract administrator, contracting officer representative, cost monitor, engineer, industrial specialist, IT specialist, or quality assurance specialist).

Insight. Insight requires 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 is a continuum that can range from low intensity, such as reviewing quarterly reports, to high intensity, such as performing surveys and reviews.

Inspect. Inspect is a **surveillance technique** that is used to determine **deliverable product** conformity or compliance IAW the contract, specifications, Data Item Description, or other defined requirements. Inspect surveillance technique applies to product or services that will be provided to the government for acceptance, and can be done in-process or at final acceptance. Examples include inspecting deliverable product such as hardware, software, or CDRLs.

Interview. Interview is a **surveillance technique** that is used to gather information during personal interaction (virtual or in person) and/or evaluate the interviewee's knowledge and understanding of the subject. Examples include interviewing contractor employee(s) about a process, product, service, or output.

Joint Surveillance. Joint Surveillance is surveillance that is performed as a team with either the contractor, other government entities and/or in a multifunctional manner within DCMA.

Measure. Measure is a **surveillance technique** that is used to create a metric (e.g., quantity, percentage, standard deviation). It can be performed over time and it is used to convert raw data into quantifiable and comparable information or metrics. Examples include measuring a percent progress to schedule; measuring progress against goals; and measuring the quality/timeliness of CDRL submissions, corrective actions, action items, and other requirements.

Monitor. Monitor is a **surveillance technique** that is used for periodic or ongoing observations/reviews of data or of a process. Data can be collected through direct observations, email, or data repositories, and then evaluated over time for adequacy and compliance. Examples include monitoring delivery performance, test process, Risk Review Board process, Change Control Board process, Integrated Product Teams progress, milestone event progress, or DCMA contracted services.

Objective Evidence. Objective Evidence is proof sufficient to support the reasonable belief that a particular act or omission has occurred. It includes records that demonstrate noncompliance or compliance to contractual or policy/procedure requirements.

Observe. Observe is a **surveillance technique** that is used for instances of noticing. Examples include observing inventory, nonconforming material storage/segregation, real-time review of contractor information systems, and tool control.

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

Processes. Processes are a set of interrelated or interacting activities that use inputs to provide an intended result.

Process Evaluation. Process Evaluation is a **surveillance category** that is used for conducting surveillance of a system/subsystem/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 conducted or executed as a single review, on a recurring (e.g., weekly, monthly) interval, or on an ongoing basis for a specified duration.

Process Evaluation Baseline. Process Evaluation Baseline is a baseline that is established after a comprehensive end to end evaluation of the entire process. It aids DCMA in obtaining a deeper understanding of the entire process. This baseline will drive the scope of future surveillance, which may be performed on a subset of the process based on risk. This baseline must be considered/performed the first time a process is evaluated based on inherent risk or after major process changes have occurred.

Process Output. Process Output is a work product or artifact that is generated based on requirement(s) of a process, policies/procedures, or contract.

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 verified 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 contract status and/or progress.

Reconcile. Reconcile is a **surveillance technique** that is used for item examination or comparison using related data sets obtained from different sources to determine accuracy and/or identify errors. Examples include reconciling contractor OTD records with DCMA OTD records, property records to property serial numbers, drawing characteristics to the product configuration, and actual costs to contractor books and records.

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 contract 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, product, or services. 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 make a determination or conclusion.

Surveillance Category. Surveillance Category is an overarching grouping of surveillance evaluations with similar objectives. All types of surveillance fall within one or more of the three overarching surveillance categories:

- Process Evaluation
- Progress Evaluation
- Deliverable Product or Service Evaluation

Surveillance Techniques. Surveillance Techniques are actions (verbs) that describe collecting and/or assessing data. There are 14 standard surveillance techniques. Multiple surveillance techniques can be used during a surveillance event. Some techniques can be performed concurrently (e.g., interview can be done during an inspection). Also, one surveillance technique can support other techniques (e.g., examine can support analyze). Surveillance techniques must be identified no later than the Initiate Surveillance Activities step and can be adjusted as necessary. The 14 standard surveillance techniques are:

- Analyze
- Examine
- Forecast
- Inspect
- Interview
- Measure
- Monitor
- Observe
- Reconcile
- Test
- Trend
- Validate
- Verify
- Witness

System. System is a set of detailed methods, processes, and routines created to carry out a specific activity, perform a duty, or to achieve an objective. A collection of interrelated or interacting processes used by the contractor to manage or control their operation(s). Examples are Contractor Business Systems, quality systems, engineering systems, and other management systems.

Test. Test is a **surveillance technique** that supports product acceptance when DCMA is mandated/required to **conduct** all or portions of a contractually required test through physical operation of the product, system, sub-system, or test equipment. It also applies when DCMA records test data for the official test record. Examples include DCMA operating test equipment, performing a flight or driving test, or recording test data during the test. The test technique is not the same as monitoring or witnessing a test.

Trend. Trend is a **surveillance technique** that is used for evaluating a data set over time to assess the rate of change and trajectory. Examples include trending OTD, cost overruns, and contractor performance metrics.

Validate. Validate is a **surveillance technique** that is used to confirm or determine that a process, product, or service meets the intended objective or need as viewed by user and supports a validation determination. Validate is a measure of effectiveness; it is not the same as verify. For example, this technique can be used for validating that a CAP is effective and has met the desired intent of fixing the problem. Another example is the software application meets the desired intent/need of the user as validated through flight test, live fire test, or other tests performed by the user.

Validation. Validation is a determination or confirmation that a process, product, or service meets the intent or need as viewed by the end user. Validation is a conclusion that may be reached after application of surveillance techniques.

Verification. Verification is a determination or confirmation of conformity/compliance to contractual or policy/procedure requirements through objective evidence. Verification is a conclusion that may be reached after application of surveillance techniques.

Verify. Verify is a **surveillance technique** that is used to confirm or determine the level of conformity/compliance to contractual or policy/procedure requirements through objective evidence. The technique supports a verification determination. Verify is often used after techniques such as analyze, examine, observe, or test. Examples are: the software meets the design requirements as verified through test; the contractor's ECP, report, or log meets the policy/procedure requirements; contractor costs are charged in alignment with the Disclosure Statement; or the contractor implemented the actions identified in their CAP.

Witness. Witness is a **surveillance technique** that is used for **100 percent observation**, of an entire event to confirm the occurrence of the event and/or adherence to requirements. This can be a very labor intensive technique. This technique can be required by a procuring activity or self-imposed when the risk is high. Examples include witnessing tests, lifts, and critical events.

GLOSSARY

G.2. ACRONYMS.

CAP	corrective action plans
CDRL	contract data requirements list
CMO	contract management office
DCMA-INST	DCMA Instruction
DCMA-MAN	DCMA Manual
DFARS	Defense Federal Acquisition Regulation Supplement
ECP	engineering change proposal
FAR	Federal Acquisition Regulation
IAW	in accordance with
IT	information technology
NASA	National Aeronautics and Space Administration
OTD	on time delivery

REFERENCES

DCMA-INST 2303, “Surveillance” TBA
DCMA-INST 3101, “Program Support” TBA
DCMA-MAN 3101-03, “National Aeronautics and Space Administration (NASA)” TBA
DoD Directive 5105.64, “Defense Contract Management Agency (DCMA),” January 10, 2013