



DCMA Manual 4201-09

First Level Supervisor Review

Office of Primary Responsibility

Talent Management Capability

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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.dcmsa.mil/sites/policy/TM/SitePages/4201-09r.aspx>

Approved by:

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Purpose: This issuance, in accordance with the authority in DoD Directive 5105.64:

- Implements DCMA-INST 4201, "Civilian Personnel."
- Assigns roles and responsibilities, and provides procedures for the first level supervisor to perform supervisory compliance reviews of assigned functional specialists, processes and/or key controls, and monitor efficacy of applicable Code of Federal Regulations, DoD and DCMA regulations, procedures, guidance and instructions.

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This Manual applies to DCMA Contract Management Office (CMO) Commanders/Directors/Center Directors and their reporting functional directors/center group leaders, First Level Supervisors (FLS), and personnel performing duties and responsibilities as mandated by applicable laws, regulations, DCMA process instructions and manuals while performing contract administration functions as defined in Federal Acquisition Regulation (FAR) 42.302(a).

1.2. POLICY. First Level Supervisor Reviews (FLSR) were developed to annually assess the employee's compliance in carrying out assigned responsibilities. The intent of the FLSR is to monitor, document, and assist employees with their ability to understand and implement the FAR, Defense Federal Acquisition Regulation Supplement (DFARS), DCMA functional instructions, and other higher level guidance as applicable in the performance of their regular duties.

a. FLSRs must be documented in the FLSR agency (DCMA) approved capability tool specified on the resource page or appropriate Talent Management Capability Chairperson approved alternate method.

b. All deviation/waiver requests for this Manual must be in accordance with (IAW) DCMA Instruction (DCMA-INST) 501, "Policy Issuances Program."

c. All personnel will ensure that execution of this Manual is conducted in a safe, efficient, and ethical manner.

SECTION 2: RESPONSIBILITIES

2.1. CHAIRPERSON, CAPABILITY BOARD. The Capability Board Chairperson must:

a. Approve or disapprove requests for waiver/deviation from the FLSR manual to include alternate methods, which do not use the agency (DCMA) approved capability tool. This subparagraph applies only to the Talent Management Capability Board Chairperson.

b. Determine which manuals within their capability will have FLSR Checklists.

c. Ensure FLSR Checklists are developed and maintained for applicable manuals. Checklists will be developed using the process key controls. The key control will not be in the FLSR Checklist if it is covered by Financial Improvement and Audit Readiness (FIAR) documentation. Checklists will be updated within 60 days of Instruction/Manual publication or update.

d. Review Checklists, policy, and training gaps annually.

e. Approve or disapprove the removal of manual Checklists within their capability. Approval may be granted when:

(1) Checklist information is already contained in FIAR records.

(2) Checklist information is contained in non-FIAR records, which contain supervisors review, date, and signature. These records must be maintained IAW the DCMA records retention schedule.

2.2. CONTRACT MANAGEMENT OFFICE COMMANDER/CENTER DIRECTOR.

The CMO Commander/Director/Center Director must:

a. Implement a FLSR program, within their CMO or Center, which verifies the required annual completion of FLSRs IAW this Manual.

b. Review non-compliances and identify potential training and policy gaps annually.

2.3. FUNCTIONAL GROUP LEADER/CENTER GROUP LEADER. The Functional Group Leader/Center Group Leader must:

a. Ensure the FLSs assigned to their group/center understand and comply with their FLSR responsibilities as defined in this Manual.

b. Provide functional analysis annually (at a minimum) to identify areas for improvement (e.g., CMO/Center level improvements, recommendations for corrective actions, potential training, eTool improvements, policy gaps).

c. Ensure FLS reviews are completed for vacant supervisor positions or temporary positions assigned for less than 120 days. The Functional Group Leader/Center Group Leader may utilize the assigned lead technical personnel, Subject Matter Expert (SME), and supervisors from other teams to ensure the required reviews are completed.

2.4. FIRST LEVEL SUPERVISOR. The FLS must:

a. Review the applicable DCMA capability Instructions/Manuals to determine the processes that apply to the assigned duties of the functional specialist.

b. Use the FLSR agency (DCMA) approved capability tool or Agency approved alternate method provided on the FLSR Manual Resource Page to schedule, conduct, and document FLSR results.

c. Document verification(s) and corrective action(s) for non-compliances noted during the FLSR using the agency (DCMA) approved capability tool or Agency approved alternate method provided on the FLSR policy resource page.

d. Be responsible for completion of the FLSR, but may utilize the assigned lead technical personnel, SMEs, and supervisors from other teams to ensure the required reviews are completed.

SECTION 3: PROCEDURES

3.1. FIRST LEVEL SUPERVISOR REVIEW INTRODUCTION. FLSR documentation supplements the annual FIAR controls and is not used for employee performance ratings.

a. FLSRs enable the FLS to review the following (as applicable):

(1) Assigned functional specialists' work products IAW applicable regulations and DCMA capability instructions and manuals to observe, document, and verify compliance.

(2) Transactions for compliance with established processes to ensure financial and transactional key controls are completed as required.

b. The FLSR process helps accomplish mission objectives by:

(1) Verifying the functional specialist's compliance in execution of regulations and DCMA Capability instructions and manuals.

(2) Documenting FLSR non-compliances and maintaining records of FLSR follow-ups and corrective actions.

(3) Incorporating, if required, FLSR corrective actions into training plan(s) for the assigned functional specialist or, if applicable, the CMO/Center.

(4) Providing structured feedback for process improvements (e.g., recommendations for corrective actions, potential training, CMO/Center level improvements, eTool improvements, and policy gaps).

3.2. DETERMINE FIRST LEVEL SUPERVISOR REVIEW METHODS, CONTROLS, AND FREQUENCY.

a. FLSR Methods. FLSRs may be accomplished by performing partial reviews, full reviews, or a combination thereof. Partial reviews and full reviews ultimately combine to complete a total review of a functional specialist's assigned duties and work assignments.

(1) Partial Review. Defined when a portion of the applicable elements in the FLSR agency (DCMA) approved capability tool Checklist (or approved alternate) has been completed.

(2) Full Review. Defined as complete when all applicable elements contained in a single FLSR agency (DCMA) approved capability tool Checklist (or approved alternate) are accomplished.

(3) Total Review. Defined as complete when all the FLSR agency (DCMA) approved capability tool Checklists (or approved alternate) that the FLS has determined to be applicable to the functional specialist are accomplished.

b. FLSR Controls. The FLS may use their own discretion as to the specific method to perform the FLSR; however, regardless of the method selected, the following controls apply:

(1) Contracts, documents, and records chosen to support the review must encompass the time period since the last FLSR.

(2) FLSR samples will be commensurate with the risk indicated by historic performance per process, per individual and previous FLSR results. See the example FLSR Sampling Decision Chart located on the Resource Page for example process and sample size information.

(3) Review must be based on documented requirements, as outlined in the applicable Checklist items, and consistently applied to each functional specialist.

c. FLSs must not delegate the overall responsibility for validating and completing FLSR results for assigned personnel.

(1) FLSs may enlist other qualified personnel to ensure an accurate and complete FLSR is performed. This is especially important when an FLS lacks proficiency in a specific process. FLSs enlisting assistance of qualified personnel must validate all information including, but not limited to, work products used, data collected, and documented FLSR results prior to certifying the FLSR as complete.

(2) FLSs will schedule, conduct, and document reviews to ensure that assigned functional specialists understand and execute applicable regulations, instructions and manuals related to their assigned workload. The FLS must verify compliance using the Checklists provided by the various capability boards and maintain adequate records to monitor corrective actions and recommendations for improvement.

d. A newly hired, promoted, or reassigned FLS must be allowed a 90-day period before being required to schedule FLSRs on assigned functional specialists. The start date of this period begins on the effective date of the new assignment. Full reviews must be completed within the current calendar year (CY) unless the 90 day period starts later than October 1st in which case the full review must be completed in the following calendar year.

e. In cases when there is no assigned FLS, or the FLS is temporarily assigned for less than 120 days, the Functional Group leader/Center Group leader is responsible for ensuring completion of FLS reviews within the required timeframe. To accomplish this the Functional Group leader/Center Group leader may print out the applicable Checklists and assign the team's technical/work lead, another supervisor, or other SME to work with employees to evaluate and document their FLS reviews. The Functional Group leader/Center Group leader will validate the results and enter them into the agency (DCMA) approved capability tool. The 120 day+ temporarily promoted supervisors will conduct reviews on their assigned employees IAW the 90 day requirement in paragraph 3.2.f. The CMO/Center/Directorate will provide the temporary supervisor assistance as needed.

f. FLSR Frequency. Reviews must be conducted on elements of each applicable regulation, instruction, and manual every CY. Reviews must be conducted at 6 or 12 month intervals depending upon risk. Risks may include but are not limited to, personnel new to DCMA, critical functional processes, Critical and Major deficiencies documented in previous reviews requiring corrective action, and more.

(1) Reviews for personnel new to DCMA must be scheduled between 90 and 100 days after the date they receive a workload.

(2) Reviews for DCMA employees transferred to new teams must be scheduled between 90 and 100 days after the date they receive a workload. If a qualified individual transfers within the same CMO/Center and adopts the same workload, the FLSR records from their former FLS may be used by the gaining FLS to satisfy the FLSR requirements for those applicable process instructions the individual had previously fully completed within the current FLSR cycle.

(3) A total review must be completed for each assigned functional specialist every CY for contiguous U.S. personnel and outside contiguous U.S. personnel on orders longer than 12 months. Personnel augmenting DCMA International (DCMAI) on 12 month or less orders will be exempt from FLSR for the duration of their orders. If a person augmenting DCMA International Command (DCMAI) on 12 month or less orders is extended past 12 months, the required FLSR reviews will be completed by the DCMAI supervisor that the employee reports to.

3.3. DETERMINE APPLICABLE REGULATIONS, PROCESS INSTRUCTIONS, TRANSACTIONAL REQUIREMENTS, AND SCHEDULE FIRST LEVEL SUPERVISOR REVIEW.

a. The FLS must determine applicable regulations, process instructions, and transactional requirements based on the employee's actual workload. Once determined applicable, the FLS will schedule FLSRs for each assigned functional specialist using the FLSR agency (DCMA) approved capability tool (or approved alternate). FLSRs must not be scheduled for any regulation, process instruction or transactional requirement that is not in the employee's currently assigned workload.

b. For each applicable regulation, process instruction, and transactional requirement, the FLS must determine which elements are: applicable, not applicable, or deferred for a later review. Any elements deferred (e.g., due to time constraints, new employee, illness, extended temporary duty, Contingency Contract Administration Services, or to gather additional information to determine applicability) require an eventual selection of applicable or not applicable to enable the requirements for completing a FLSR to be closed out in the FLSR agency (DCMA) approved capability tool.

3.4. CONDUCT, DOCUMENT, AND COMPLETE THE FIRST LEVEL SUPERVISOR REVIEW.

a. The FLS must focus on those areas needing more oversight based on risk assessment from performance review findings (e.g., Inspection and Evaluation Team (IET), Corrective Action Status Review, Boards of Review findings, Management Internal Control Reviews, headquarters or operational unit directed, DCMA Items of Interest, etc) by decreasing from CY to 180 day reviews.

b. Record how each specific element was reviewed. At a minimum, review documentation must identify:

(1) Reviewer's name, organization code, functional specialist name (automatically completed by the eTool).

(2) Date(s) of review (automatically completed by the eTool).

(3) Reference process reviewed (automatically completed by the eTool).

(4) Specific surveillance plan(s) by name (if applicable) chosen to validate the review.

(5) What is being reviewed (e.g., specific contracts, documents, and records).

(6) Supplier(s), facility(ies) and/or program(s).

(7) Specific location of the documents that were reviewed (See the FLSR Desk Guide for FLS on the resource page for examples).

c. Record FLSR non-compliances. Any non-compliances the FLS determines to be major or critical will require immediate corrective action(s) and a follow up verification review within 90 days (scheduled in the FLSR agency (DCMA) approved capability tool) must be recorded. All other non-compliances, considered minor, with a functional instruction element also require corrective action(s) but do not require documentation in the eTool or follow-up reviews. Critical, Major and Minor non-compliances are defined as follows:

(1) Critical. Workload documentation omissions, which can lead to lack of surveillance on critical safety items (CSI), Navy Special Emphasis Program (NSEP) items, or can lead directly to significant injury, significant economic loss, etc.

(2) Major. Workload documentation omissions of important contractual information which can lead to lack of higher level quality surveillance, late shipment, delayed payments, etc.

(3) Minor. Workload documentation omission of contact information, typos, clerical errors (i.e., information that is needed or poorly documented but will not result in a critical or major non-conformance.)

d. Record the total number of observations and the total number of non-compliant observations for each regulation and/or functional instruction element.

e. Record the review decision. The decision will be Satisfactory (No Critical or Major non-compliances)/Unsatisfactory (One or more Critical or Major non-compliances)/ or Deferred.

f. When a full review is completed on a process instruction, the CY requirement is satisfied. However, in the event an FLSR is in-process and a revised Checklist for that instruction/manual is posted in the FLSR agency (DCMA) approved capability tool with new requirements, the FLS may either complete the FLSR in-process or opt to conduct the FLSR using the new Checklist. In this case, either the previous Checklist (completed prior to the new Checklist effective date) or new Checklist will count as the CY review when completed. When new Checklists are added to the FLSR agency (DCMA) approved capability tool a message is posted within the eTool announcing the new Checklist and its implementation date. The implementation date will generally be 30 – 90 days after it is uploaded to the eTool and will be stated in the announcement.

g. FLSR records will be maintained in the FLSR agency (DCMA) approved capability tool (or approved alternate) for a minimum of two years from the date of completion.

GLOSSARY

G.1. DEFINITIONS.

Compliance. The action or fact of complying with regulations, instructions or commands. It requires relevant knowledge, skills, and abilities, which are gained largely from professional experience, training, and certifications.

Element. A single question or verification statement within each FLSR agency (DCMA) approved capability tool (or approved alternate) Checklist for each process instruction.

Observation. The act of verifying, at predetermined incremental stages, if the condition of a particular scope of work, activity, task or assembly, meets or exceeds the distinctive characteristics, properties, or attributes that have been specified and defined.

Verification. The evaluation of whether or not a product, service, or system complies with a regulation, requirement, specification, or imposed condition. It is often an internal process.

GLOSSARY

G.2. ACRONYMS.

CMO	Contract Management Office
CY	Calendar Year
DCMAI	DCMA International Command
DCMA-INST	DCMA Instruction
DCMA-MAN	DCMA Manual
FAR	Federal Acquisition Regulation
FIAR	Financial Improvement and Audit Readiness
FLS	First Level Supervisor
FLSR	First Level Supervisor Review
IAW	in accordance with
SME	subject matter expert

REFERENCES

DCMA Instruction 501, "Policy Issuances Program," April 13, 2017
DoD Directive 5105.64, "Defense Contract Management Agency (DCMA)," January 10, 2013
Federal Acquisition Regulation, 42.302, "Contract Administration Functions"