



DCMA Instruction 2303 Surveillance

Office of Primary Responsibility	Contractor Effectiveness Capability
Effective:	November 5, 2018
Change 1 Effective:	July 21, 2020
Releasability:	Cleared for public release
New Issuance	
Internal Control:	Not Applicable
Labor Codes:	Located on the Resource Page
Resource Page Link:	https://360.intranet.dcm.mil/Sites/Policy/CE/SitePages/2303r.aspx
Approved by:	David H. Lewis, VADM, USN, Director
Change 1 Approved by:	David G. Bassett, LTG, USA, Director

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

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

SUMMARY OF CHANGES

This Instruction has substantive changes. Agency users and stakeholders should read DCMA-INST 2303 in its entirety. The following identifies the most notable changes:

- Updated Section 2: Responsibilities from DCMA-MAN 2303-series to DCMA-MAN 2303-01, “Surveillance”
- Replaced Figure 1
- Replaced Paragraphs 3.2.a. through 3.2.d.
- Changed “Adequacy” definition
- Removed references DCMA-MAN 2303-01, “Assess Risk,” DCMA-MAN 2303-02, “Plan Events,” DCMA-MAN 2303-03, “Execute with Standard Techniques,” DCMA-MAN 2303-04, “Documents and Provide Feedback”
- Added reference DCMA-MAN, 2303-01, “Surveillance”

TABLE OF CONTENTS

SUMMARY OF CHANGES	2
SECTION 1: GENERAL ISSUANCE INFORMATION	4
1.1. Applicability.....	4
1.2. Policy	4
SECTION 2: RESPONSIBILITIES	5
2.1. DCMA Component Heads and Capability Managers.....	5
2.2. Operational Unit Commanders/Directors and Center Directors	5
2.3. Contract Management Office (CMO) Commanders/Directors	5
SECTION 3: GENERAL PROVISIONS	6
3.1. Description	6
3.2. Manual	6
GLOSSARY	
G.1. Definitions	8
G.2. Acronyms	10
REFERENCES	11
FIGURE	
Figure 1. Surveillance Plan-Do-Check-Act.....	6

SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This Instruction applies to all DCMA activities unless higher-level regulations, policy, guidance, or agreements take precedence (e.g., National Aeronautics and Space Administration (NASA)). Exception; the Director, Special Programs Command must meet the intent of this Instruction to the maximum extent practicable for all Special Access and Sensitive Compartmented Information contracts. The terms “contractor and subcontractor” are synonymous with the terms “supplier and sub-tier supplier.”

1.2. POLICY. It is DCMA policy to:

- a. Perform surveillance functions in compliance with the Federal Acquisition Regulation, Defense Federal Acquisition Regulation Supplement, and other applicable regulations, supplements, and directives in accordance with DCMA Instructions.
- b. Ensure Detection to Prevention (D2P) Business process is implemented.
- c. Execute this Instruction in a safe, efficient, effective, and ethical manner.

SECTION 2: RESPONSIBILITIES

2.1. DCMA COMPONENT HEADS AND CAPABILITY MANAGERS. DCMA Component Heads and/or Capability Managers will make sure issuing and deploying surveillance related publications, training, guidance, and tools align with this Instruction and DCMA Manual (DCMA-MAN) 2303-01, “Surveillance.”

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

- a. Implement the applicable surveillance processes as published in DCMA-MAN 2303-01.
- b. Implement surveillance process by ensuring continuous improvements and initiatives through the agency capabilities and functions.
- c. Ensure their issuing and deploying surveillance related training, guidance, standard operating procedures and tools align with this Instruction and DCMA-MAN 2303-01.

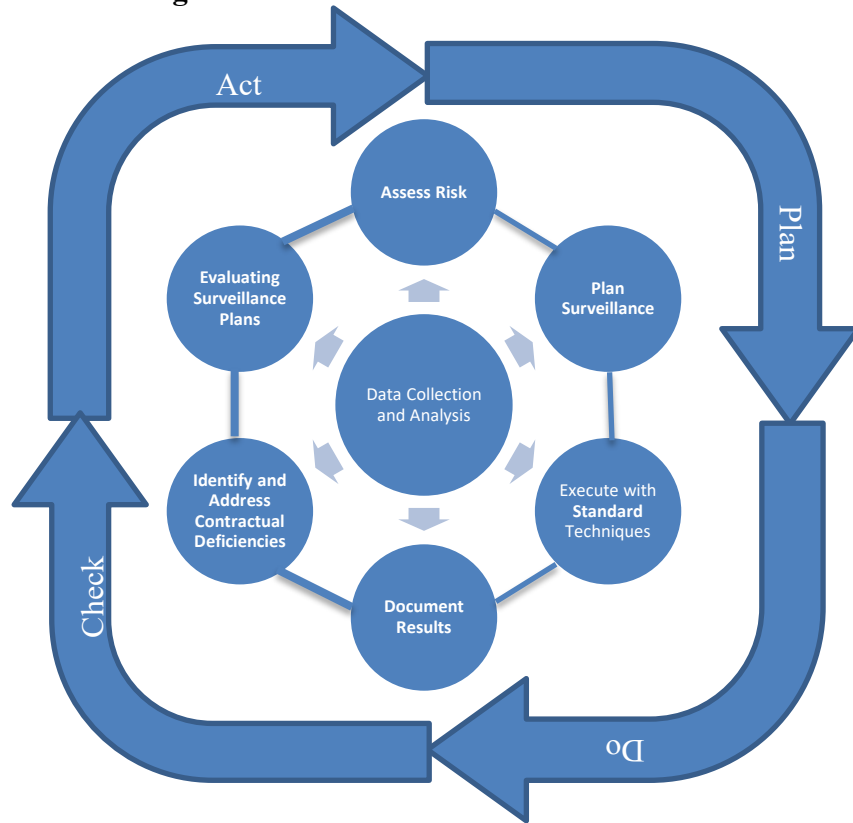
2.3. CONTRACT MANAGEMENT OFFICE (CMO) COMMANDERS/DIRECTORS. CMO Commanders/Directors will:

- a. Execute and oversee their organization’s surveillance process as published in DCMA-MAN 2303-01.
- b. Implement a D2P approach to improve surveillance-process strategy.
- c. Evaluate their organizations’ surveillance process compliance, performance, and effectiveness. (See Resource Page for D2P.)
- d. Ensure the surveillance process, by ensuring continuous improvements and initiatives through the agency capabilities and functions.
- e. Make sure CMO issuing and deploying surveillance related training, guidance, standard operating procedures, and tools align with this Instruction and DCMA-MAN 2303-01.

SECTION 3: GENERAL PROVISIONS

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

Figure 1. Surveillance – Plan Do Check Act



3.2. MANUAL. The Manual that supports this Instruction is DCMA-MAN 2303-01. The Manual prescribes the procedures for:

- a. Implementing a risk assessment process used to plan surveillance.
- b. Implementing a surveillance planning process used to plan and schedule.
- c. Standardizing surveillance terminology and techniques used when planning and executing surveillance.
- d. Documenting surveillance results.
- e. Identifying and addressing contractor performance deficiencies through surveillance.

- f. Evaluating data and updating surveillance plans.
- g. Conducting Data Collection and Analysis throughout all phases of surveillance.
- h. Providing acquisition insights to multi-functional team, customers, and CMO leadership.

GLOSSARY

G.1. DEFINITIONS.

Adequacy. The ability to satisfy a requirement for a particular purpose.

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

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

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

Deliverable Product Evaluation or Deliverable Service Evaluation. Is a **surveillance category**.

Deliverable Service. 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.

Detection to Prevention Process. A surveillance/management strategy that reduces redundant surveillance and end product inspections. D2P focuses instead on process capability; risk assessment/mitigation; verification of contractors' systems, processes, and outputs; and data-driven actionable information.

Operational Units. DCMA Operational Units (International Command, Special Programs Command, Eastern Regional Command, Central Regional Command, Western Regional Command, Cost and Pricing Regional Command, Business Operations Center, Closeout Center, Earned Value Management System Center, Logistic Center, and Safety Center) serve at the operational level and are responsible for contract administration functions within their area of responsibility or as aligned by other means. In addition, the Operational Units are responsible for resource management and budget planning and execution for aligned subordinate organizations. Operational Units' also provide operational direction, guidance, mission assistance and staff support to the CMOs. The Operational Units mission and functions are defined in the Concept of Operations. (DCMA-MAN 4501-03, "Organization Structure, Mission and Functions").

Plan-Do-Check-Act. The PDCA cycle is a four-step model for carrying out change.

Process Evaluation. Process Evaluation is a **surveillance category** that is used for conducting surveillance of a system, subsystem, and/or process (referred to as "process"). Process Evaluation must be used when assessing Contractor Business Systems, quality systems, management systems or processes (primarily at the multi-facility or facility level). It involves evaluating contractor process adequacy, compliance, and outputs. Process evaluations may be a

single review or executed through a recurring (e.g., weekly, monthly) or ongoing basis for a specified duration.

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

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

Surveillance. A multifunctional effort using Data Collection and Analysis that provides a holistic insight of the contractor's compliance with the contract(s). Surveillance consists of activities to review and analyze contractor plans, financials, 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 support a determination or conclusion (e.g., acceptance, disapproval, recommendation). Surveillance activities apply primarily to post-award but may apply to some pre-award activities.

Surveillance Category. 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 Plan. (1) A documented strategy for surveillance including identified risks, planned surveillance activities, and schedule for execution of planned surveillance activities; (2) Establishes the methodology the government will use to monitor and evaluate contractor performance and ensure the objectives of the contract are met; (3) The surveillance plan is the focal point for surveillance activities. The surveillance plan lays out the functional specialists' strategy and tactics for surveying contractor financial costs/operations/processes/products. The plan can be a comprehensive document representing an Integrated Product Team approach addressing functions such as safety, engineering, manufacturing and quality assurance etc.

Surveillance Schedule. A record of surveillance activities is included in the surveillance plan that identifies when and where surveillance will be conducted.

GLOSSARY

G.2. ACRONYMS.

CMO	Contract Management Office
D2P	Detection to Prevention
DCMA-INST	DCMA Instruction
DCMA-MAN	DCMA Manual

REFERENCES

Code of Federal Regulations, Title 48, Chapter 1, "Federal Acquisition Regulation"
Code of Federal Regulations, Title 48, Chapter 2, "Department of Defense"
DCMA Manual 2303-01, "Surveillance," May 17, 2020
DCMA Manual 4501-03, "Organization Structure, Mission and Functions," April 3, 2019
DoD Directive 5105.64, "Defense Contract Management Agency (DCMA)," January 10, 2013