DCMA Manual 2303-01, Volume 7
Surveillance: Quality Assurance

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Purpose: This manual is composed of several volumes, each containing guidance and requirements for surveillance. In accordance with the authority in DoD Directive 5105.64 and DCMA Instruction 2303, "Surveillance," this volume implements policy, assigns responsibilities, and provides procedures for the planning and execution of quality assurance surveillance.

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY.

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA Manual (DCMA-MAN) 2303-01, "Surveillance."

a. This volume applies to quality assurance (QA) specialists or QA engineers performing surveillance unless higher level regulations, policy, guidance, or written agreements take precedence.

b. QA engineers must follow additional requirements pursuant to Volume 4 of DCMA-MAN 2303-01, "Surveillance: Engineering."

c. NASA QA personnel must follow surveillance guidance pursuant to Volume 6 of DCMA-MAN 2303-01, "Surveillance: National Aeronautics and Space Administration."

1.2. POLICY.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

1.3. SPECIFIED FORMS AND INFORMATION COLLECTION.

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

a. Standard Inspection System Checklist.

(1) The purpose of the standard inspection system checklist is to perform an assessment of the standard inspection system. This assessment is required to verify the contractor has a system in place to assure only conforming supplies are provided to the government for acceptance.

(2) Standard Inspection System Checklist instructions:

(a) Functional specialists (FS) must perform an assessment of the contractor's inspection system on all contracts that include Federal Acquisition Regulation (FAR) 52.246-2 through 52.246-9. Details for planning and executing this assessment can be found in Sections 5 and 6 of this volume.

(b) The FS must document the results of a standard inspection system assessment in the Product Data Reporting and Evaluation Program (PDREP) pursuant to Section 7 of this volume.

(c) Standard inspection system assessments must be accomplished at a minimum of every 12 months or sooner if risk warrants. Detailed options for re-accomplishing this assessment can be found in Section 8 of this volume. The standard inspection checklist is located on the resource page of this manual.

b. DoD Form (DD Form) 1222, "Request for and Results of Tests."

(1) The purpose of DD Form 1222 is to document the **request** for a First Article Test (FAT), Production Lot Test (PLT), or Production Verification Test (PVT), or to document the results of the tests independently of the contractor's report(s) and finding(s).

(2) DD Form 1222 instructions:

(a) The FS must complete blocks 1 through 17 in Section A when requesting a report of test results and may complete blocks 18-23 if the information is known (See Section 7 of this volume for detailed guidance).

(b) The FS must fill out blocks 1 through 4 in Section B when providing test results.

(c) The FS must attach completed DD Form 1222s to the associated deliverable product evaluation (DPE) inspection details record in the PDREP. A blank DD Form 1222 is located on the resource page of this manual.

c. Stamp Inspection Record.

The purpose of the stamp inspection record is to maintain an annual accountability of inspection stamps. The DCMA inspection stamp record is located on the resource page of this manual. Detailed instructions are found on Page 2 of both the DCMA inspection stamp record and NASA inspection stamp record.

d. Records File Plan.

The records file plan is located on the resource page for this manual.

1.4. SUMMARY OF CHANGES.

This volume is a new issuance and must be reviewed in its entirety. This volume incorporates the inspection stamp process, FAT, PLT, PVT, and standard inspection system checklist from DCMA-MAN 2101-01, "Acceptance of Supplies and Services."

SECTION 2: RESPONSIBILITIES

The requirements, information, and guidance in this section are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

2.1. COMPONENT HEADS AND CAPABILITY BOARD MANAGERS.

In addition to assigned responsibilities pursuant to Section 2 of Volume 1 of DCMA-MAN 2303-01, component heads and capability board managers must ensure training is developed and executed for this volume.

2.2. OPERATIONAL UNIT (OU) COMMANDERS, DIRECTORS, AND CENTER DIRECTORS.

In addition to assigned responsibilities pursuant to Section 2 of Volume 1 of DCMA-MAN 2303-01, OU commanders, directors, and center directors must:

a. Provide direction or assist in developing operational procedures for inspection stamping.

b. Ensure completion of inspection stamp inventory every 12 months and report results to the DCMA Technical Directorate Stamp Custodian.

c. Ensure requirements pursuant to DCMA-MAN 2501-11, "International Requests for Contract Administration Services," are met.

2.3. CONTRACT MANAGEMENT OFFICE (CMO) COMMANDERS AND DIRECTORS.

In addition to assigned responsibilities pursuant to Section 2 of Volume 1 of DCMA-MAN 2303-01, CMO commanders and directors must ensure completion of inspection stamp inventory every 12 months and report results to OU commanders, directors, or center directors.

2.4. FUNCTIONAL DIRECTORS, DEPUTIES, AND GROUP LEADERS.

In addition to assigned responsibilities pursuant to Section 2 of Volume 1 of DCMA-MAN 2303-01, functional directors, deputies, and group leaders must appoint an inspection stamp custodian and ensure the custodian provides a completed annual inspection stamp inventory to OU commanders, directors, and center directors.

2.5. SUPERVISORS.

In addition to assigned responsibilities pursuant to Section 2 of Volume 1 of DCMA-MAN 2303-01, supervisors must:

a. Validate the need for inspection stamps based on a memorandum of agreement requirement from customers.

b. Ensure the FS completes all assigned surveillance-related training.

2.6. FS.

In addition to assigned responsibilities pursuant to Section 2 of Volume 1 of DCMA-MAN 2303-01, the FS must:

a. Create or update a surveillance plan in PDREP within 30 days of identifying a contract requirement.

b. Complete the standard inspection system assessment at a minimum of every 12 months, or sooner if risk warrants, and document in PDREP.

c. Review and correct identified data integrity discrepancies within agency systems of record.

d. Complete all assigned surveillance-related training.

e. Utilize, securely store, and account for inspection stamps.

f. Maintain stamp inventory results, complete stamp inventories annually, and report the results of completed inspection stamp inventories to their supervisor or functional directors, deputies, and group leaders if designated as the inspection stamp custodian.

2.7. ADMINISTRATIVE CONTRACTING OFFICERS (ACO).

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

SECTION 3: SURVEILLANCE OVERVIEW

3.1. SURVEILLANCE OVERVIEW.

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

a. This is a QA-specific functional volume for surveillance.

b. The U.S. Government and the DoD refer to surveillance as "Government Contract Quality Assurance" pursuant to the FAR and Defense Federal Acquisition Regulation Supplement.

3.2. SURVEILLANCE GUIDANCE.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

SECTION 4: RISK ASSESSMENT

4.1. PREPARING FOR RISK ASSESSMENT.

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

a. Following the two inter-related steps involving key contract requirement (KCR) validation and determination for KCR surveillance, the FS prepares for risk assessment by coordinating with the contractor to become familiar with the contractor's inspection system, processes, and sub-processes.

b. The FS becomes familiar with the contractor's inspection system, processes, or sub-processes by reviewing contractor information such as build package(s), manufacturing and assembly flow procedures, or process work breakdown structure. Once familiar, the FS can pair the contractor's inspection system and associated process or sub-processes with associated KCRs

c. When reviewing a contract, the FS should identify if there are special testing requirements (e.g., FAT, PLT and PVT) from the buying command. FAT, PLT, or PVT is usually invoked on a contract due to customer-identified risks such as a new product never produced by the contractor. These requirements often necessitate increased FS involvement, depending on the quality assurance letter of instruction (QALI), letter of delegation, or LOD, product complexity, contractors past performance, and data analysis. The FS must also address these requirements during risk assessment for surveillance planning.

(1) FAT includes extensive testing and evaluating for conformance with specified contract requirements before, or in the initial stage of, production of the contract line item(s). When the FS invoke FAT, the contract will include either:

(a) FAR 52.209-3 First Article Approval-Contractor Testing, which requires the contractor to notify the procuring contracting officer (PCO) before testing begins so the FS may witness tests. The contractor will perform the actual testing and submit a test report to the PCO through the listed government activity receiving the report.

(b) FAR 52.209-4 First Article Approval-Government Testing, where the government performs the actual testing to verify if the product conforms to specifications. The contract will specify the government testing facility, and the contractor will deliver the FAT item(s) within a specified timeframe.

(2) FAT usually includes a separate contract line item number and the contract will contain specific directions for acceptance and disposition of actual FAT samples. The FS should review the FAT requirements with the contractor to assist in reducing the risk of extended cost or schedule which could delay acceptance. Communication with the contractor is typically completed during a postaward orientation (PAO) but can be completed with an FS meeting if the ACO declines a PAO. Additional guidance for PAO and FS meeting is pursuant to DCMA-MAN 2501-01, "Contract Receipt and Review."

(3) FAR 46.291 Production Lot Testing validates quality conformance of products prior to lot acceptance. Before the PLT takes place, the contractor notifies the FS of the time and location of the test(s) for surveillance planning purposes. The FS should review PLT requirements with the contractor to assist in reducing the risk of extended cost or schedule which could delay acceptance. The FS typically reviews PLT requirements during a PAO but can complete this with an FS meeting if the ACO declines a PAO.

(4) A government-designated testing laboratory performs FAR 46.292 Product Verification Testing when invoked in a contract, which accompanies a QALI. Depending on when the FS invokes the PVT, the FS may be required to notify the contractor that PVT testing will be performed. Involvement by the FS will include selecting a random sample from the contractor's production lot.

(5) When the FS invokes FAT, PLT, or PVT requirements in the contract, the FS may document as a separate entry in the surveillance plan or may adjust existing surveillance.

4.2. RISK ASSESSMENT PROCESS.

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

a. If there is no documented performance history, the FS must coordinate a contractor meeting to understand the processes the contractor has in place to meet contractual requirements. If the FS has documented history with the contractor, then potential risk causes are likely identified (e.g., outputs from a FS meeting, pre-award survey results, customer complaints, results of standard inspection system assessment, or third-party certification).

b. For risk **consequence**, the FS is primarily focused on the severity of a system, process, sub-process, or product failure. The FS will identify what will happen if a failure occurs. QA mainly uses technical performance data, but the FS should coordinate with the award management team (AMT) when the consequence involves cost and schedule as prescribed in Table Q1. The FS can determine risk consequence based on information found in the contract, technical data package, QALI, letter of delegation, direct customer input, drawings, specifications, or other technical data. The FS can use this information, sometimes listed as a critical safety item (CSI), critical application item, or no designation in the contract, to understand what would happen if a product failure occurred. Once the FS determines the consequence ratings, the ratings should not change unless an engineering change occurs or additional information is introduced to cause a risk assessment change.

c. The FS must risk rate the entirety of the contractors Quality Management System (QMS). The FS must individually risk rate quality system clauses where data indicates a higher-risk and add those to the surveillance plan. The impact of failure from the QMS should be considered when determining a consequence rating (e.g., purchasing that includes subcontracted critical characteristics or critical manufacturing processes on a CSI).

Table Q1. Risk Consequence Rating Guidance and Criteria

Use this table in addition to Table 1 in Volume 1 of DCMA-MAN 2303-01 and DCMA-MAN 2304-01, "Critical Safety Items." Table Q1 supplements Table 1 in Volume 1. The FS must not copy and paste from the table.

Level	Cost	Schedule	Technical Performance
5 Severe, or High	Coordinate Consequence Risk Assessment with other functions associated with **cost** (e.g., ACOs, Contract Administrator (CA), program managers (PM), and program integrators (PI)).	Coordinate Consequence Risk Assessment with other functions associated with **schedule** (e.g., industrial specialists (IS), PMs, and PIs).	CSI are always a consequence of 5. For DCMA surveillance purposes, CSIs include aviation CSIs; personal protective devices such as small arms protective insert vests, gas masks, chemical and biological suits; parachutes; conventional munitions, artillery rounds, bombs, missiles, and Naval Sea System ship CSIs. Body armor can also be rated 4.
4 Significant, or High	Coordinate Consequence Risk Assessment with other functions associated with **cost** (e.g., ACOs, CAs, PMs, and PIs).	Coordinate Consequence Risk Assessment with other functions associated with **schedule** (e.g., ISs, PMs, and PIs.	Chemicals. Body armor can also be rated 5.
3 Moderate	Coordinate Consequence Risk Assessment with other functions associated with **cost** (e.g., ACOs, CAs, PMs, and PIs).	Coordinate Consequence Risk Assessment with other functions associated with **schedule** (e.g., ISs, PMs, and PIs).	Non-CSI Special Process, Special Packaging, Higher Level Quality System (See section 4.2.c.) Critical Application Item
2 Minor, or Low	Coordinate Consequence Risk Assessment with other functions associated with **cost** (e.g., ACOs, CAs, PMs, and PIs).	Coordinate Consequence Risk Assessment with other functions associated with **schedule** (e.g., ISs, PMs, and PIs).	Standard Packaging or standard Marking
1 Minimal, or Low	Coordinate Consequence Risk Assessment with other functions associated with **cost** (e.g., ACOs, CAs, PMs, and PIs).	Coordinate Consequence Risk Assessment with other functions associated with **schedule** (e.g., ISs, PMs, and PIs).	Commercial-Off-The-Shelf

d. Risk **likelihood** is directly related to the contractor's ability to correctly perform and control processes associated with contractual requirements. Risk likelihood ratings are always changing. The intent of surveillance is to influence and eventually decrease the risk likelihood rating through effective surveillance. Likewise, a low-risk likelihood rating may be immediately elevated after a risk emerges. FS can adjust risk likelihood ratings at any time and must support with documented analysis in the likelihood rationale statement block in the surveillance plan in PDREP. Documented analysis should align with most recent data collection and analysis (DC&A). The FS should treat consequence and likelihood **independent** of one another.

e. The FS should consider the results of the supplier's inspection system assessment when assessing risk likelihood. Deficiencies in a supplier's inspection system may allow defective product to escape into the supply chain.

f. The customer may issue QALIs to provide technical guidance to the FS assigned surveillance on the associated contract. When receiving a QALI, the FS must follow additional guidance pursuant to DCMA-MAN 2101-04, "Delegate Surveillance," and Subpart 246.103 of the Defense Federal Acquisition Regulation Supplement: Procedures, Guidance, and Information.

(1) QALIs occasionally contain instructions that are vague and do not provide enough information to execute. The FS receiving the QALI may contact the PCO, or the QALI point of contact, if additional information is necessary to understand the specific requirements.

(2) When the specified surveillance instructions are excessive (e.g., witnessing of lengthy or automated tests), the FS should establish communication with the issuing activity and propose alternative surveillance. If an agreement cannot be reached, the FS will elevate the issue through the chain of command.

(3) Once the QALI is negotiated and accepted, the FS will add the relevant KCR associated with QA requirements of the QALI to the surveillance plan for risk assessment.

SECTION 5: SURVEILLANCE PLANNING

5.1. SURVEILLANCE PLANNING.

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

a. The FS must create or update a surveillance plan in PDREP within 30 days of identifying a contract requirement. The FS will document surveillance planning in accordance with the "PDREP Surveillance Plan Module User Guide" step-by-step guidance located in PDREP under "References, Guides, and Manuals."

b. In addition to other agency accepted workload such as QALIs, host nation delegations, etc., QA personnel may receive commercial and non-commercial workload. Non-commercial contracts will include one or more clauses in Subsection 52.246-2 through 52.246-9 of the FAR. Subsection 52.212-4 of the FAR identifies commercial contracts within the contract. Commercial contracts rely on the contractors' existing QA system as a substitute for government inspection and testing before acceptance, unless the customer mandates in-process inspection. QA surveillance is typically limited to kind, count, and condition of end item through DPEs unless a commercial acquisition has an addendum, which expands the government's rights. For non-commercial contracts that include clauses in Subsection 52.246-2 through 52.246-9 of the FAR, the FS must complete the following:

(1) Standard Inspection System Assessment.

The FS will perform an initial standard inspection assessment for all contracts that include clauses in Subsection 52.246-2 through 52.246-9 of the FAR, unless Subsection 52.212-4 of the FAR is the only clause invoked on the contract.. The FS will perform an initial standard inspection assessment using the checklist assessment questions and document in accordance with this section and Section 7. When scheduling the initial standard inspection assessment, the FS will add KCR-QA-0008 "[52.246] Inspection System" to the associated surveillance plan. The FS must select "S/PE [system or process evaluation]" as the category, "annual" or "once" for the frequency, and "full" for the intensity. Once the assessment is completed, the FS will document the S/PE record as follows:

(a) Within the record's "Process Elements" section, select any process element category. For the "Process Element Question," enter the statement, "does the contractor have an inspection system acceptable to the government?" The FS will document their answer within the "Answer" section of the "Process Elements table" based on their results by entering the statement, "I have determined, based on objective evidence, that supplier xyz's inspection system is acceptable/is not acceptable to the government as of dd/mm/yyyy."

(b) Attach the checklist used for the assessment to the record **or**:

1. Document each standard inspection system checklist assessment question into the S/PE record's "Process Elements" section from the checklist and along with the associated answers. If the standard inspection system checklist questions are transferred into the S/PE record, the checklist does not have to be uploaded as an attachment.

2. After the initial standard inspection system assessment is complete, the FS may continue to validate the contractor's inspection system using DC&A in lieu of accomplishing the checklist each year by documenting the results within an annual DC&A record pursuant to Section 8.

(2) Counterfeit Detection and Avoidance System Assessment.

The FS must perform counterfeit mitigation on all contracts, even when it is not explicitly called out. The FS will select KCR-QA-0029 "Counterfeit Protection and Control" and for "process," the FS will select "Counterfeit Prevention Plan."

5.2. PRIORITIZE SURVEILLANCE.

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

a. Contractor Systems or Processes.

(1) All processes associated to KCRs, with an overall risk rating of moderate or high, must include scheduled surveillance utilizing one or more surveillance categories.

(2) Processes associated with KCRs with an overall risk rating of low do not always require scheduled surveillance. However, all low-risk processes will still be incorporated into DC&A as outlined in Section 8.

b. Surveillance Warranted.

Surveillance not warranted will occur when surveillance is postponed due to risk or resources (e.g., location, personnel availability, skill set requirements, etc.).

(1) Risk.

(a) Overall Low Risk.

If the FS does not schedule surveillance due to an **overall low** risk, the FS will select "no" for "surveillance warranted" and select the "risk" radio button.

(b) Overall Moderate or High Risk.

The FS must not select "no" for surveillance warranted due to risk for **overall moderate** or **high** risk-rated conditions.

(2) Resource Allocation.

(a) The FS should work with their supervisor to provide alternative surveillance options if resource constraints prevent surveillance. The supervisor will support and guide the FS to determine which alternative surveillance options the FS will utilize (e.g., utilizing different surveillance categories such as switching from a process evaluation (PE) to DPE, a combination of multiple categories, changing to virtual or remote surveillance, the reassignment of personnel to support the surveillance).

(b) When surveillance cannot be scheduled due to resources, the FS will select "no" for "surveillance warranted" and then select the "resources" radio button in PDREP. The FS must complete the unallocated hours block with the total hours that were estimated for surveillance (i.e., preparation, execution, and documentation). When unallocated hours are identified in PDREP, an automated notification is sent to the supervisor. The FS will also document the objective rationale, (i.e., resource constraints) in the "Surveillance Execution Info" field within PDREP if surveillance is not warranted due to resources.

5.3. DETERMINE TYPE OF SURVEILLANCE.

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

a. Surveillance Approach.

QA utilizes all three surveillance approaches to optimize resources and evaluate contractor performance to requirements. Documenting the surveillance approach in the surveillance plan is not required. The surveillance approaches are:

(1) Contract Surveillance.

The FS should use this approach when individual contract requirements have unique contractor processes that are not used for any other government contract. This is not the preferred approach for QA.

(2) Program Surveillance.

The FS should use this approach when the contractor's process requirements differ between multiple programs at one commercial and government entity code, such as risk or technical requirements. To plan a program level approach, the FS must indicate the program within the planned surveillance.

(3) Facility Surveillance.

The FS should use this approach when surveillance will cover all programs and contracts at the facility. The default surveillance approach in PDREP is facility surveillance.

b. Surveillance Category.

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01. The FS typically performs system evaluations (SE), PEs and DPEs.

(1) SE is identified as S/PE in PDREP.

(a) The FS must perform an initial analysis of results from existing QMS data which may include results of all first, second, or third-party audits, data from other government entities, assessments of the contractor's entire QMS, an initial S/PE to determine adequacy, or a combination when Subpart 52.246-11 of the FAR is identified in the contract. The FS should leverage existing DCMA data such as PE and DPE results, as well as DC&A.

(b) The FS must risk rate the QMS risk-rated as an overall system. Clauses where data indicates a higher-risk should be individually risk-rated and added to the surveillance plan.

(c) The FS must base QMS surveillance on risk and prioritize high or moderate rated clauses. For clauses rated low, surveillance is not required, but the FS should monitor data for changes. Clauses with planned surveillance must be scheduled.

(d) The FS can schedule a full or partial QMS evaluation. A partial QMS evaluation is less resource intensive and should be tailored to the contractor's higher risk manufacturing and support operations critical to contractual compliance. The FS must identify which clauses of the contractor's QMS are the highest risk or most relevant to product realization and add the specific elements to the surveillance plan.

(e) A full evaluation of the QMS should be considered when there is insufficient or negative trending data for the QMS.

(f) The following is guidance for QMS evaluation frequency, but the FS can adjust based on their specific workload.

- High Risk: Quarterly or semi-annually
- Moderate Risk: Annually
- Low Risk: No surveillance. Monitor data for risk changes.

(2) PE is identified as S/PE in PDREP.

A PE consists of evaluating and documenting the contractor's process elements (See Section 6 for detailed information on methods, manpower, materials, machinery, and environment (4Ms&E)). Some process examples include welding, plating, coatings, drilling, and nondestructive testing. The FS should schedule a PE to evaluate a contractor's risk when there is no known history of the contractor's process or the process is new to the contractor. Additional considerations include process changes such as new technology, new personnel, new qualification and certification requirements, and known contractor performance history

risks. PEs are the preferred surveillance category, as they allow the FS to identify potential deficiencies earlier in the manufacturing process (i.e., prevention versus detection).

(3) DPE.

The FS may utilize a DPE in any phase of the development or production of the product. This category includes, but is not limited to, evaluations of hardware, product, or contract data requirements list items in support of product acceptance. DPEs are not the preferred method for preventative surveillance.

5.4. DEVELOP SCHEDULE.

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

a. Frequency and Intensity.

When overall risk ratings are moderate or high, surveillance is necessary. Risk likelihood ratings also correlate with the intensity and frequency of surveillance. A higher risk likelihood should increase the intensity and frequency of surveillance.

(1) Frequency.

In addition to risk, when establishing the frequency for surveillance, consider the contractor's production schedule, production rates, customer-mandated requirements, and resources available.

(a) Set CSI-related frequencies in accordance with DCMA-MAN 2304-01.

(b) Table Q2. provides **recommended** surveillance frequencies based on surveillance category and risk rating. The FS should communicate with the lead or supervisor to discuss the potential impact to overdue tasks in PDREP.

Table Q2. Frequency Tables

Guidance Only			
Deliverable Product or Service Evaluation			
Risk Rating	**Risk Rating Color**	**Risk Rating Level**	**Recommended Frequency**
1-5	Green	Low	Surveillance not warranted *Unless a customer-mandated requirement is present
6-9	Green	Low	Surveillance not warranted *Unless a customer-mandated requirement is present
10-11	Green	Low	Annual or Surveillance not warranted *unless customer-mandated requirements
12-14	Yellow	Moderate	Quarterly or Semi-annually frequency; IDR as needed
15-19	Yellow	Moderate	Quarterly frequency; IDR as needed
20-25	Red	High	Monthly frequency; IDR as needed for each lot
Process Evaluation - Guidance Only			
Risk Rating	**Risk Rating Color**	**Risk Rating Level**	**Recommended Frequency**
1-5	Green	Low	Surveillance not warranted *Unless a customer-mandated requirement is present
6-9	Green	Low	Annual
10-11	Green	Low	Annual
12-14	Yellow	Moderate	Semi-annually
15-19	Yellow	Moderate	Semi-annually or quarterly
20-25	Red	High	Monthly, Quarterly, Semi-annually + DPE

(2) Intensity for DPE.

Determine the Acceptable Quality Level (AQL), using Table Q3. also found on the resource page of this manual. The FS must ensure the contract or customer does not prohibit sampling and that the sampling criteria do not exceed contractual requirements. If the contract or QALI does not require an AQL, the FS should use this DCMA criteria to determine the AQL.

The FS may use the Random Sample Generator, found on the resource page of this manual, to select random samples based upon the AQL.

(a) For CSI with critical characteristics, use an AQL of .40. Reduced sample sizes are not authorized. For increased risk, use a tightened sample size of .25. Utilize additional CSI-related guidance for intensities in accordance with DCMA-MAN 2304-01.

(b) For complex or critical products, excluding CSI, use an AQL of 1.0. When risk decreases, reduce the sample size to 1.5. For increased risk, use a tightened sample size of .65.

(c) For non-complex or non-critical products, use an AQL of 4.0. When risk decreases, reduce the sample size to 6.5. For increased risk, use a tightened sample size of 2.5.

Table Q3. Zero-Based Sampling Plan

	Acceptable Quality Level (AQL)															
LOT SIZE	**0.01**	**0.015**	**0.025**	**0.04**	**0.065**	**0.10**	**0.15**	**0.25**	**0.40**	**0.65**	**1.0**	**1.5**	**2.5**	**4.0**	**6.5**	**10.0**
1-8	A	A	A	A	A	A	A	A	A	A	A	A	5	3	3	3
9-15	A	A	A	A	A	A	A	A	A	A	13	8	5	3	3	3
16-25	A	A	A	A	A	A	A	A	A	20	13	8	5	3	3	3
26-50	A	A	A	A	A	A	A	A	32	20	13	8	7	7	5	3
51-90	A	A	A	A	A	A	80	50	32	20	13	13	11	8	5	4
91-150	A	A	A	A	A	125	80	50	32	20	19	19	11	9	6	5
151-280	A	A	A	A	200	125	80	50	32	29	29	19	13	10	7	6
281-500	A	A	A	315	200	125	80	50	48	47	29	21	16	11	9	7
501-1200	A	800	500	315	200	125	80	75	73	47	34	27	19	15	11	8
1201-3200	1250	800	500	315	200	125	120	116	73	53	42	35	23	18	13	9
3201-10,000	1250	800	500	315	200	192	189	116	86	68	50	38	29	22	15	9
10,001-35,000	1250	800	500	315	300	294	189	135	108	77	60	46	35	29	15	9
35,001-150,000	1250	800	500	490	476	294	218	170	123	96	74	56	40	29	15	9
150,001-500,000	1250	800	750	715	476	345	270	200	156	119	90	64	40	29	15	9
500,001 & Over	1250	1200	1112	715	556	435	303	244	189	143	102	64	40	29	15	9

Note: An "A" in place of a number indicates that all units in a lot must be inspected.

(3) Adjusting Intensity for DPE.

The FS may increase or decrease intensity based on data as long as all risk adjustments are justified in the risk likelihood rationale block. Surveillance on all production lots is not required if DC&A indicates the processes are in control and the overall risk is lower. Sampling reductions to intensity cannot be applied to CSI. For customer-mandated requirements, surveillance cannot be adjusted without coordination and customer concurrence.

(4) Intensity for PE.

The FS can schedule a full or partial PE.

(a) Full PE.

A full evaluation includes a single review and validation of all process elements and the entire process to determine adequacy, compliance, and effectiveness (e.g., when performing a full PE for non-destructive testing, the FS may review the contractor's procedures, performance

of the test to associated procedures, documentation and storage of test results, traceability and storage of the test equipment, and training records of the individuals performing the test). A full evaluation is beneficial when there is a higher risk rating or there is limited or no data available.

(b) Partial PE.

A partial evaluation includes a single review and validation of one or more process elements, but not the entire process, to determine adequacy, compliance, and effectiveness (e.g., when performing a partial PE for non-destructive testing, the FS may review only the contractor's procedures and performance of the test to those procedures.) The FS will use a partial evaluation when only parts of the process require surveillance due to risk, limited resources, or contractor availability has affected scheduling.

b. Allocated Hours.

(1) Allocating hours to surveillance is part of the surveillance planning process and is calculated to assist in time and resource management for surveillance. Allocated hours only serve as an estimation of the time required to complete planned surveillance and may differ from actual hours.

(2) The FS must account for the total time necessary for one surveillance occurrence when estimating allocated hours. The FS must document allocated hours for each KCR in the surveillance plan. Figure Q1. provides example of inputs and outputs to consider when calculating allocated hours. Travel time is not included in allocated or actual hours.

Figure Q1. Allocated Hours Considerations

Deliverable Product or Service Evaluation	System Process or Progress Evaluation
Communication and coordinating with contractor	Communication and coordination with contractor
Gathering documents for review prior to surveillance	Gathering documents for review prior to surveillance
Reviewing contractor and contractual procedures	Reviewing contractor and contractual procedures
Surveillance of product or service data package(s)	Conducting contractor pre-brief and out brief
Scope of product complexity, lot size, and AQL	Scope of evaluation, partial or full
Performing surveillance techniques on product	Planned system or process elements: 4Ms&E
Documenting surveillance results	Documenting surveillance results
Customer reporting	Customer reporting
Communicating results	Communicating results

5.5. SURVEILLANCE PLAN MODIFICATIONS.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

5.6. DELEGATE SURVEILLANCE DECISION.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

SECTION 6: EXECUTE SURVEILLANCE

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

6.1. PREPARE FOR SURVEILLANCE.

a. Determine Surveillance Logistics.

The FS should conduct surveillance as early as possible in the production cycle and in a manner as to not delay contractor work or delivery. The FS should communicate with the contractor beforehand and outline expectations for all surveillance taking place, including details for virtual or remote surveillance, access to procedures, building locations, visit times, employee contacts, etc.

(1) Pursuant to Subpart 52.246-2 of the FAR, the contractor must notify the FS for all surveillance requests. To ensure this communication takes place, FS must provide instructions to the contractor that specifies the notification time frame and method of advanced notification. The FS should also consider including which method(s) of communication to use, specifying manufacturing hold points, and additional personnel who may be included in the notification.

(2) The FS should review the contractor's documented policies, procedures, manuals, and instructions prior to conducting the PE. This effort assists the FS with planning questions for contractor personnel and recognizing what areas of the evaluation may have an increased risk. Performing a review prior to the PE will assist in confirming if the contractor uses the correct manufacturing sequence, completes milestones, has sufficient controls in place, and has the proper employee certifications and skills to meet requirements. The FS must review the contractor's work instructions, test equipment accuracy and calibration, drawings, document revisions, and any associated information relative to the surveillance performed on the contractors manufacturing process, or product characteristics. The FS must review the documentation used to record the results of the supplier's inspection process control in place or tests to determine the adequacy of contractor records.

(3) The FS should review contractually required technical data packages and characteristics and prepare the sample quantity or randomly selected serial numbers to be reviewed prior to conducting the DPE. The FS must ensure the contractor will have the appropriate measurement equipment, test reports, or other data packages available for review needed to conduct surveillance. The FS will issue a corrective action in accordance with DCMA-MAN 2303-05, "Addressing Contractor Noncompliances and Corrective Action Requests," when the contractor is not prepared with the aforementioned requirements.

b. Multifunctional Surveillance.

(1) One or more FS can execute surveillance of a process, product, service, or system. The FS should communicate and coordinate with the AMT for assistance in completing portions of surveillance. This prevents duplicative work and encourages information sharing.

(2) For packaging, handling, and storage surveillance, which includes packaging and plant clearance, the FS will execute risk-based surveillance in accordance with agency accepted workload requirements. The FS should communicate all surveillance adjustments and surveillance related concerns to the FS in accordance with DCMA-MAN 2101-03, "Packaging and Transportation Management," and DCMA-MAN 2501-04, "Plant Clearance."

c. Determine Surveillance Techniques.

Surveillance techniques are actions or methods of evaluating contractor's process. The three primary surveillance techniques most frequently used are (See Figure Q2 for more options):

(1) Inspect.

The FS uses the inspect technique or direct observation to determine whether a product complies with a contract, specification, data item description, or other defined requirements. The inspect technique applies to products or services provided to the government for acceptance and can be done in-process or at final acceptance.

(2) Monitor.

The FS monitors for periodic or ongoing reviews of data or a process. The FS can collect data through email, interviews, or data repositories, and then evaluate over time for compliance. The monitor technique is like witness but is more efficient with limited resources.

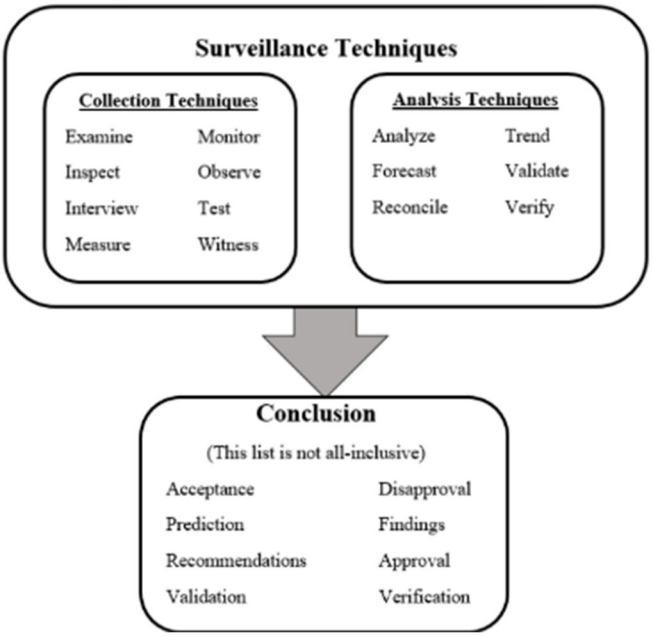
(3) Verify.

The FS verifies objective evidence to reach a conclusion or determine the level of conformity or compliance to requirements. The FS often uses the verify technique after using the analyze, examine, observe, or test.

(4) Other Techniques.

Figure Q2 lists the above most frequently used surveillance techniques along with the 11 other surveillance techniques the FS may use to determine a conclusion or compliance and conformance.

Figure Q2. Surveillance Techniques



6.2. EXECUTE SURVEILLANCE.

a. SEs and PEs.

(1) For SEs, the FS will execute QMS surveillance as scheduled on the surveillance plan.

(2) For PEs, the FS generally performs the evaluations onsite at the contractor's facility but can perform the evaluations remotely or virtually. During a PE, the FS will evaluate the contractor for adequacy, compliance, and effectiveness using the 4Ms&E framework. The 4Ms&E framework provides guidance on evaluating the various elements of the selected process. The 4Ms&E are:

(a) Methods.

Verify adequate methods are used for producing conforming products. Methods may include work instructions, test procedures, and production travelers.

(b) Manpower.

Verify the contractor has employees with the appropriate skill level and training to produce conforming products. Verify any contractual personnel qualification or certification requirements.

(c) Materials.

Verify materials are approved for use pursuant to the contract, statement of work, and drawings, meet technical requirements, and are properly stored and unexpired.

(d) Machinery.

Verify equipment and facilities are adequate to produce conforming products and comply with specifications and drawings. Verify test and measuring equipment is calibrated pursuant to the contractor's calibration program to assure production of conforming items in accordance with specifications and drawings. Verify equipment, tooling, software, or facilities requiring qualification or certification approval have obtained approval from the responsible contractual authority or specification preparing activity. Verify software used in running manufacturing, measuring, and test equipment is adequate to produce conforming products in accordance with specifications and drawings.

(e) Environment.

Verify processes are conducted under controlled environmental conditions pursuant to contractual or contractor-imposed technical requirements, if required.

b. Standard Inspection System Assessment.

(1) After the initial standard inspection system assessment has been completed, the FS may use DC&A results to complete the annual inspection system assessment requirement when there is documented surveillance history with the contractor with a minimum of 12 months performance. If DC&A does not include data for a particular element on the Standard Inspection Checklist, the FS must collect additional data or schedule surveillance in that area. The FS may continue to use the checklist annually and document in accordance with Section 7.

(2) The FS will answer the assessment questions on the checklist with a "yes" or "no" and objective evidence and rationale supporting the "yes" or "no" response, pursuant to the instructions of the checklist.

c. DPE.

The FS must issue a notification for any hold points where surveillance is required in the manufacturing process. A suggested hold point template is available on the resource page for this manual. For NASA hold points, guidance is pursuant to Volume 6 of DCMA-MAN 2303-01. If the contractor fails to provide the FS advance notification of when supplies will be ready for inspection pursuant to Subsection 52.246-2 of the FAR, the FS will issue a corrective action in accordance with DCMA-MAN 2303-05.

(1) DPE Execution.

Evaluating a product involves examining its characteristics to ensure they conform with specifications and testing those characteristics against defined requirements. Additionally, DPEs often include inspecting the characteristics of the process used to produce the product, such as test sheet data, calibration records, procedure and drawing revisions, production traveler signoffs, and completed process control logs. DPEs are conducted by the FS during the manufacturing process or in-process inspections, as well as, after the product is finished and

ready for delivery or final inspections. In certain cases, DPEs are limited to verifying the count, kind, and condition of items (i.e. confirming the correct quantity in a lot, ensuring the correct part number, and performing a visual check to verify correctness on commercial contracts.)

(a) FAT, PLT, or PVT Surveillance.

The contractor must provide the FS advanced notification when testing will take place in accordance with Subsection 52.246-2 of the FAR. If the contractor fails to provide advanced notification, the FS must issue a corrective action in accordance with DCMA-MAN 2303-05.

(b) For contractor or government testing, the FS must:

1. Verify the contractor's inspection or test records and test reports that demonstrate the supplies are in conformance to the contract and technical data package.

2. Ensure the FAT unit is marked, packed, and ready for shipment as identified in the contract.

3. Validate required records and reports are sent to the approval authority. If imposed, a DD Form 1222 is required for shipment of samples and reports. DD Form 1222 is linked on the resource page of this manual.

4. When required, validate the manufacturing processes, materials, and facilities used to produce the FAT or PLT production quantity are at the same facilities in accordance with Subsection 52.209-3, Alternate I Paragraph (i) of the FAR, and Subsection 52.209-4, Alternate I, Paragraph (j), respectively.

5. Mitigate risk for subcontractor facilities with DC&A identified risk.

(2) Re-inspection.

When supplies are not ready during times specified by the contractor for inspection or test, or are nonconforming, the FS should communicate this result with the assigned ACO. The FS will document in the surveillance record by noting that a re-inspection is required, cite the cause and issue a corrective action request in accordance with DCMA-MAN 2303-05.

6.3. RESCHEDULE OR CANCEL SURVEILLANCE.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

SECTION 7: DOCUMENT RESULTS

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

7.1. DOCUMENT SURVEILLANCE RESULTS.

a. Surveillance Record.

All surveillance records are considered official DCMA records, and FS must ensure that all objective documentation is detailed and accurate as this data will be used for DC&A, conducting risk assessments, updating surveillance planning, and generating internal and external reports that are reliable and informative.

b. Standard Inspection System Checklist.

Once the assessment is completed, the FS will either:

(1) Select any process element category within the record's "Process Elements" section, select any process element category. For the "Process Element Question," enter the statement, "does the contractor have an inspection system acceptable to the Government?" The FS will document their answer within the "Answer" section of the "Process Elements table" based on their results, by entering the statement, "I have determined, based on objective evidence, that supplier xyz's inspection system is acceptable/is not acceptable to the government as of dd/mm/yyyy."

(2) The FS will attach the assessment checklist to the record **or** document each standard inspection system form's assessment questions into the S/PE record's "Process Element" section from the checklist and their associated answers. If the Standard Inspection System form's questions are transferred into the S/PE record, the checklist does not have to be uploaded as an attachment.

c. FAT, PLT, or PVT Results.

The purpose of the DD Form 1222 is to document the request for a FAT, PLT, or PVT, or to document the results of the tests independently of the contractor's reports and findings. If the DD Form 1222 is required, the FS must include the following information:

(1) The characteristics specifically surveilled by the FS.

(2) A detailed description of any nonconformance in the test units, test results, or departures from the contractually specified procedures, if applicable.

(3) A recommendation for approval or disapproval, when the contract requires contractor conducted FAT, PLT, or PVT testing.

(a) FAT, PLT, or PVT Approval.

1. When the PCO retains FAT, PLT, or PVT approval, conditional approval, or disapproval authority, the PCO must sign the formal decision notification issued to the contractor.

2. When the FS receives FAT, PLT, or PVT approval, conditional approval, or disapproval from other than the PCO (i.e., the technical activity), the FS must forward a copy to the appropriate ACO for their coordination with the PCO. Formal notice to the contractor must be signed by the PCO.

3. When the PCO delegates FAT, PLT, or PVT approval, conditional approval, or disapproval authority to the ACO, the ACO must sign the formal notification to the contractor.

(b) FAT or PLT Unit Shipment.

1. Prior to shipment of a FAT unit or test report, the contract administrative office must provide the receiving activity with advance notification of the shipment in accordance with Section 9.307 of the FAR.

2. The FS must not authorize the contractor to ship FAT, PLT, or PVT units or test reports containing a known or suspected nonconformance, unless specifically directed in writing to do so by the contracting officer.

3. If deficiencies are identified in the letter of conditional approval, the FS must verify and document both that the contractor's corrective action(s) were implemented, and the deficiencies were corrected before accepting or authorizing shipment of any production quantities.

d. Inspection Stamping.

(1) Electronic or physical signatures must be used to confirm inspections were completed except when a memorandum of agreement exists that requires physical stamping. In some instances, the customer may mandate use of DCMA issued inspection stamps on documentation after surveillance is completed. When the customer requests stamping, the FS must apply the stamp impression in accordance with the applicable technical data package or documented customer instructions. When surveillance is required at a subcontractor, and when authorized, the FS may sign or stamp the shipping documents indicating all inspections were completed at that contractor's level.

(2) There are two DoD quality inspection approval stamp marking designs. The designs and associated use are:

(a) Partial Inspection Approval Stamp, circle design.

The FS will use the circle stamp as objective evidence to identify partial completion of government surveillance activities were performed (e.g., in-process DPE) and further surveillance is needed to determine the supplies meet all prime contract requirements. The circle inspection approval stamp is used to signify in-process surveillance was executed.

(b) Complete Inspection Approval Stamp, square design.

The FS will use the square stamp as objective evidence to identify all government surveillance was completed. The square stamp may also designate that material previously granted partial approval has now received full approval. The FS can use the square inspection approval stamp at prime contractor and, when delegated, at subcontractor locations.

(3) When waiving surveillance tasks or inspection points, the FS will not use the inspection stamp. The FS will annotate "waived" with the full signature, the DCMA User ID or employee number (e.g., DC00000), and date. Date format will be 2-digit day, 3-letter month, and 4-digit year (e.g., 01 Apr 2024). The FS will not waive mandatory government inspection points, customer-mandated surveillance points, or DCMA policy-required inspection points unless explicitly authorized by the original requesting entity

(4) When stamping, personnel must:

- Indicate the date of inspection near the stamp impression.
- Ensure the legibility of stamp impressions.
- Ensure stamp impressions provide direct traceability to the individual applying the stamp.
- If required to apply a stamp impression directly to the supplies, do not apply the stamp in a manner prohibited by drawings or specifications, nor in a way that could compromise the quality of the supplies..

(5) Previously applied stamp impressions, physical signatures, or electronic signatures must only be voided by the individual who applied the initial impression, or the applicable supervisor. When voiding, individuals will:

- Place a single ink line through the impression.
- Write "Void" immediately adjacent to the lined-out impression.
- Legibly print name, full signature, the DCMA User ID or employee number, and date impression is voided.
- Format date 2-digit day, 3-letter month, and 4-digit year (e.g., 01 Mar 2025).

(6) Functional directors, deputies, or group leaders will appoint an inspection stamp custodian to account for issued stamps within their area of responsibility and must ensure the custodian provides a completed annual inspection stamp inventory to OU commanders, directors, or center directors. The inspection stamp custodian must maintain an Inspection Stamp Inventory List and custodian information on the resource page of this manual. The functional

director may schedule a stamp inventory monthly, quarterly, or annually. At a minimum, the stamp custodian must complete an inventory of all stamps on an annual basis or when tasked by a DCMA Headquarters tasking memorandum.

(a) If the appointed stamp custodian is reassigned, or leaves the agency for any reason, the newly appointed stamp custodian must accomplish a stamp inventory to ensure a successful transfer of custody and accountability of all stamps within 60 days and notify the next higher level OU stamp custodian to update the Inspection Stamp Inventory List and custodian information.

(b) Personnel performing both NASA and DoD workload, when requested, will use the Inspection Stamp Record titled "DCMA Inspection Stamp Record NASA," located on the resource page for Volume 6 of DCMA-MAN 2303-01. Follow additional NASA inspection stamping guidance in accordance with Volume 1 of DCMA-MAN 3101-03, "National Aeronautics and Space Administration Process Support."

(c) The stamp custodian must verify the stamp inventory and account for unserviceable, lost, stolen, or excess stamps. Stamp custodians must destroy unserviceable stamp(s) in a manner that renders the stamp(s) unusable. When stamps are identified as missing, the stamp custodian will conduct, or ensure the FS conducts, an immediate and reasonable search for any lost inspection stamp(s). The FS will report missing inspection stamp(s) to both the supervisor and stamp custodian if stamps are not immediately found. The CMO stamp custodian will notify the OU inspection stamp custodian to update the Inspection Stamp Inventory List and custodian for unserviceable or lost stamp information.

1. If a missing stamp is confirmed as being stolen, the FS must notify the inspection stamp custodian and supervisor immediately. The inspection stamp recipient must collaborate with their respective supervisor to immediately notify all potentially affected contractors via letter or email that an inspection stamp has officially been reported as lost or stolen.

2. If a lost or stolen inspection stamp is later recovered, it must be destroyed due to its compromised integrity. To destroy an inspection stamp, the impression markings must be cut through, gouged, or removed so that the impression is unreadable and renders the inspection stamp unusable. Once the inspection stamp is destroyed, the inspection stamp number must be retired and reported as such on the inspection stamp inventory. The FS must notify the contractor with the following information:

- The date, time, and location where last used.
- State the inspection stamp number is no longer valid after the date of this letter.
- Request the contractor immediately report if the lost or stolen inspection stamp is found.
- Request the contractor immediately report any usage of the lost or stolen inspection stamp discovered after the data of this letter on any supplies and documentation.

- When inspection stamps are no longer authorized or needed, the CMO will turn in inspection stamps to their next higher OU.

(d) Serviceable inspection stamps returned to the inspection stamp custodian, and not reported as lost or stolen, may be reissued immediately, provided no valid reason prevents their reissue. The stamp custodian will document all inspection stamp turn-in actions on the DCMA Inspection Stamp Record as applicable and must retain the DCMA Inspection Stamp Record in accordance with Volume 1 of DCMA-MAN 4501-04, "Records and Information Management Program," and Volume 2 of DCMA-MAN 4501-04, "Records Retention Schedule." A hard copy or scanned copy is acceptable. Inspection stamp recipients must turn in inspection stamps to the inspection stamp custodian when:

- The inspection stamp(s) become unserviceable.
- Transferring from CMO to another organization.
- Leaving the agency.
- Accepting a new job or function that does not require the use of inspection stamps.

e. Record Storage.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

f. Data Protection.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

7.2. MULTIFUNCTIONAL COMMUNICATION AND REPORTING.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

SECTION 8: DC&A

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

8.1. DC&A.

a. Overview.

DC&A involves two interrelated action steps: collecting or inputting data and analyzing it to produce results and outputs. The collection must include the three sources of data: government (i.e., DCMA surveillance data), contractor, and customer. DC&A provides an accurate depiction of the contractor's process risk at a specified period which will contribute to the FS making data-driven, surveillance planning decisions. The minimum required interval for DC&A is 12 months; however, the FS may adjust their DC&A based on need or risk. DC&A gives the FS an opportunity to analyze all processes, including surveillance not warranted due to risk, within a facility to make risk-based, data-driven decisions.

b. DC&A for Contractor Process Controls Method.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

c. Re-Validating the Standard Inspection Assessment using DC&A.

(1) For annual standard inspection assessments **after** the initial assessment, the FS may elect to use DC&A to re-assess the contractor's inspection system. The FS must ensure all assessment questions of the checklist have been addressed in DC&A through previous documented surveillance. If DC&A does not include data for a particular element on the Standard Inspection Checklist, the FS must collect additional data or schedule surveillance in that area.

(2) When the FS uses DC&A to complete the annual assessment, the FS must include an inspection system assessment validation statement in the annual DC&A: "I have determined, based on objective evidence, that supplier xyz's inspection system is/is not acceptable to the government as of dd/mm/yyyy. A re-evaluation will be conducted annually to ensure the inspection system remains acceptable to the government." This statement is an additional requirement for FS when completing the assessment using DC&A.

8.2. DATA COLLECTION.

Although the minimum data collection interval is 12 months, data is collected during all surveillance and through regular interactions with the contractor. Data collection opportunities occur during the recording of surveillance records, whether conducting a PE or DPE, reviewing a third-party auditor report, or discussing a customer discrepancy report with a contractor. Surveillance data collection techniques include:

a. Examine.

Examine is used to review contractor process outputs and artifacts, materials, equipment, tooling, policies, and procedures for features or characteristics.

b. Inspect.

Inspect determines product or service conformity or compliance pursuant to the contract, specifications, data item description, or additional requirements. The inspect surveillance technique applies to product or services provided to the government for acceptance and can be done in-process or at final acceptance.

c. Interview.

Interview gathers information during personal interaction, virtual, or in person, and evaluates the interviewee's knowledge and understanding of the subject.

d. Measure.

Measure identifies characteristics applicable to a quantity, percentage, weight, range, or dimension. Measure can be performed over time and is used to convert raw data into quantifiable and comparable information or metrics.

8.3. DATA ANALYSIS.

Data analysis encompasses the evaluation and interpretation of raw data through various analysis techniques. Data analysis results can provide information such as trends, first pass yields, and outliers which summarize contractor performance. While the minimum interval for data analysis is 12 months, the FS should adjust this timeframe based on need, such as a customer requirement or risk, and increase the analysis frequency when the overall risk rating increases. Some data analysis surveillance techniques are:

a. Analyze.

Analyze is the evaluation and interpretation of collected, created, or observed raw data or information. Analyze is the "general" data analysis technique that can 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. Analyze can also take place during or after contractor interface such as meetings, interviews, or general discussion. This technique provides a basis for problem solving, explanation, interpretation, and decision making or to assess data for compliance or progress.

b. Forecast.

Forecast compares historical trends, issues, and risks against future requirements to make a projection.

c. Reconcile.

Reconcile compares the use of related data sets obtained from different sources to determine accuracy and identify errors.

d. Trend.

Trend evaluates a data set over time to assess the rate of change and trajectory.

e. Validate.

Validation assures that a product or service meets the needs of the customer.

f. Verify.

Verification evaluates whether a product or service complies with a requirement.

8.4. COMMUNICATION.

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

a. Surveillance feedback is an effective way to communicate changes to risks between the FS, supervisor, and additional stakeholders. The information provided is used to adjust surveillance requirements and take appropriate actions commensurate with risk assessment.

b. The FS should provide Risks, Issues, Observations, and Opportunities, and program assessment report inputs to the AMT on an as-needed basis, ensuring timely and relevant information is provided to facilitate informed decision-making and effective program management. The FS should reference the program support plan or support program support plan for communication requirements determined by the PI.

c. The FS can document surveillance feedback using the following methods:

- Memorandum
- Within the documented analysis (e.g., the DC&A)
- The "send message" feature in PDREP
- Program assessment report
- Risk, issue, observations inputs
- The Online Aerospace Supplier Information System.
- During DC&A-Contractor Process Controls.

d. The FS should identify the scope of reporting required to communicate adjustments to the program office. When identifying scope, the FS should consider functional resources assigned to the program or contract and AMT. Follow local guidance for the method of communicating risk and surveillance strategy adjustments to the AMT. Available methods include email, AMT

meeting, and "send message" feature in PDREP. The FS should communicate results to customer and delegator(s) to adjust any letters of delegation or QALI requirements.

SECTION 9: EVALUATE SURVEILLANCE PLAN

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

9.1. FS EVALUATE SURVEILLANCE PLAN.

a. The FS must review the surveillance plan data entered pertaining to their functional elements for accuracy. The FS should also review PDREP for the following and make corrections where necessary:

- DPEs properly marked with AQL
- PEs properly marked with full or partial
- Surveillance plan includes necessary attached documents
- Complete and adequate risk consequence rating and rationale statement related to impact
- Complete and adequate risk likelihood rating and rationale statement related to DC&A data
- DC&A was performed annually at a minimum and includes low-risk processes
- Standard inspection assessment was completed annually at minimum
- Surveillance not warranted due to resources captures unallocated hours
- Surveillance schedule is based upon risks in the plan
- Delegated workload is associated with a KCR and indicates the appropriate control numbers

b. The output of the surveillance plan evaluation is adjusted risk assessments and surveillance planning. Adjustments should be clearly aligned and consistent with the documented analysis. Surveillance adjustments can be made to the following plan fields:

- Risk likelihood rating and rationale statement
- Surveillance category
- Frequency of surveillance
- Intensity of surveillance.

9.2. SUPERVISOR EVALUATE SURVEILLANCE PLAN.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

GLOSSARY

G.1. ABBREVIATIONS AND ACRONYMS.

ACRONYM	MEANING
4Ms&E	methods, manpower, materials, machinery, and environment
ACO	administrative contracting officer
AMT	award management team
AQL	Acceptable Quality Level
CMO	contract management office
CSI	critical safety item
DC&A	data collection and analysis
DD Form	DoD Form
DD Form 1222	Request for and Results of Tests
DCMA-MAN	DCMA Manual
DPE	deliverable product evaluation
FAR	Federal Acquisition Regulation
FAT	First Article Test
FS	functional specialist
IS	industrial specialist
KCR	key contract requirement
NASA	National Aeronautics and Space Administration
OU	operational unit
PAO	postaward orientation
PCO	procuring contracting officer
PDREP	Product Data Reporting and Evaluation Program
PE	process evaluation
PI	program integrator
PLT	Production Lot Test
PM	program manager
PVT	Production Verification Test
QA	quality assurance
QALI	quality assurance letter of instruction
QMS	Quality Management System

S/PE	system or process evaluation
SE	system evaluation

GLOSSARY

G.2. DEFINITIONS.

Unless otherwise noted, these terms and their definitions are for the purpose of this issuance.

TERM	MEANING
annual	Once every 12 months.
FAT	Defined in Section 2.101 if the FAR.
FS	Within this volume, when an FS is mentioned, it is a reference to either a QA specialist or a QA engineer performing surveillance. FS may include leads.
lead	Also known as technical lead or facilitator, the lead is the technical liaison between the FS and the supervisor. The lead has the ability to review, assign, and assess work product for subordinates and carry out workload-related tasks as assigned by the supervisor. The lead may also be identified as a subject matter expert for specific functions or may perform specific analysis or projects assigned by the supervisor.
PLT	Validate quality conformance of products prior to lot acceptance.
PVT	Validate the product meets design and performance requirements to include reliable functioning within a prescribed environment.
Risk Issue Observation	used to identify a specific program risk discovered during surveillance.

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