DCMA Manual 2501-11

International Requests for Contract Administration Services

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Office of Primary Responsibility	**Contract Maintenance Capability**
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Approved by:	David H. Lewis, VADM, USN, Director

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

- Implements policy established in DCMA Instruction 2501
- Assigns responsibility, and defines procedures for DCMA Functional Specialist both continental U.S. and at foreign locations, when requesting a foreign government, as the

Host Nation to perform government quality assurance, financial services, or other contract administration services on behalf to the United States within their country

- Assigns responsibility, and defines procedures when DCMA, as the Host Nation, performs government quality assurance, financial services, or other contract administration services on behalf of a foreign government or international organization such as the North Atlantic Treaty Organization, within the U.S.

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This Manual applies to DCMA organizations involved in the exchange of Contract Administration Services (CAS) with a foreign government under the terms of an International Agreement. This includes DCMA Contract Management Offices (CMOs) within the contintental US (CONUS) delegating to DCMA International (DCMAI) CMOs outside the US (OCONUS).

1.2. POLICY. It is DCMA policy that:

a. Supplemental to DCMA Instruction (DCMA-INST) 2501, "Contract Maintenance," paragraph 1.2.a., DCMA Functional Specialist (FS) must not enter into discussions with FS from foreign governments concerning the establishment of International Agreements or extending the provisions of current International Agreements without the expressed written authorization to do so by the Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD A&S), pursuant to DoD Directive (DoDD) 5530.3, "International Agreements."

b. DCMA must utilize existing International Agreements, where applicable, for the reciprocal exchange of CAS when the performance of such services is considered necessary in the other country or when requested by a foreign government. Once the request for CAS is accepted by the other government's CAS organization, DCMA FS must not provide any additional/duplicate CAS activities, nor will they perform oversight of the CAS performed by the Host Nation (HN). Any travel associated with OCONUS delegations must be in accordance with DCMA travel instructions.

c. Except as identified in this Manual, the process mandated herein takes precedence over other DCMA Manuals when requesting or performing CAS under the provisions of an existing International Agreement. Whenever a contract cannot be delegated to the HN, DCMA FS must perform CAS in accordance with the applicable CAS process instructions.

d. All requests for government quality assurance (GQA) made to another government by DCMA must be initiated by DCMAI CMOs. Foreign field pricing and assist audit requests for foreign contractors (Prime or subcontractor) may be initiated by an internal (DCMA) requestor, an external (non-DCMA government activity) requestor, or a contractor.

e. All CAS requests made by another government to DCMA must only be received and processed by the DoD Central Control Point (DoDCCP) in accordance with Defense Federal Acquisition Regulation Supplement (DFARS) 242.002, "Interagency Agreements."

f. DCMA FS must comply with North Atlantic Treaty Organization (NATO) Standardization Agreement (STANAG) 4107, "Mutual Acceptance of Government Quality Assurance and Usage of the Allied Quality Assurance Publications (AQAP)," AQAP 2070, "NATO Mutual Government Quality Assurance Process," and this Manual when asking a NATO member nation to perform GQA and when performing GQA when requested by a NATO nation or NATO organization.

(1) During the course of the GQA surveillance, supplier performance information must be communicated with the HN FS and records related to the supplier's performance must be maintained for future delegations. See Resource Page for Delegation Clarification for Issuance, Rejection, and Acceptance to CMO's document.

(2) The performance factor form is an excellent tool to use during occasional status meetings or other communication with the HN QA FS when discussing supplier performance. See Resource Page for Delegation Clarification for Issuance, Rejection, and Acceptance to CMO's document.

e. Customer mandatory requirements identified by a Quality Assurance Letter of Instruction (QALI) must be attached to the RGQA by the DCMAI FS with a single risk statement "Customer Mandatory Requirement" and the risk cause(s) documented on the RIAC is the individual mandatory requirement of the QALI.

f. Risk assessments must be revised by the DCMAI FS as the supplier's performance history changes or as new risk information becomes available. As a minimum, risk assessments must be reviewed on an annual basis and the risk profile and RIAC revised as necessary. The annual review due date must be documented on the GQA surveillance plan.

(1) DCMA surveillance plans and active requests (RGQAs/RIACs) to the HN must be revised as a result of the updated risk assessment or changes in the supplier performance.

(2) HN assistance must be requested in order to validate information used in determining the low risk rating.

g. When new contracts or delegations are received and after the risk assessment is performed, it may be determined that the current RGQA and RIAC forms do not accurately reflect the applicable risk statements and causes. In such cases, a revised RGQA, and if applicable, a revised RIAC, are required to be sent to the HN focal point. Send the new contract/subcontract/or contract number to the HN's focal point. If the contract is to be provided by the supplier, advise the HN focal point of the contract number, the applicable RGQA/RIAC, and the applicable contractual clause that requires the supplier to provide a copy of, or access to, the contract by the Government.

h. For those nations not using the processes defined in AQAP-2070, DCMA FS must document the results of the risk assessment on the RGQA forms and follow the process identified in the applicable International Agreement and/or associated GQA administrative procedure.**4.4. PREPARE THE SURVEILLANCE PLAN.**

a. DCMA-MAN 2303-01 and DCMA-MAN 2303-02, "Surveillance – Plan Events," must be used to identify and document GQA activities, methodologies, and/or techniques used to reduce the likelihood of risk causes occurring and to establish a basis of confidence that the supplies meet the quality and technical requirements of the contract.

b. Surveillance plans must be maintained by DCMA FS regardless of who performs the GQA surveillance (DCMA or HN FS). In the event that a delegation is not a "high risk," a DCMA generated surveillance plan showing traceability to a delegation will be considered adequate documentation of a surveillance plan.

c. All coordination and communication between DCMAI and HN FS concerning CSI, low-risk surveillance strategies, etc., must be documented on the DCMA surveillance plan, including the results of the communication.

d. Contracts or subcontracts not delegated to the HN and rationale for not requesting GQA services must be documented on the GQA surveillance plan.

e. Information concerning risk statements or risk causes not accepted or partially accepted by the HN must be documented on the GQA surveillance plan.

f. Identification of all contracts or subcontracts covered by a facility-wide RGQA and the estimated contract final delivery date must be an attachment (notification letter, see Resource Page) and maintained as part of the RGQA. This information must be used to update the HN QA FS of active GQA work under the current facility-wide RGQA.

g. DCA strategy must be identified on the GQA surveillance plan. DCA must be performed pursuant to DCMA-MAN 2303-04, "Surveillance – Document Results, Corrective Actions and Provide Feedback." DCMA risk assessments, surveillance plans, and active requests (RGQAs/RIACs) must be revised as a result of data analysis.

4.5. FACILITY-WIDE REQUEST FOR GOVERNMENT QUALITY ASSURANCE.

a. DCMAI CMO QA may use facility-wide RGQAs where suppliers have multiple contracts for like or similar items utilizing similar manufacturing processes to optimize resources. If DCMAI has an existing request, there is no need to generate additional RGQAs for similar contracts with the same supplier. Though ITAR related delegations are not prohibited from being placed on facility-wide delegations, they are not recommended. Any decisions for ITAR facility-wide delegations need to be considered on a case-by-case basis in order to ensure all ITAR delegation controls are maintained. In addition to the standard requirements for facility-wide delegations the reporting, and communicating status of the delegation would be required on a more frequent basis (i.e., as contract/MLA/TAA expiration dates are met or revised). Additional information needed to be tracked and communicated would include:

- Contract number and associated final delivery date
- MLA/TAA license numbers and associated expiration dates
- Description of defense article, service, technical data being controlled

b. DCMAI CMO QAs using the facility-wide approach to requesting GQA require only one documented Risk Profile and one Surveillance Plan to be developed covering all contracts under the purview of the facility-wide RGQA.

c. Each CMO requesting GQA on a facility-wide basis must develop a documented process for identifying, tracking, and reporting current contracts applicable to a single supplier facility-wide RGQA. As a minimum, the report must be updated and provided to the HN QA FS on an annual basis during the annual review of the RGQA and RIAC (if applicable), unless a shorter timeframe is agreed upon with the HN. The frequency of reporting must be documented on the GQA surveillance plan.

d. The report must show applicable contracts and subcontracts and the estimated contract final delivery date.

(1) For purposes of facility-wide RGQA reporting, except ITAR, the estimated contract final delivery date shown on the DCMA facility-wide report must also be considered as the RGQA closure date. Unless the report is updated or otherwise revised, this is the date the HN QA FS must cease GQA surveillance efforts and consider the request closed. A GQA Closure Report (GQACR) with an updated RIAC must be requested if one had not been received. If delivery dates change, DCMA QA FS must ensure the estimated completion date is updated on the DCMA facility-wide report.

(2) Requesting individual GQACR for contracts under the purview of a facility-wide RGQA is not practical or desirable and must not be requested. The facility-wide RGQA must request the HN QA FS to:

(a) Reconcile and agree with the data provided on the facility-wide report.

(b) Provide a RIAC status report indicating by contract or subcontract, when applicable, any increases or decreases in risk status. The frequency of reporting must be agreed to via the RGQA and documented in the GQA surveillance plan.

(c) Provide copies of any Corrective Action Requests (CAR) by contract issued by the HN QA FS.

4.6. PREPARE REQUEST FOR GOVERNMENT QUALITY ASSURANCE.

a. DCMAI CMO QA FS must communicate often and work closely with their HN counterparts in establishing a teaming relationship. This relationship must be the conduit by which information and data are exchanged regarding risks and by which confidence is reinforced in the cooperative contract management effort. Occasional joint visits to supplier facilities by DCMAI QA FS, when possible, must be considered to elevate the visibility of supplier performance risks and to foster the teaming relationship and communication between the two GQA organizations. These visits must not be to duplicate or oversee the GQA surveillance performed by the HN. The DCMAI CMO QA Supervisor will make the final decision on whether to make a visit or not.

b. Prior to requesting GQA for CSI characteristics, the DCMAI CMO QA FS must coordinate with the HN QA FS to determine if a GQA surveillance strategy can be developed that will meet the intent of the DCMA CSI Instructions. For HNs, the term “critical safety

items" may have different implications than in DCMA; therefore, the term "critical safety items (or CSI)" must be clarified with the HN using their specific term, such as "critical items" during these discussions. This will provide the HN with an understanding of the high impact risk designation. DCMAI CMO FS comply with the terms used in AQAP-2070 and/or in the individual International Agreement, including any GQA administrative procedures.

c. Only the minimum GQA surveillance necessary to mitigate the identified risk causes and to provide confidence in a supplier's ability to provide contractual supplies or services must be requested of the HN QA FS. DCMAI CMO QA FS must coordinate with HN QA FS to develop an appropriate GQA surveillance interval (quarterly, semi-annual, annual, etc.) when requesting GQA for non-complex, non-critical products, or other low risk activities. DCMA FS must not duplicate nor perform oversight of the GQA surveillance performed by the HN QA organization.

d. When identifying the contractual QA standard on the RGQA, DCMAI CMO QA FS must not cite an "equivalent" AQAP standard on the RGQA. Only the QA standard required by the contract will be referenced on the RGQA.

e. The RGQA must be prepared in accordance with AQAP-2070 for all NATO nations with International Agreements for exchanging GQA services and for those non-NATO nations using the Mutual GQA processes of AQAP-2070, as ratified by a GQA administrative procedure. (See the Resource Page for a copy of the mandatory and optional forms.) For those nations not using the AQAP-2070 processes, DCMA FS must use the RGQA forms identified in the International Agreement and associated GQA administrative procedure. (See the Resource Page for samples of RGQA forms used by non-NATO nations.)

f. The DCMAI CMO QA must clearly identify the authority and responsibility of the HN QA FS concerning the following areas:

(1) CARs. Pursuant to AQAP-2070, paragraph A.2.1., HN national practice will dictate the specific actions of the GQA participants. To comply with DCMA-INST 1201, "Corrective Action Process," DCMA QA FS assigned to the CMO cognizant of the prime must issue the CAR to the prime supplier. DCMAI CMO QA FS must request copies of any CARs issued by the HN and will be responsible for entering the CAR into the Agency system of record for CAR. DCMAI CMO QA FS will gain an understanding of HN's corrective action process to enable appropriate communications with the HN QA FS; i.e., using HN's terminology vice DCMA's on RGQAs or during e-mail or telephone communication.

(2) Deviation Permits and Concessions (Permission to depart from the originally specified contract requirements of a product prior to realization.). Identify whether HN QA FS are authorized to concur or nonconcur with the classification/disposition of the supplier's minor deviation permits and/or concessions. Authority for major deviation permits and/or concessions are never delegated to the HN QA FS; however, indicate whether recommendations or comments are requested. See DCMA-MAN 2301-06, "Discrepancy Processing," for the detailed process. See Resource Page for Delegation Clarification for Issuance, Rejection, and Acceptance to CMO's document.

(3) CSI. Request HN QA FS contact DCMAI QA FS (Delegator) prior to issuing subcontractor delegations related to CSI.

(4) Subcontractor Delegations. Request HN QA FS contact DCMAI QA FS (Delegator) prior to issuing subcontractor delegations to another country so that DCMA can determine if reciprocal no-charge agreements exist between the U.S. DoD and the third party nation.

(5) Surveillance Plans. Request copies of the HN GQA surveillance plans for contracts that contain CSI, or other high-impact Risk Statements or high-likelihood Risk Causes. DCMAI QA FS will review the HN GQA surveillance plan to ensure all risk causes and GQA activities identified on the RIAC and RGQA have been addressed on the plan. See Resource Page for Delegation Clarification for Issuance, Rejection, and Acceptance to CMO's document.

(6) Facility-Wide Delegations. Where suppliers have multiple contracts for like or similar items utilizing similar manufacturing processes, facility-wide delegations are encouraged to optimize resources.

(7) Reporting. DCMAI FS must recognize that the HN QA FS's primary task is the performance of GQA; therefore, reporting requirements will be proportional to the risks related to the program, contract, or supplier performance. Reporting requirements must be kept to a minimum.

(8) Product Release and Delegation Completion. Include any special instructions related to releasing the product from the supplier's facility and for completing the delegation.

(9) Risk Status Reporting. The RGQA must state whether a risk status report is requested from the HN on an ongoing basis for long-term delegations. A risk status report, such as a RIAC, must always be requested at completion of GQA.

g. ITAR/EAR Restrictions. Where the contract or subcontract contains ITAR/EAR restrictions, the RGQA must be prepared and processed using the procedures in Section 10. ITAR/EAR-specific RGQA forms must be used to request HN GQA services when access to ITAR/EAR information is authorized. See the process flowchart for ITAR/EAR RGQAs on the Resource Page for the required forms.

4.7. FORWARD REQUEST FOR GOVERNMENT QUALITY ASSURANCE TO APPLICABLE HOST NATION FOCAL POINT.

a. The DCMAI CMO QA must send the RGQA and RIAC (as applicable) electronically to the HN's focal point identified in NATO STANAG 4107, Annex A, or in the individual International Agreement. The RGQA and RIAC, as applicable, must be sent in sufficient time for the HN QA FS to process the request through their command channels and to adequately plan and execute the necessary GQA surveillance activities.

b. The NATO Delegation Feedback (DFB) form is used to provide information concerning the quality of the Mutual GQA process so that both the Delegator and the Delegatee can use the

information to improve the quality of their respective services within the Mutual GQA process. When completion of a DFB form is requested and submitted with an RGQA, the HN QA FS will provide feedback information to the DCMAI CMO QA FS concerning the quality of the information provided on the RIAC and RGQA.

(1) DCMA FS must send a DFB form as an attachment to the RGQA.

(2) DCMA FS must use the information provided on the DFB form to improve the quality of the information provided on future RIAC forms and RGQAs.

4.8. MANAGING REJECTED REQUEST FOR GOVERNMENT QUALITY ASSURANCE.

a. When RGQAs are formally rejected by the HN, the HNC, or designated representative, must report rejected reason codes and rejection management codes on a monthly basis via the established performance indicator metric in the Agency system of record. (See the Resource Page for rejection codes.)

b. The HNC must manage rejected delegations by identifying how the CMO will cover the workload that was rejected by the HN. Comments must be provided that will detail whether the actions being taken will manage the workload temporarily or permanently. (See the Resource Page for codes to be used for reporting.)

c. If applicable, the HNC must discuss rejects with the respective HNs to determine what actions may be necessary to resolve the issue. All communications must be copied to the DCMAI Functional Director. The DCMAI Functional Director will report and discuss rejects during NATO Working Group 2 for Quality meetings.

4.9. PERFORM PRODUCT ACCEPTANCE AND RELEASE.

a. Pursuant to DCMA-INST 2101, “Product Acceptance and Proper Payment,” DCMAI CMO QA FS must accept supplies/services offered by the supplier when there is a basis of confidence that the supplies/services conform to contract requirements.

b. GQA surveillance activities planned and implemented by the HN QA FS, based on the risk statements and risk causes identified by DCMAI CMO QA FS, as well as other delegated GQA activities, serves as the basis of confidence that the supplies or services conform to contract requirements.

c. Method(s) for accepting and releasing product from the supplier’s facility must be identified during CRR and must be annotated on the RGQA to the HN.

4.10. RECEIVE GOVERNMENT QUALITY ASSURANCE CLOSURE REPORT/RISK IDENTIFICATION ASSESSMENT AND COMMUNICATION FORM AND MAINTAIN RECORDS.

a. For NATO nations required to use the AQAP-2070 process and those non-NATO nations having elected to use the AQAP-2070, completion of the requested GQA is indicated by receipt of a GQACR from the HN GQAR. The GQACR is to be submitted to the DCMAI CMO QA FS from the HN GQAR within 20 working days of completion of the RGQA.

b. If requested reports have not been received, the DCMAI CMO QA will contact the HN GQAR and remind them of the report requested on the RGQA. On the second attempt for the information the HNC will send the request to the HN's CCP and include a DFB. Communicate information relative to previous requests for the report or other information requested on the RGQA.

c. As part of the closure process, the HN GQAR must consider whether the status of the risks, as stated on the current RIAC form, has increased, decreased, or remained stable as a result of GQA surveillance activities performed in support of the RGQA.

(1) Where risk status has changed, the HN GQAR must make recommendations to DCMAI QA FS regarding future requests for GQA.

(2) Where a risk status update at RGQA closure has been requested on the RGQA but has not been received, the DCMAI CMO QA FS must contact the HN GQAR and request an updated RIAC. If still not received within a reasonable timeframe, a DFB form must be processed via the HNC through the HN focal point with a written request for an updated RIAC.

(3) Delegator satisfaction data is collected by means of the DFB form. Where the HN has requested DFB from DCMAI, the DFB form must be completed and returned to the HN QA organization within 10 working days.

(4) Copies of all DFB forms, either received from or sent to the HN's QA organization, must be provided to the CMO HNC who must maintain DFB records for process improvement purposes.

d. Records Retention. Records must be maintained in accordance with DCMA-MAN 4501-04, "Records Management," and as required by the specific process instructions. In addition, each DCMAI CMO operating under the purview of an International Agreement must maintain files that include:

- Results of CRR, including exceptions to delegations in the Agency system of record for CRR
- Active and completed RGQA forms
- Active and completed RIAC forms
- GQACRs
- Records of communication concerning delegation of FMS contracts
- Records related to supplier performance information obtained from the HN QA FS regardless of media used; i.e., reports, surveillance records, telephone conversations
- DFBs

4.11. CLOSE CONTRACT DELEGATION.

a. Upon receipt of the GQACR or other notification of GQA completion, DCMAI CMO QA FS must close the RGQA in the system used for tracking and managing RGQAs to the HN.

b. If the RGQA was based on a subcontract delegation received from another DCMA CMO, the delegation must be closed in the Agency system of record for Delegation or the Agency system of record for RGQAs, as applicable. DCMAI CMO QA FS must inform the delegating DCMA office of delegation completion and communicate any lessons learned not already identified.

SECTION 5: GOVERNMENT QUALITY ASSURANCE PERFORMANCE – FOREIGN GOVERNMENT

5.1. PROCESS INPUT/OUTPUT. The process starts with the receipt of an RGQA from the DCMAI CMO by the HN and the output is a GQACR provided to the DCMAI Delegator.

5.2. GOVERNMENT QUALITY ASSURANCE PERFORMANCE BY THE HOST NATION QUALITY ASSURANCE ORGANIZATION.

a. HN organizations with whom DoD exchanges GQA services have agreed to comply with the processes defined in the individual International Agreement and/or in NATO STANAG 4107 and AQAP-2070.

b. As such, HN GQA organizations are fully expected to plan, execute, and document all GQA activities performed in support of the DCMAI RGQA per AQAP-2070, or the applicable International Agreement and GQA administrative plan. The HN GQA organizations are expected to:

(1) Acknowledge receipt of the RGQA within 5 working days of receipt.

(2) Accept, partially accept or reject the RGQA within 20 working days of receipt.

(3) Comply with all GQA tasks/activities identified on the RGQA, including reporting requirements.

5.3. GOVERNMENT QUALITY ASSURANCE CLOSURE REPORT. When the HN GQAR considers the RGQA performance complete and the delegation is considered closed, the HN GQAR will conduct a records review and forward a GQACR to the DCMAI delegator within 20 working days of completion in accordance with AQAP-2070.

SECTION 6: REQUEST FOR FINANCIAL SERVICES – DCMA INTERNATIONAL TO A FOREIGN GOVERNMENT

6.1. FOREIGN AUDIT SERVICES REQUESTS (Canada).

a. Foreign field pricing and assist audit requests for all Canadian contractor (Prime or subcontractor) may be initiated by an internal (DCMA) requestor, an external (non-DCMA government activity) requestor, or a contractor. All requests must be received in writing and in accordance with DFARS 225.870, DFARS "Procedures, Guidance and Information," (PGI) 225.870-1, DFARS PGI 225.870-5 and DCMA-MAN 2401-01, "Negotiation Intelligence Procedures."

b. All pre- and postaward requests are managed by the DCMA Americas CMO and all audit services are conducted by the Canadian audit authority. More information can be found on the Resource Page.

c. Pre-award foreign audit service requests include, but are not limited to: rat e, technical, and full proposal reviews, commercial item determinations, labor time and recording systems reviews, and rate verifications.

d. Postaward foreign audit service requests include, but are not limited to: reviews in support of contracting officer negotiations, termination settlements, final incurred cost audits, and contract closeout reviews.

e. Upon identification of the need for foreign pricing services involving foreign contractors, the DCMAI requestor must validate a bona fide need for the review. More information on validating bona fide need can be found in DCMA-MAN 2401-01, paragraph 4.2.b.

f. All requestors must submit requests for foreign contractor financial service in accordance with the forms and guidance provided in the "Foreign Contractor Field Pricing and Assist Audit Information Sheet" located on the Resource Page.

g. Export controlled data is subject to the limitations outlined in Section 10 of this Manual and as outlined in paragraphs 2.7. and 2.8. of this Manual.

h. Proposal documents and file sizes too large to be sent through email will be transmitted via other approved secured means (i.e., Secure File Transfer, etc.).

6.2. PERFORM THE REQUESTED FOREIGN CONTRACTOR PRICING ASSISTANCE – DCMA INTERNATIONAL CONTRACT MANAGEMENT OFFICE (CANADA)

a. The DCMA Americas responsible official will establish and manage foreign contractor pricing requests in accordance with current Reciprocal Defense Procurement (RDP) and Acquisition Policy Memorandum of Understanding (MOU), also referred to as RDP or HN Agreement, while considering the procedures outlined in DCMA-MAN 2401-01 and will employ

those instructions to the maximum extent practicable, to include the use of the Agency authorized capability. The link to the current RDP is found on the Resource Page.

b. Once the DCMA Americas responsible official is in receipt of a complete request, and when applicable, valid U.S. Government interest has been confirmed, he/she will create a case file and initiate contact with the Canadian audit authority.

c. The Canadian Audit Authority (CAA) will review the documentation and work with the DCMA Americas responsible official regarding any issues that require further information or clarification.

d. Due to Canadian audit procedures, a due date cannot be established until the audit authority has reviewed and assigned the request. Until that time, the DCMA Americas responsible official will provide a preliminary estimated completion date (ECD) to the requestor. A firm ECD will be provided to the requestor once the lead auditor conducting the review has reviewed the request and provided an update to DCMA Americas.

e. Upon receipt of the CAA final audit product, the DCMA Americas responsible official will review the report, transmit to the requestor, and provide further support with regard to follow-on clarifying questions. A redacted example of a standard CAA final audit product can be found on the Resource Page.

6.3. PERFORM REQUESTED FOREIGN CONTRACTOR PRICING ASSISTANCE – FOREIGN GOVERNMENT (Canada).

a. Pre-award Reviews.

(1) The U.S. Government relies upon the CAA to perform reviews of proposals submitted by Canadian suppliers that are subcontracting to a U.S. Government prime contractor as well as contracts placed directly with Canadian suppliers in accordance with DFARS PGI 225.870-1.

(2) The Canadian Assist Audit Coordinator reviews and assigns the DCMA Americas request to a specialist who conducts an analysis, makes a determination of fair and reasonableness, and generates a report.

(3) The CAA's output document is referred to as a “Supplier Proposal Certification Report.” This high-level report indicates which elements were assessed, brief points on the methods of assessment, and confirmation that the CAA stands behind the proposal as fair and reasonable, were the same requirement awarded by the Government of Canada, as well as any price changes that have occurred as a result of the analysis conducted.

(4) If the CAA is unable to certify the proposal (or elements thereof) as fair and reasonable, the report will so state. It is then a decision of the U.S. Government to proceed with award, or open discussions with the Canadian supplier.

(5) The Supplier Proposal Certification Report will serve as sufficient documentation for the procurement file that due diligence has been conducted.

b. Postaward Reviews.

(1) Postaward audits are conducted by the Canadian audit authority's Assurance Services Group, a group of professional accountants who provide audit and assurance-related services in support of procurement and contract administration activities.

(2) Assurance services are conducted in accordance with the Canadian audit authority's Acquisitions Branch Contract Assurance Standards (ABCAS), which have been developed specifically for the performance of assurance engagements on Canadian Government contracts. These ABCAS are comparable to the U.S. Government Accountability Office's Generally Accepted Government Auditing Standards (GAGAS).

(3) The assurance engagement report is the principal means of conveying the results of the postaward review. The resolution of engagement findings and results are the responsibility of the applicable U.S. contracting authority.

6.4. FOREIGN CONTRACTOR PRICING REQUESTS (OTHER THAN CANADA)

a. Foreign field pricing and assist audit requests for foreign contractors may be initiated by an internal (DCMA) requestor, an external (non-DCMA government activity) requestor, or a contractor. All requests must be received in writing and accordance with DFARS 225.870, PGI 225.870-1 and PGI 225.870-5 and DCMA-MAN 2401-01.

b. All pre and post award requests are managed by the DCMAI CMO designated in the "Foreign Contractor Field Pricing and Assist Audit Information Sheet" located on the Resource Page, and will be conducted by HNs with reciprocal audit service agreements or program cooperative agreements, Defense Contract Audit Agency (DCAA), or a DCMA Cost/Price Analyst as applicable.

c. Pre-Award foreign pricing service requests include, but are not limited to: full proposal reviews, labor, time and material, and rates and factors reviews.

d. PostAward foreign pricing service requests include, but are not limited to: reviews in support of contracting officer negotiations, termination settlements, final incurred cost audits, contractor business system reviews, and contract closeout reviews.

e. Upon identification of the need for foreign pricing services involving foreign contractors, the DCMAI requestor must validate a bona fide need for the review. More information on validating bona fide need can be found in DCMA-MAN 2401-01, paragraph 4.2.b.

f. All requestors must submit all foreign contractor requests in accordance with the forms and guidance provided in the "Foreign Contractor Field Pricing and Assist Audit Information Sheet" located on the Resource Page.

g. Export controlled data is subject to the limitations outlined in Section 10 and as outlined in responsibilities paragraphs 2.7. and 2.8. of this Manual.

h. Proposal documents and file sizes too large to be sent through email will be transmitted via other approved secured means (i.e., Secure File Transfer, etc.).

6.5. PRE-AWARD FOREIGN CONTRACTOR PRICING-REQUEST FROM DCMA CONTRACT MANAGEMENT OFFICE, EXTERNAL CUSTOMER, OR CONTRACTOR (OTHER THAN CANADA)

a. The DCMAI Cost/Price Analyst will establish and manage foreign contractor pricing requests in accordance with current Reciprocal Defense Procurement and Acquisition Policy MOU, also referred to as RDP or HN Agreement, while considering the procedures outlined in DCMA-MAN 2401-01, to include the use of the Agency authorized capability. The link to the current RDP is found on the Resource Page.

b. Once bona fide need has been established and the DCMAI Cost/Price analyst is in receipt of a complete request package he/she will create a case file in accordance with current Agency and CMO policies and procedures and initiate contact with the foreign audit authority, DCAA, or the contractor as appropriate.

c. The cognizant foreign audit authority, DCAA, or DCMAI Cost/Price Analyst will review the documentation and work with the DCMAI Cost/Price Analyst or initial requestor regarding any issues that require further information or clarification, as applicable.

d. Firm due dates cannot be established until the cognizant foreign audit authority has reviewed and assigned the request. Until that time, the DCMAI Cost/Price Analyst will provide a preliminary ECD to the requestor that is in line with the current due date as applicable to each foreign HN. A firm ECD will be provided to the requestor once one has been provided to DCMAI.

e. Upon receipt of the final audit product provided by the foreign audit agency, DCAA, or completed by DCMAI, the DCMAI Cost/Price Analyst will transmit to the requestor, and provide further support with regard to follow-on clarifying questions if necessary.

6.6. PERFORM REQUESTED FOREIGN CONTRACTOR PRICING ASSISTANCE-FOREIGN GOVERNMENT (OTHER THAN CANADA)

a. Pre-Award Reviews.

(1) The U.S. Government relies upon foreign HN audit agencies, DCAA, and DCMAI to perform reviews of proposals submitted for foreign suppliers that are subcontracting to a U.S. Government prime contractor as well as contracts placed directly with foreign suppliers in accordance with DFARS 225.872-6 and DFARS PGI 225.872-6.

(2) The foreign HN audit agencies, DCAA, or DCMAI, as applicable, reviews and assigns the request to a specialist who conducts an analysis, makes a recommendation of fair and reasonableness, and generates a report.

(3) The foreign HN audit agencies, DCAA, or DCMAI output document is a report which documents the elements assessed per the original request, brief points on the methods of assessment, questioned costs, and any recommendations as a result of the analysis conducted.

b. Postaward Reviews.

(1) Postaward audits are conducted by the foreign HN audit agencies, DCAA, or DCMAI as applicable, who provide audit and assurance-related services in support of procurement and contract administration activities.

(2) The final report is the principal means of conveying the results of the postaward review. The resolution of findings and recommendations are the responsibility of the applicable U.S. contracting authority.

SECTION 7: REQUEST FOR GOVERNMENT QUALITY ASSURANCE PROCEDURE – FOREIGN GOVERNMENT TO DEPARTMENT OF DEFENSE CENTRAL CONTROL POINT

7.1. PROCESS INPUT/OUTPUT.

a. This section describes the RGQA procedures that will be used when a foreign government requests DCMA perform a GQA on defense products at suppliers located within the U.S. When a foreign government or international organization submits a CAS request involving a direct commercial sales contract, it will be sent to the DoDCCP. Upon receipt of a request for CAS, the DoDCCP will follow the DFARS PGI 242.002, "Interagency Agreements." The DoDCCP is responsible for validating the work against existing International Agreements. Once validated, the DoDCCP will input the request into the Agency system of record for RGQAs and route it to the applicable CONUS CMO. In the event that a re-delegation back to the requesting foreign nation is necessary, the CONUS CMO will send the request through the Agency system of record for RGQAs. This Agency system of record for RGQAs delegation will be routed back to the DCMAI CMO responsible for work in the requesting foreign nation. In turn, the DCMAI CMO will forward this re-delegation back to the requesting HN focal point pursuant to existing International Agreements.

b. For the foreign government, the process starts when they decide that their defense contract or subcontract requires GQA to be performed and the supplier is located within the U.S. The output of the foreign government's portion of this process is an RGQA sent to the U.S. DoDCCP for performance in the U.S. by DCMA.

7.2. ALLIED QUALITY ASSURANCE PUBLICATION-2070/INTERNATIONAL AGREEMENT/GOVERNMENT QUALITY ASSURANCE ADMINISTRATIVE PROCEDURE REQUIREMENTS.

a. The following process information is provided to clarify expectations for DCMA CMO QA FS of the foreign government's requirements as defined in AQAP-2070, the applicable International Agreement, and established GQA administrative procedures.

(1) Risk Identification and Assessment. The request must be risk-based. An assessment must have been performed to identify risk statements and risk causes for inclusion on the RIAC form which accompanies the RGQA. There are exceptions allowed for situations where risk information is unavailable to the Delegator. (See AQAP-2070, paragraph 6.2.) For non-NATO nations not using the AQAP process, the use of the RIAC or the form used to document the risks associated with the contract may be defined in the International Agreement and/or GQA administrative procedure.

(2) RGQA Information. The RGQA must provide sufficient information for DCMA QA FS to perform the requested GQA. The RGQA will include any reporting requirements; i.e., status reports, copy of GQA surveillance plans, CARs. Information relative to product release, subcontract delegations, deviation permits and concessions, etc. will also be included. (See

AQAP-2070, Section 7) For non-NATO nations the use of the RGQA may be defined in the International Agreement and/or GQA administrative procedures.

b. The RGQA must be sent to the U.S. DoDCCP at DCMA Headquarters (HQ) International and Federal Business Division (DCMA-FBR). DCMA CMOs must contact the DODCCP when RGQAs are received directly from the foreign government prior to expending any effort on the request.

SECTION 8: REQUEST FOR CONTRACT ADMINISTRATION SERVICES PROCEDURE – FOREIGN GOVERNMENT TO DEPARTMENT OF DEFENSE CENTRAL CONTROL POINT

8.1. PROCESS INPUT/OUTPUT. Foreign governments and international organizations must send their requests for CAS to the DoDCCP in DCMA-FBR in accordance with the applicable International Agreement. The process starts with the receipt of a CAS request from a foreign government. The output of this process is a request for services via the Agency system of record for RGQAs, and closure of the Agency system of record for RGQAs request when the services are complete.

8.2. DETERMINE IF LABOR RATES APPLY AND ENTER REQUEST INTO THE AGENCY SYSTEM OF RECORD FOR RGQAS.

a. The policy and procedures of DCMA-MAN 4301-04, "Accounting," must be used for processing and managing CAS requests.

b. The DoDCCP International Contract Service Manager (ICSM) must:

(1) Determine whether the request is from a friendly foreign government or international agency with whom the U.S. is a participant to an International Agreement for the exchange of CAS or if the request is covered by a cooperative program agreement.

(2) Determine whether the requested services are authorized by and within the scope of an applicable International Agreement.

(3) Determine whether the requested services are to be provided on a reimbursable or non-reimbursable basis consistent with defense security assistance arrangements.

c. The DoDCCP ICSM must enter all requests from foreign governments or organizations into the Agency system of record for RGQAs for processing, managing, distributing, cost accounting, tracking, and communicating between DCMA CMOs and DoDCCP.

8.3. ACKNOWLEDGE REQUEST.

a. For GQA, the DoDCCP ICSM must acknowledge receipt of the request back to the foreign government or organization within 5 working days of receiving the request. This action assures the international customer is aware that DCMA has received the request and is coordinating with the applicable DCMA CMO for surveillance planning and acceptance. The customer knows that an acceptance decision is forthcoming.

b. For GQA, the DCMA CMO must make a decision regarding acceptance within 20 working days after acknowledgement of the request by the DoDCCP. The required RGQA Response (RGQAR) form, updated RIAC, if applicable, and other forms used with the request to indicate acceptance /rejection must be completed by the CMO, uploaded into the Agency system of record for RGQAs, and forwarded to the DoDCCP. An email will be sent to the requestor and

the DoDCCP notifying the customer of DCMA's acceptance decision. The DoDCCP must track Agency compliance with required suspense dates and initiate improvement measures.

8.4. TRANSMIT REQUEST TO DCMA CONTRACT MANAGEMENT OFFICE VIA THE AGENCY SYSTEM OF RECORD FOR RGQAS. The DoDCCP must:

a. Coordinate with and electronically forward the request to the appropriate DCMA CMO via the Agency system of record for RGQAs.

b. Distribute all acquisition documents and related materials to the CMO.

c. Request cost estimates from the CMO and ensure accurate reporting of hours.

d. Ensure CMO requests are accepted and the international customer notified within 20 working days after acknowledgement.

e. Coordinate with the CMO and provide the international customer with the reason requests are not accepted or are only partially accepted.

f. Assist CMO and the international customer to resolve misunderstandings, misinterpretations or problems in a timely manner to avoid any necessary escalation.

8.5. CLOSURE OF REQUEST. The DoDCCP must:

a. Ensure all required forms and reports have been received from the DCMA CMO and forwarded to the international customer ensuring Agency compliance.

b. Ensure requests are properly closed in the Agency system of record for RGQAs.

SECTION 9: REQUEST FOR CONTRACT ADMINISTRATIVE SERVICE PROCEDURE – GOVERNMENT QUALITY ASSURANCE PERFORMANCE - DCMA CONTRACT MANAGEMENT OFFICE

9.1. PROCESS INPUT/OUTPUT.

a. The process starts with the receipt of a request for GQA via the Agency system of record for RGQAs from the DoDCCP. The outputs are a GQACR and updated RIAC provided to the foreign government and closure of the Agency system of record for RGQAs delegation.

b. The GQA activities must be performed in accordance with the referenced DCMA Instructions/Manuals and, where applicable, in conjunction with AQAP-2070, or the International Agreement and associated GQA administrative procedure.

c. While performing GQA on behalf of a foreign government, DCMA CMO QA FS must perform the GQA responsibilities and process activities of the "Delegatee," the appropriate national authority of a supplying country performing GQA after acceptance of the RGQA. In this role, the U.S. is considered the HN and DCMA the appropriate national authority.

d. Direct communication between DCMA QA FS and the QA FS of the foreign government requesting GQA surveillance is highly encouraged. This communication can help clarify ambiguous RGQA requirements and will foster a working relationship with our allies and international customers. It assures the foreign government that their acquisitions are being provided the expected visibility and GQA surveillance efforts that we expect when they perform GQA on behalf of DCMA. Where a more formal communication is required, coordinate with the DCMA country managers assigned to the DoDCCP.

e. Early coordination of requests by the foreign government with DCMA FS is encouraged but must be followed up with a formal request for services through the DoDCCP. DCMA FS must coordinate with the DoDCCP prior to providing any information requested by the foreign government without having received a formal request for services through the Agency system of record for RGQAs. DCMA CMO QA FS must provide the DoDCCP, via the Agency system of record for RGQAs, the estimated hours expected to be expended in support of the international delegation.

9.2. RESPONSE TO GOVERNMENT QUALITY ASSURANCE REQUEST.

a. RGQA and Contract Review. In addition to DCMA-MAN 2501-01, the RIAC, contract, and all associated documentation received with the RGQA must be reviewed in accordance with Sections 9 and 10 of AQAP-2070 to ensure DCMA CMO QA FS comply with the requirements of the contract as related to the requested GQA. The results of the review must be used to assist in planning the appropriate GQA activities. If clarifications are required, e-mail or telephone the Delegator to obtain the necessary information to resolve issues.

b. Risk Review. DCMA FS must review the risks identified on the RIAC form and RGQA. The risk information (risk statements, causes, ratings, etc.) must be compared to DCMA's

current supplier risk assessment and, where additional risks are evident that would require GQA surveillance, the RIAC must be updated and returned to the Delegator with the RGQAR. For non-NATO nations not using the AQAP-2070 process, the RGQA must be updated and returned to the Delegator.

(1) Where a DCMA risk assessment is not available, the risk information provided on the RIAC and RGQA (risk statements, causes, ratings, etc.) will be compared to DCMA's risk impact indicators and supplier performance factors to determine if additional risks are present and, if so, to update the RIAC or RGQA, as necessary.

(2) It is not necessary for the Delegator and Delegatee to agree on the risk identification or assessment ratings; however, recommendations and comments will be provided to the Delegator based on DCMA's experience working with the supplier.

c. Delegation Acceptance Decision.

(1) Requests for GQA must normally be accepted by DCMA. DCMA CMO FS must coordinate with the DoDCCP and the Delegator prior to rejecting the RGQA.

(2) DCMA CMO FS must accept, partially accept, or reject the request within 20 working days after acknowledgement by the DoDCCP. DCMA CMO QA FS must complete the RGQAR form and, if necessary, update the risk information on the RIAC or RGQA form. The completed forms must be uploaded into the Agency system of record for RGQAs and sent to the DoDCCP. The DoDCCP must notify the customer of the Agency's decision.

(3) Where a request for GQA can be only partially accepted, DCMA CMO FS must contact the DoDCCP and explain the reasons for not fully accepting the request. An alternative approach that might satisfy the intent of the original request must be provided in writing to the Delegator using the RGQAR form. The DoDCCP must notify the Delegator.

(4) Performance on the partially-accepted portions of the delegation request must begin immediately and must not be held up pending acknowledgement by the Delegator. Once accepted, the GQA must not be terminated without the coordination and concurrence of the Delegator.

(5) Notify the supplier that DCMA will be performing GQA surveillance on behalf of the foreign government.

9.3. GOVERNMENT QUALITY ASSURANCE SURVEILLANCE PLANNING.

a. DCMA-MAN 2303-02 and Section 11 of AQAP-2070, must be used in determining the GQA surveillance activities, methods, and techniques considered necessary to mitigate the identified risks. Unless otherwise specified on the RGQA, the GQA activities identified in the bulletized list must be planned and performed without the need for specific tasking in the RGQA:

- Documenting nonconformity and CARs to Suppliers
- Providing risk status reports and copies of CARs to Delegator
- Documenting results of GQA surveillance activities so they are traceable to RGQA
- Analyzing GQA data and adjusting GQA surveillance plan and risk information
- Consideration of subcontract delegations
- Updating RIAC risk status/RGQA and reporting to Delegator
- Reviewing supplier Quality Management System documentation as part of process reviews
- Verifying supplier's investigations of customer complaints
- Deviation permits and concessions authority (material review)

b. GQA surveillance plans must be used to plan, document, and execute the surveillance necessary to satisfy the RGQA. The DCMA-planned GQA surveillance activities must be traceable to the risks activities identified/requested on the RGQA, and if applicable, RIAC. It is permissible for the DCMA CMO QA FS to use the GQA plan provided at Annex B of AQAP-2070.

c. The planned GQA surveillance activities may be added to current DCMA surveillance plans or a separate surveillance plan may be generated. In either case, traceability to the RGQA must be maintained. Copies of DCMA surveillance plans must be provided to the Delegator when requested.

9.4. PERFORM GOVERNMENT QUALITY ASSURANCE SURVEILLANCE.

a. GQA must be performed by the QAS in accordance with the applicable DCMA Instructions/Manuals and Sections 12 and 13 of AQAP-2070.

b. During the course of GQA surveillance, certain GQA activities must be performed with or without specific tasking on the RGQA. These support activities, identified in paragraph 9.3.a., must be performed in accordance with the applicable DCMA Instructions/Manuals unless otherwise specified on the RGQA.

9.5. GOVERNMENT QUALITY ASSURANCE CLOSURE REPORT.

a. For AQAP-2070 based RGQAs, notification of completion is through a GQACR. DCMA CMO QA FS must complete the GQACR and upload the completed form into the Agency system of record for RGQAs. The form must be transmitted to the DoDCCP via the Agency system of record for RGQAs within 15 working days of completion of the RGQA.

b. As part of the closure process, DCMA CMO QA FS must consider whether the status of the risks, as stated on the current RIAC form, have increased, decreased, or remained stable as a result of GQA surveillance. This information must be provided on the RIAC form or RGQA form for non-NATO nations and uploaded into the Agency system of record for RGQAs. Recommendations concerning future delegations will also be provided. The RIAC form(s) must be transmitted to the DoDCCP via the Agency system of record for RGQAs with the RGQA as noted in paragraph 9.5.a.

c. Delegator/Delegatee satisfaction data and process improvement recommendations are collected by means of the DFB form. DCMA CMO QA FS must submit a DFB form with the closure report to receive feedback concerning the Delegator's satisfaction with DCMA QA services provided on their request. Where the Delegator has requested delegation feedback from DCMA FS, the DFB form must be completed and transmitted to the DoDCCP via the Agency system of record for RGQAs within 10 working days.

d. Copies of all DFB forms, either received from or sent to the other government's QA organization, must be provided via the Agency system of record for RGQAs to the DoDCCP who must maintain record files for process improvement purposes.

e. Certificate of Conformity. It must be understood that the use of a Certificate of Conformance in the DoD acquisition system has a very different result on GQA surveillance activities than a Certificate of Conformity used within foreign governments' procedures.

(1) Within the U.S. acquisition system the criteria for using a certificate of conformance are found in Federal Acquisition Regulation (FAR) Part 46; FAR 46.504, "Certificate of Conformance," and must be authorized by contract, with the inclusion of FAR clause 52.246-15, "Certificate of Conformance." Once authorized in writing by the cognizant CMO, the certificate is used "in lieu of source inspection" (GQA surveillance).

(2) Within most foreign governments, the Certificate of Conformity is required to be submitted by the supplier on almost every shipment of every acquisition. The certificate is an affirmation by the supplier, certifying that the products identified on the certificate conform in all respects to the contract requirements. This form is used similar to a shipping document and, in many countries payment to the supplier is not made until receipt of the Certificate of Conformity.

(3) When a Certificate of Conformity is a contractual requirement for the supplier and when requested by the foreign government via the RGQA, DCMA CMO QA FS must sign the Certificate of Conformity as an affirmation that GQA surveillance was performed in accordance with the agreed to RGQA.

(4) AQAP-2070 includes an example of a Certificate of Conformity at Annex B. The example shown is a two-part form. Part I is the Supplier Certificate of Conformity and Part II is the GQAR's Statement of GQA.

f. Records Retention. Records must be maintained in accordance with DCMA-MAN 4501-04 and as required by the specific process Instructions. In addition, each DCMA CMO operating under the purview of an International Agreement must establish and maintain files that include:

- Active and completed RGQA forms
- Active and completed RIAC forms
- GQA Closure Reports
- DFBs

- GQA Surveillance Records for all activities performed on behalf of another government GQA organization

9.6. CLOSURE OF REQUEST.

a. The DCMA CMO must close out the Agency system of record for RGQAs delegation and complete the necessary GQACR, including updating the RIAC forms, and other forms used with the request to indicate completion, then forward the forms via the Agency system of record for RGQAs to the DoDCCP. An email to both the DoDCCP and the requestor may be sent with the GQACR attached. This will ensure that both parties are aware of the requests completion.

b. Prior to closing the request, DCMA FS must accurately report all hours expended on international delegations, on both fee-for-service work and no-cost work. The hours expended must be reported in Defense Agencies Initiative (DAI) in whole hour increments using the assigned document control number (DCN). This DAI information is used to recoup DCMA costs associated with international delegations.

c. After all hours expended are reported and upon issuance of the GQACR and other necessary forms, the DCMA CMO QA FS must close the RGQA by DCN. During the course of the RGQA, all required forms must be completed and updated into the Agency system of record for RGQAs for archiving by the DoDCCP.

SECTION 10: EXPORT CONTROLS

10.1. INTERNATIONAL TRAFFIC IN ARMS REGULATIONS/EXPORT ADMINISTRATION REGULATIONS OVERVIEW – RELATED TO INTERNATIONAL REQUESTS FOR CONTRACT ADMINISTRATION SERVICES.

a. The ITAR (Parts 120-130 of Title 22, CFR) is a set of U.S. Government regulations that control the export and import of defense articles and services, including related technical data identified on the United States Munitions List (USML). These regulations implement the provisions of the Arms Export Control Act (AECA). The Department of State (DoS), Directorate of Defense Trade Controls (DDTC), interprets and enforces the ITAR, including the issuance of licenses and agreements. The goal of the ITAR is to safeguard U.S. national security and further U.S. foreign policy objectives.

b. For practical purposes, ITAR regulations dictate that technical data, information, and material pertaining to defense-related technologies (for items listed on the USML) may only be shared with U.S. persons unless authorization from the DoS is received or a special exemption applies. U.S. persons can face fines, imprisonment, or both, if they have, without proper authorization or exemption, provided or allowed foreign persons access to ITAR controlled defense articles, services, or technical data.

c. TheEARs (Parts 730-774 of Title 15, CFR) is a set of U.S. Government regulations that control the export of dual-use items (items that have both commercial and military or nonproliferation applications). The EAR implements the Export Administration Act (EAA).

d. The Department of Commerce (DoC), Bureau of Industry and Security (BIS), interprets and enforces the EAR. Assignment of an Export Control Classification number on the Commerce Control List (CCL) identifies many items subject to the EAR. Those items "subject to the EAR" but not identified on the CCL are identified by the designator "EAR99." The CCL is part of the EAR in Supplement No. 1 to Part 774 of Title 15, CFR.

e. The DoD has entered into International Agreements with counterparts in foreign governments for the reciprocal exchange of GQA and financial services. These agreements allow DCMA to request GQA and/or financial services from the foreign government when supplier performance is in the foreign country, in lieu of DCMA FS performing these services.

f. Occasionally, DCMAI CMOs administer contracts or subcontracts and receive requests for financial services where ITAR restricts access to the supplies and associated technical data to U.S. FS only. Most of these International Agreements do not adequately address these restrictions and the required access authorizations. As a result, DCMAI CMO FS may only request GQA or financial services from the foreign government by use of other methods of authorization, such that the foreign government FS are allowed access to the defense articles, services, and technical data when necessary in the performance of GQA on behalf of the U.S.

g. Where ITAR restrictions are contractually imposed, the suppliers are obligated to protect ITAR defense articles, services, and technical data from unauthorized export and also must secure access authorization for foreign subcontractors.

h. The supplier's responsibility for protection of ITAR specific items is found in the USML, which designates categories of items that are defense articles or defense services. In many cases, suppliers will subcontract the manufacture and/or assembly of items or parts of items identified on the USML to subcontractors located in foreign countries. Subcontracting may involve the export of technical data that is required for contract performance and/or product acceptance. Prime suppliers must secure authorization for the export of defense articles and services. Depending on the circumstances, the authorization could be in the form of:

- Temporary/Permanent Export Licenses (Form DSP-5, Form DSP-73, etc.)
- MLAs
- TAAs

(1) All of the authorizations must identify the specific articles or services controlled; the country where the defense articles, services or technical data will pass through or be used, the companies or organizations authorized access; and the associated technical data.

(2) DFARS 252.225-7048, "Export-Controlled Items," is a contract clause requiring the contractor/supplier to comply with all applicable laws and regulations regarding export-controlled items. The clause states that the supplier must flow down and include the substance of this clause in all subcontracts.

(3) Pursuant to DFARS PGI 225.79, "Export-Control," DCMA FS will not answer any questions a supplier may ask regarding compliance with the ITAR or EAR, or questions regarding the DoS requirement for suppliers to register in accordance with the ITAR. DCMA FS must direct the supplier to paragraphs (b) and (c), respectively, of DFARS 252.225-7048, and may inform the supplier to consult with the DoS or DoC. DCMA FS having questions regarding the applicability of the EAR or ITAR to specific procurements or items, or interpretation of DoD issuances regarding export controls, may contact the Defense Technology Security Administration (DTSA) policy directorate by visiting their website.

i. Suppliers are responsible for compliance with ITAR and EAR restrictions. DCMA FS are not responsible for performing oversight or surveillance of a supplier's compliance with export control requirements.

j. All DCMA FS have a responsibility to safeguard U.S. export-controlled items that they may come in contact with during the performance of their official duties. DCMA FS are reminded that export of ITAR-controlled defense articles, services, and technical data can occur in the U.S. (a "deemed export") as well as in foreign countries and may include covered defense information (as defined in DFARS 204.73).

k. Foreign marked parts may sometimes pose a fraud indicator during product inspection and acceptance. DCMA employees who suspect that an ITAR violation has occurred or a potential

ITAR violation has occurred, must immediately report the matter to the Contract Integrity Center (CIC). Contact information for your local CIC Fraud Counsel is located on the Resource Page.

10.2. SAFEGUARDING CONTROLLED UNCLASSIFIED INFORMATION. Covered defense information (as defined in DFARS PGI 204.73) is unclassified controlled technical information or other information (as described in the Controlled Unclassified Information (CUI) Registry) that requires safeguarding or dissemination controls pursuant to and consistent with law, regulations, and government wide policies. See DCMA-MAN 3301-08, "Information Security," for information regarding safeguarding CUI.

10.3. INTERNATIONAL TRAFFIC IN ARMS REGULATIONS - RELATED REQUEST PROCEDURE - DCMA CONTRACT MANAGEMENT OFFICE.

a. The importance of the CRR process cannot be over emphasized considering its impact to the International Request for CAS process. The DCMA CRR must include a determination as to the applicability of ITAR restrictions or other export controls to the contract or subcontract/purchase order being reviewed.

b. The inclusion of DFARS clause 252.225-7048 is required for all contracts and does not imply that ITAR or EAR restrictions exist.

c. DFARS 252.225-7047, "Exports by Approved Community Members in Performance of the Contract." There are Defense Trade Cooperation (DTC) Treaties that permit the export of certain U.S. defense articles, technical data, and defense services without U.S. export licenses or other written authorization under the ITAR, into and within the Approved Community, as long as the exports are in support of purposes specified in the DTC Treaties. If this clause is cited in the contract, DCMA CMO QA FS must review DFARS 252.225-7047 and DFARS 225.79, "Export Control" in its entirety to determine its applicability to the contract/subcontract. Specific defense articles that are not U.S. DoD Treaty-eligible will be identified as such in those contract line items that are otherwise U.S. DoD Treaty-eligible. (See Glossary for definitions of DTC and Approved Community.)

d. The CRR must include a review of the applicable export license, MLA, or TAA. Some contracts contain export-control language without referencing a specific DFARS clause. Examples of ITAR restrictions identified on contract/subcontract are:

(1) Inclusion of a military service specific clause, such as the Air Force Material Command (AFMC) FAR Supplement 5352.227.9000, "Export-Controlled Data Restrictions (AFMC)."

(2) Inclusion of specific export-control language or ITAR restrictions, such as technical data provided to the seller in support of the contract where the seller's performance of the contract is authorized by the applicable U.S. State Department authorization number.

e. Coordination with the Supplier. The CMO will discuss the contractual ITAR restrictions with the supplier and the applicability of ITAR to subcontractors both in the U.S. and OCONUS.

It is highly recommended that a process be established for identifying subcontractors and subcontracts whose defense articles, services, or technical data is protected by export controls.

(1) The process must include a listing of contracts and associated subcontracts imposing ITAR restrictions, with reference to the export license, MLA, or TAA.

(2) Export license restrictions, access authorizations, and agreements must be flowed down to the applicable subcontractors through the applicable subcontracts. Also, as stated in paragraph (e) of DFARS 252.225-7048, "The Contractor must include the substance of this clause, including this paragraph (e), in all subcontracts."

f. DCMA CMO QA FS must determine if GQA is required at the foreign supplier's location based on the risk assessment and the GQA determination made in Section 3.

g. If GQA surveillance or financial services are to be delegated to a DCMAI CMO, copies of all applicable sections of export licenses, MLA, or TAA relative to the subcontract/purchase order must be provided with the delegation, if available. As a minimum, the referenced DFARS clauses or the contract page numbers that contain the ITAR language, license and agreement numbers, expiration dates, and other relevant information must be provided on the delegation.

h. The delegation must be coordinated with the DCMAI CMO cognizant of the subcontractor in advance of the delegation for coordination purposes and to determine whether assistance is required to obtain access for HN QA FS to the export-controlled items.

i. The DCMA CMO will work with the supplier (DoS export license holder) to amend or modify the export license, access authorizations, or agreements, or to obtain a sub-license. If necessary, the CMO may contact the Procurement Contracting Officer (PCO) to solicit an ITAR exemption through the appropriate military channels in order to obtain export-controlled access for the HN during the performance of the GQA. The decision to amend a license, agreement, or to pursue an exemption rests with the supplier and will depend on the circumstances associated with the export controls. Consult with the DCMAI Functional Director.

j. As part of their GQA Surveillance Planning effort, DCMA CMO QA FS must schedule and perform process reviews of the supplier's processes for flowing contract requirements to their subcontractors.

10.4. INTERNATIONAL TRAFFIC IN ARMS REGULATIONS - RELATED REQUEST PROCEDURE - DCMAI CONTRACT MANAGEMENT OFFICE.

a. CRR must include a determination concerning the applicability of ITAR restrictions or other export controls to the contract or subcontract/purchase order subject to review.

b. The CRR must include a review of the applicable export license, MLA, or TAA to identify specific defense article or defense service restrictions, technical data, and information restrictions, and access authorizations. If this information is not available with the contract,

subcontract, or delegation, the DCMAI FS must contact the Delegator and request the information.

(1) DCMAI FS must not proceed with requesting GQA or financial services from the HN until the information is reviewed and clearly understood.

(2) All restrictions and authorizations must be documented in the surveillance plan or must be clearly traceable from the surveillance plan.

c. The inclusion of DFARS 252.225-7048 is required for all contracts and does not imply ITAR restrictions apply.

d. DFARS 252.225-7047. There are DTC Treaties that permit the export of certain U.S. defense articles, technical data, and defense services, without U.S. export licenses or other written authorization under the ITAR, into and within the Approved Community, as long as the exports are in support of purposes specified in the DTC Treaties. If this clause is cited in the contract, DCMAI CMO QA FS must review DFARS 252.225-7047 and DFARS Subpart 225.79 in their entirety to determine their applicability to the contract/subcontract. Specific defense articles that are not U.S. DoD Treaty-eligible will be identified as such in those contract line items that are otherwise U.S. DoD Treaty-eligible. (See Glossary for definitions of DTC and Approved Community.)

e. Some contracts contain export-control language without referencing a specific DFARS clause. Examples of ITAR restrictions identified on contract/subcontract are:

(1) Inclusion of a military service specific clause, such as AFMC FAR Supplement 5352.227.9000.

(2) Inclusion of specific export-control language or ITAR restrictions, such as technical data provided to the seller in support of this contract and seller's performance of this contract is authorized by the applicable DoS authorization number.

f. HN Access Authorization. DCMAI CMO QA FS must determine if the GQA or financial services will be requested from the HN FS. If exceptions apply, as discussed in Section 4, paragraph 4.2.d., DCMAI FS must plan and perform the required activities.

g. DCMAI FS must determine whether the HN FS are authorized access to the ITAR export-controlled defense articles or technical data. Methods of access authorization include:

(1) International Agreements. The method of granting access to HN FS is through the security arrangement clauses of the individual International Agreements. This provides an umbrella-type access authorization for ITAR or CUI. As new agreements arise or current agreements are modified, this type access authorization may be included in the agreement.

(2) Exchange of Letters (EoL). Where the security provisions of a current International Agreement do not contain the access authorization to ITAR or CUI, the agreements must be

clarified through an EoL. The EoL is an administrative procedure that outlines the required aspects for access and protection requirements for U.S. origin export-controlled information. The EoL must be agreed to by both governments prior to any access to U.S. origin export-controlled information by the foreign government. Questions concerning process initiation, coordination, and approval must be directed to the DCMAI Functional Director.

(3) Amendment of Export License, MLA, or TAA. DCMAI FS must contact the PCO or the DCMA CMO Delegator and request the license or agreements be revised to provide access to HN FS. See the information at paragraph 9.3.g.

(4) No portion of GQA surveillance or financial services will be requested or performed by HN FS until access is authorized. If implementation of GQA surveillance or financial services is time sensitive, the surveillance or services must be planned and executed by DCMAI FS.

h. Request Preparation. After all the applicable export-controlled information is received, including the access authorization for the HN FS, the request can be coordinated with the HN and the RGQA, RIAC, or financial service request can be completed. Early coordination is permissible, however, HN FS are not authorized to act on behalf of the DoD/DCMA until access authorization is received and the request is accepted by the HN.

i. RGQA or Request for Government Contract Audit Services (RGCAS) forms modified for ITAR requirements must be used to request GQA surveillance or financial services (see Resource Page for template forms). The RGQA, RGQAR and the RGCAS forms have been modified for ITAR requests. A request "valid to" date has been included in the form so that unless the RGQA or RGCAS is revised, the delegation will expire on that date and all support from the HN will cease regardless of the estimated contract final delivery date. This will assist in providing a more active role in managing the delegation and a higher degree of organizational management visibility.

j. Specific export-controlled defense articles, services, and technical data must be identified on the ITAR RGQA within the product description ITAR Exemption Tracking No. 09-19. The ITAR RGQA/RGCAS must be signed by the Requestor's Team Leader and reviewed by the HNC, if one is assigned to the DCMAI CMO. The RGQA/RGCAS must be forwarded to the HN's focal point.

k. Copies of the export license, MLAs, or TAAs must not be provided to the HN organization to prevent proprietary information disclosure. The supplier must be notified that the contract is being delegated to the HN GQA/Financial services organization.

l. Visibility. Each DCMAI CMO requesting GQA Surveillance or financial services of ITAR-controlled defense articles and technical data must develop a process for managing and tracking ITAR delegations and providing the appropriate level of management visibility.

m. RGQA/RGCAS Closure.

(1) A request "valid to" date has been included on the ITAR modified RGQA/RGCAS form so that unless the RGQA/RGCAS is revised, the delegation will expire on that date and all support from the HN will cease regardless of the estimated contract final delivery date.

(2) The DCMAI CMO must forward a letter notifying the supplier that the request to the HN has been terminated and they must not be provided access to ITAR-restricted defense articles and technical data/information.

(3) If GQACR and RIAC, RGQA or financial services reports have not been received, contact the HN focal point and remind them of the AQAP-2070 or the International Agreement/GQA administrative procedure requirement for requested forms. On the second attempt for the information, process the request to the HN's CCP and include a DFB, as applicable.

(4) Upon receipt of the GQACR or other notification of GQA or financial services completion, DCMAI CMO QA FS must close the RGQA/RGCAS in the system they use for tracking and managing RGQAs to the HN.

GLOSSARY

G.1. DEFINITIONS.

Agency System of Record. The Agency system of record is the authoritative data source for a given data element or piece of information.

Approved Community. U.S. Government, U.S. entities that are registered and eligible exporters, and certain government and industry facilities in Australia or the United Kingdom that are approved and listed by the U.S. Government. Community lists are accessible on the Manual Resource Page.

Concession (See Deviation Permit). Permission to use or release a product that does not conform to specified contract requirements. NOTE: A concession is generally limited to the delivery of a product that has nonconforming characteristics within specified limits for an agreed time or quantity of that product. (Source: ISO 9000)

DCMA CMOs. As used in this Manual, refers to CMOs located in the U.S. (CONUS).

DCMAI CMOs. As used in this Manual, refers to CMOs located outside of the U.S. (OCONUS).

DTC Treaty (1) The Treaty Between the Government of the United States of America and the government of the United Kingdom of Great Britain and Northern Ireland concerning Defense Trade Cooperation signed at Washington and London on June 21 and 26, 2007; or (2) The Treaty Between the Government of the United States of America and the Government of Australia Concerning Defense Trade Cooperation, signed at Sydney on September 5, 2007.

Delegatee. The appropriate national authority of a supplying nation performing GQA after acceptance of the RGQA. When performing GQA for a foreign government, the U.S. is considered the HN and DCMA the appropriate national authority.

Delegator. The appropriate authority of a purchasing nation requesting GQA in a supplying nation.

Deviation Permit (See Concession). Permission to depart from the originally specified contract requirements of a product prior to realization. NOTE: A deviation permit is generally given for a limited quantity of product or period of time, and for a specific use. (Source: ISO 9000)

DoDCCP. When a foreign government or international organization submits a contract administration service request involving a direct commercial sales contract, it will be sent to the DoDCCP.

EAR. The EARs (EAR; Parts 730-774 of Title 15, CFR) is a set of U.S. Government regulations that control the export of dual-use items (items that have both commercial and military or nonproliferation applications). The EAR implements the EAA.

Host Nation. The nation that performs the GQA or financial services in their nation on behalf of another nation or NATO organization. When DCMA performs the GQA or financial services in this capacity, the U.S. is the HN.

International Agreement. Any agreement concluded with one or more foreign governments (including their agencies or organizations) or with an international organization that;

- Is signed or agreed to by appropriate-level FS of the DoD
- Signifies the intention of the parties to be bound in international law
- Can be in the form of an International Agreement, MOU, memorandum of agreement, memorandum of arrangements, technical arrangement, cooperative agreement, or any other name

ITAR. Set of U.S. Government regulations that control the export and import of defense articles and services including related technical data identified on the USML (Part 121 of Title 22, CFR). These regulations implement the provisions of the AECA, and are described in 22 Parts 120-130 of Title 22, CFR.

OCONUS. Refers to all other areas not included in the definition for U.S.

GLOSSARY

G.2. ACRONYMS.

ABCAS	Acquisitions Branch Contract Assurance Standards
AECA	Arms Export Control Act
AFMC	Air Force Material Command
ALRE	Air Launch and Recovery Equipment
AQAP	Allied Quality Assurance Publication
CAA	Canadian Audit Authority
CAR	Corrective Action Request
CAS	Contract Administration Service
CCL	Commerce Control List
CCP	Central Control Point
CFR	Code of Federal Regulations
CIC	Contract Integrity Center
CMO	Contract Management Office
CONUS	Continental United States
CSI	Critical Safety Items
CRR	Contract Receipt and Review
CUI	Controlled Unclassified Information
DAI	Defense Agencies Iniative
DCA	Data Collection and Analysis
DCAA	Defense Contract Audit Agency
DCMA-FBR	DCMA HQ International and Federal Business Division
DCMAI	DCMA International
DCMA-INST	DCMA Instruction
DCMA-MAN	DCMA Manual
DCMAF	DCMA Form
DCN	Document Control Number
DDTC	Director, Defense Trade Controls
DFARS	Defense Federal Acquisition Regulation Supplement
DFARS PGI	Defense Federal Acquisition Regulation Supplement Procedures, Guidance, and Information
DFB	Delegation feedback
DoC	Department of Commerce
DoDCCP	Department of Defense Central Control Point
DoDD	DoD Directive
DoS	Department of State
DPC	Defense Pricing and Contracting
DTC	Defense Trade Cooperation
EAA	Export Administration Act
ECARS	Electronic Contract Administration Request System

ECD	estimated completion date
EoL	Exchange of Letters
EAR	Export Administration Regulation
FAR	Federal Acquisition Regulation
FLS	First Level Supervisor
FMS	Foreign Military Sales
GAGAS	Generally Accepted Governement Audit Standards
GCQA	Government Contract Quality Assurance
GQA	Government Quality Assurance
GQACR	Government Quality Assurance Closure Report
GQAR	Government Quality Assurance Representative
HN	Host Nation
HNC	Host Nation Coordinator
HQ	Headquarters
ICSM	International Contract Service Manager
ITAR	International Traffic in Arms Regulation
MLA	Manufacturing License Agreement
MOU	Memorandum of Understanding
NASA	National Aeronautics and Space Administration
NATO	North Atlantic Treaty Organization
OCONUS	outside continental United States
PCO	Procurement Contracting Office
PGI	Procedures, Guidance, and Information
QA	Quality Assurance
QALI	Quality Assurance Letter of Instruction
RDP	Reciprocal Defense Procurement
RGCAS	Request for Government Contract Audit Services
RGQA	Request for Government Quality Assurance
RGQAR	Response to Government Quality Assurance Request
RIAC	Risk Identification, Assessment and Communication
RPP	Risk Profile and Plan
STANAG	Standardization Agreement
TAA	Technical Assistance Agreement

USC	United States Code
USML	United States Munitions List

REFERENCES

Code of Federal Regulation, Title 15
Code of Federal Regulation, Title 22
Air Force Material Command (AFMC), Federal Acquisition Regulation (FAR) Supplement 5352.227.9000, "Export-Controlled Data Restrictions," July 1997
Allied Quality Assurance Publication (AQAP) - 2070, "NATO Mutual Government Quality Assurance Process"
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DFARS clause 252.225-7048, "Export-Controlled Items," June 2013
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DFARS PGI 242.002, "Interagency Agreements," November 9, 2005
DFARS Subpart 225.79, "Export Control," June 26, 2013
DCMA-INST 309, "Government Contract Quality Assurance (GCQA) Surveillance Planning," February 2012
DCMA-INST 1201, "Corrective Action Process," December 4, 2012
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DCMA-MAN 2501-01, "Contract Receipt and Review," TBD
DCMA-MAN 3301-08, "Information Security," January 21, 2019
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FAR 46.504, "Certificate of Conformance," June 14, 2007
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