



DEFENSE CONTRACT MANAGEMENT AGENCY

3901 A AVENUE, BUILDING 10500
FORT LEE, VA 23801-1809

January 7, 2022

MEMORANDUM FOR COMPONENT HEADS

SUBJECT: DCMA Policy-type Memorandum 21-005, "Policy Change to DCMA-MAN 2303-01, Surveillance"

References: DCMA-MAN 2303-01, "Surveillance," May 17, 2020
DCMA-MAN 501-01, "Policy Issuances Procedures," April 13, 2017

Purpose. DCMA Policy-type Memorandum (DCMA-PTM) amends paragraphs in Section 8 of the DCMA-MAN 2303-01, "Surveillance," with methods for requesting corrective action for deficiencies identified at the subcontract level, issuance of Corrective Action Request (CAR) without requesting a written corrective action response when the Root Cause and Corrective Actions (RCCA) are known and acceptable.

Applicability. This DCMA-PTM applies to all DCMA activities unless higher-level regulations, policy, guidance, or agreements take precedence.

Policy. It is DCMA policy to:

- Perform multi-functional surveillance in support of Contract Administration Services and in compliance with Federal Acquisition Regulation, Defense Federal Acquisition Regulation Supplement, and other applicable regulations, supplements, and directives in accordance with DCMA Instructions and DCMA Manuals (DCMA-MAN).
- Perform risk-based surveillance on requirements identified during Contract Receipt and Review (CRR).
- Execute this Manual in a safe, efficient, effective, and ethical manner.

Responsibilities. No changes in responsibilities listed in DCMA-MAN 2303-01.

Procedures. The following paragraphs in Section 8 are updated:

- 8.5.f.(2). A Level II CAR describes deficiencies in a contractor process(es) (e.g., purchasing, configuration management, EVM processes) that are not a breakdown of a system but are:
 - an escalation of Level I CARs indicating increasing process performance risk or multiple major or critical deficiencies on a product indicating a systemic issue throughout the process(es)

- Where the Root Cause and Corrective Actions (RCCA) for Level I and Level II CARs, for minor deficiency(cies), is known and the Functional Specialist (FS) is satisfied the deficiency has been appropriately addressed, a CAR may be issued without requesting a written RCCA response from the contractor. DCMA FS must document the RCCA in the Agency System of Record.
- **8.6. SUBCONTRACT LEVEL DEFICIENCY.** When deficiencies are identified at the subcontract level, a notification will be sent from the subcontractor location(s) to the cognizant CMO(s). The CAR(s) will be issued to the prime contractor. Additional place of performance contractors identified in a prime contract, other than those identified in Paragraph 8.6.c., will be treated as subcontractors. DCMA FS working delegations in the contractor's supply chain will use the guidebook for Corrective Action Process for Subcontractor Level Deficiency and its companion document CAR Process Map. Both documents are located on the Resource Page for DCMA-MAN 2303-01, "Surveillance."
 - 8.6.a.(2)(a). If the subcontractor has prime contracts with the government that are associated with the deficiency, then the CAR will be issued to the subcontractor against those prime contracts. A notification via the Agency System of Record for the deficiency found will be provided to the affected delegating Contract Management Office (CMO). Based on other documented performance issues, a CAR for "Failure to Control Subcontractor" may be issued to the prime contractor, if warranted.
 - 8.6.a.(2)(c). If the subcontractor has no prime contracts or contractual relationship with the government, a notification via the Agency System of Record will be forwarded by the Subcontractor CMO to the Prime Contractor CMO to issue a CAR at a level appropriate for the deficiency discovered to the Prime Contractor. The details of the deficiency will be provided to the subcontractor. In this case, it is the prime contractor's responsibility to ensure the government gets a viable corrective action plan and the subcontractor corrects the deficiency.

Labor Codes. Located on Resource Page.

Resource Page. <https://360.intranet.dcmamil/Sites/Policy/CE/SitePages/2303-01r.aspx>

Releasability. Cleared for public release.

Effective. This DCMA-PTM is effective immediately and will be incorporated into DCMA-MAN 2303-01. This DCMA-PTM will expire 12 months from the date of issuance.

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David G. Bassett
LTG, USA
Director

Attachment(s):
None

Link(s):
None