**DIBBS Notice:**

Beginning 1 February 2018, in accordance with **DFARS 246.402 Government contract quality assurance at source,** offerors that take exception to inspection and acceptance at destination when specified in the solicitation and instead quote source will be determined ineligible for award.

A formal request for change to the automated system is in process but in the interim, the system will apply an evaluation factor of $2,500 as a mechanism to exclude offers that are contrary to the DFARS. Procurement note E07 will be revised to reflect this new evaluation factor amount. DCMA will reject administration of any purchase order, contract, or delivery order on new LTCs/BOAs that are awarded with inspection and acceptance at source that is not in accordance with DFARS 246.402 or the DLA/DCMA business rules (listed below). This applies whether the contract was awarded through the automated system or manually and is applicable to contracts and orders valued up to $300,000. The master solicitation will be updated to reflect this change.

In the event that a contract is awarded with source I/A that does not meet one of the business rules below, DLA contracting officers will modify such contracts to correct I/A to destination and administration by DLA.

DCMA administration is appropriate when the contract contains any of the following business rules, regardless of inspection and acceptance point:

* Contract/order includes Government property
* Administration includes plant clearance
* Surveillance criticality designator is a A or B and surveillance by DCMA is desired
* Contract/order contains classified data and a DD254 is required
* Contract/order contains contract financing
* Contract/order awarded for a high risk item
* Contract/order awarded to a high risk supplier
* Contract/order requires payment by MOCAS

Inspection and acceptance at source and delegation to DCMA is required when the contract contains any of the following business rules:

* APO/FPO and FOB required
* First article testing
* FMS requirements
* Critical safety item
* Higher level quality requirements
* Contract awarded to a high risk item or high risk supplier
* Hazardous materials
* Arms, ammunition or explosives
* Requires safety of flight administration

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