



DLA
DEFENSE LOGISTICS AGENCY
Established 1961



The Nation's Combat Logistics Support Agency

A collage of military images including a rocket launch, a C-17 Globemaster III transport plane, a paratrooper, an aircraft carrier, and soldiers with a mortar.

Supplier Operations Commodities Webinar Series

Daniele Kurze, Director Supplier
Operations Commodities
August 3, 2022

WARFIGHTER ALWAYS



Agenda

- **Opening Remarks**
 - Daniele Kurze, Director Supplier Operations Commodities

- **Facilitator**
 - Commander Isaac Ortman, Supply Corps, U. S. Navy, Deputy Director, Supplier Operations Commodities
 - Kelvin Goodwine, Division Chief, Supplier Operations Commodities (Vendor Support)

- **Presenters**
 - Ryan Kidd, DCMA Headquarters, DFAS Liaison & Contract Maintenance Co-Lead Performance & Systems
 - Sandra Nelson, DCMA Headquarters, Industrial Specialist
 - Christopher Ford, DCMA Headquarters, Quality Assurance Specialist

- **Open Q&A**
 - Joseph Levenduski, DCMA Headquarters, Industrial Engineer
 - Anita Soo Hoo, Systems Analyst, DLA Headquarters, Logistics Operations
 - Heidi LaCosse, Supervisory Procurement Specialist (Branch Chief), Supplier Operations Commodities
 - James “Jim” Glenn, IST Chief, Cables, Electrical and Lighting, Supplier Operations Commodities
 - Jeremy Prince, Contract Specialist Team Lead/Contracting Officer, Airframes and Engines Division, Supplier Operations Commodities
 - Morishita Armstead, Supervisory Contract Specialist, Supplier Operations Commodities (Vendor Support)
 - Schelica Grant, Supervisory Contract Specialist, Supplier Operations Commodities (Customer Support)
 - Tyler Bishop, Product Specialist, Supplier Operations Commodities (Testing Coordinator)
 - Lynn Bangs, Lead Financial Liaison (DLA Direct), DLA Aviation
 - Christian Lonzon, Lead Financial Liaison (Customer Direct), DLA Aviation
 - Steven Powell, Service-Disabled Veteran Owned Program Manager, DLA Aviation



How to Submit a Question in the Q&A

The screenshot shows a Zoom Webinar window. At the top, it says "Zoom Webinar" with window control buttons. Below that are icons for information and a green checkmark, and a button that says "Enter Full Screen". The main content is a slide from the Defense Logistics Agency (DLA). The slide features the DLA logo and the text "The Nation's Combat Logistics Support Agency". The title of the webinar is "Supplier Operations Commodities Webinar Series", presented by Daniele Kurze, Director Supplier Operations Commodities, on February 9, 2022. The slide includes images of a military aircraft, a ship, and soldiers. At the bottom of the slide is the slogan "WARFIGHTER ALWAYS". In the Zoom interface's bottom toolbar, the "Q&A" button is highlighted with a red box and a red arrow points to it from the right.

UNCLASSIFIED



DCMA

DEFENSE CONTRACT MANAGEMENT AGENCY

DCMA 101 – An Introduction to DCMA

(Contributing to the DLA Aviation Post-Award (Commodities) Webinar Series)

Presented By:

Ryan Kidd, Sandra Nelson & Christopher Ford

DCMA Contracting, Industrial Specialist & Quality Assurance

August 3, 2022

UNCLASSIFIED

A team of trusted professionals delivering value to our Warfighters throughout the acquisition lifecycle



- **DCMA Overview**
- **DCMA Functional Overviews**
 - **Contracting**
 - **Industrial Specialist**
 - **Quality Assurance Surveillance**



DCMA Overview

Mr. Ryan Kidd



<https://www.dvidshub.net/video/480264/dcma-does>



- DCMA performs Contract Administration Services for DoD and authorized federal agencies, foreign governments, international organizations, and others.
- **Specific guidance on roles & responsibilities for Contract Administration functions**
 - Federal Acquisition Regulation 42.302(a)
 - Defense Federal Acquisition Regulation Supplement 242.302(a)
 - **78 functions (normally assigned to DCMA) if DCMA administers the contract**
 - Incorporates broad range of disciplines: Contract Administration, Engineering, Quality Assurance, Financial Management and Payments, Higher level Financial Analysis, Project Management, Industrial and Property Management, Safety, Aviation, and Accounting
- **4 functions must be performed by DCMA**
 - Negotiation of forward pricing rate agreements
 - Establishment of final indirect cost rates and billing rates
 - Determination of contractor's compliance with Cost Accounting Standards; including disclosure statement adequacy & compliance
 - Determination of Adequacy of contractor's accounting system



- **Mission**

- We are the independent eyes and ears of DoD and its partners, enhancing warfighter lethality by ensuring timely delivery of quality products, and providing relevant acquisition insight supporting affordability and readiness.

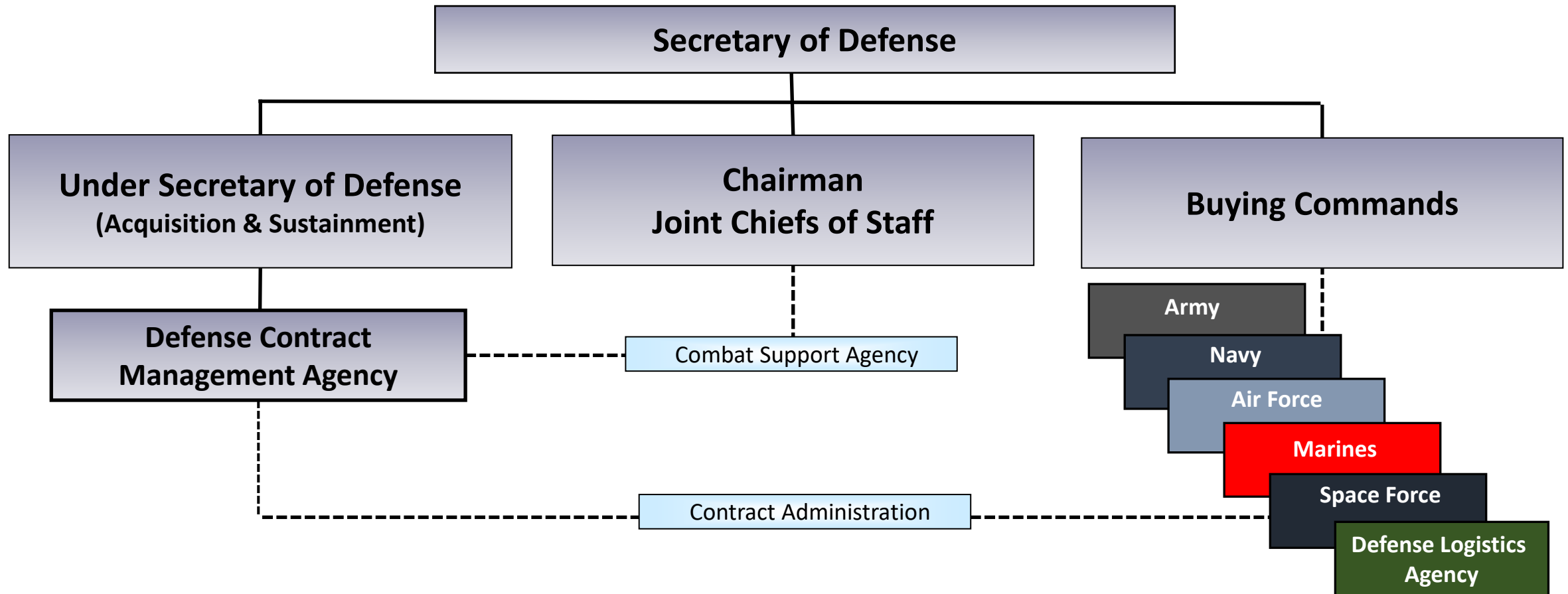
- **Vision**

- A team of trusted professionals delivering value to our Warfighters throughout the acquisition lifecycle.

- **Values**

- Integrity, Service and Excellence





Organizational Leadership Chart



Contract Management Offices



DCMA
Headquarters – Fort Lee, VA

DCMA Western Region Headquarters – Carson, CA

Contract Management Offices

- Carson, CA
- Denver, CO
- Lockheed Martin Denver, CO
- Lockheed Martin Sunnyvale, CA
- Los Angeles, CA
- Palmdale, CA
- Phoenix, AZ
- Raytheon, Tucson, AZ
- Santa Ana, CA
- Stockton, CA
- NPO (NASA Product Operations), San Antonio, TX

DCMA Central Region Headquarters – Chicago, IL

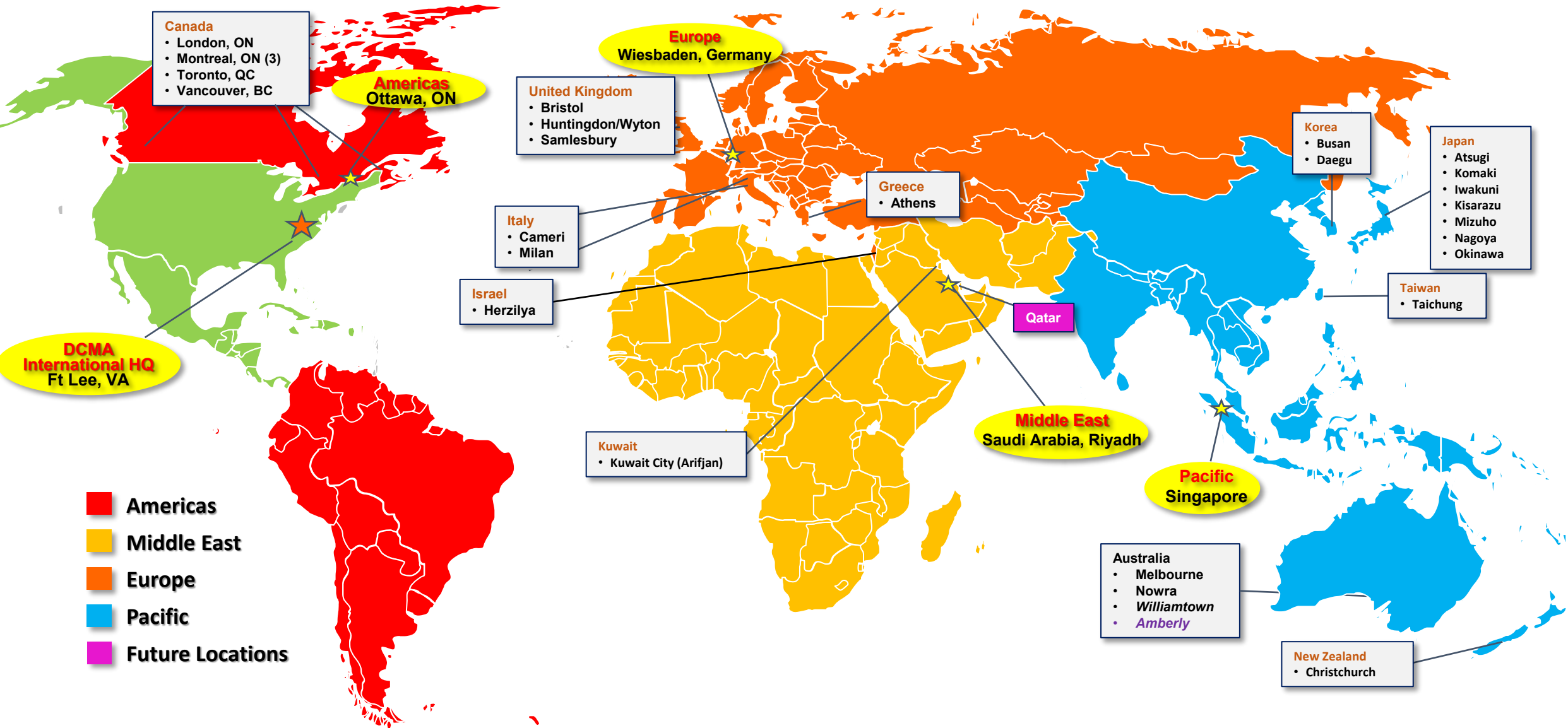
Contract Management Offices

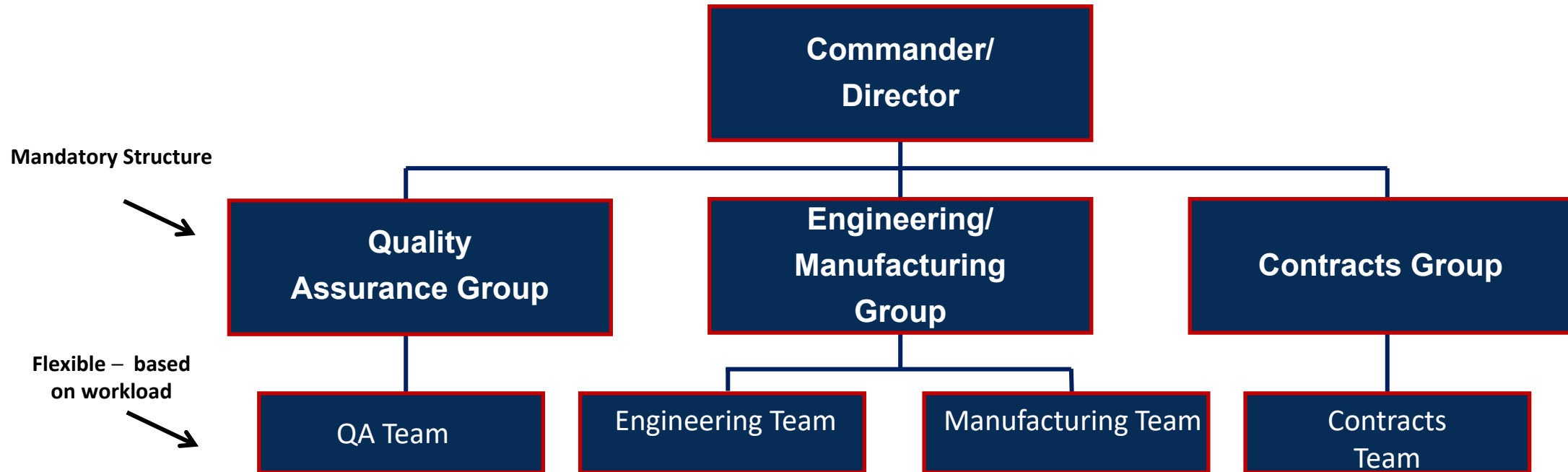
- Bell Helicopter, Forth Worth, TX
- Boeing, St. Louis, MO
- Chicago, IL
- Dallas, TX
- Dayton, OH
- Detroit, MI
- Huntsville, AL
- Lockheed Martin, Forth Worth, TX
- Twin Cities, MN

DCMA Eastern Region Headquarters – Boston, MA

Contract Management Offices

- Atlanta, GA
- Baltimore, MD
- Boeing, Philadelphia, PA
- Boston, MA
- Garden City, NY
- Hampton, VA
- Hartford, CT
- Lockheed Martin, Marietta, GA
- Lockheed Martin, Moorestown, NJ
- Lockheed Martin, Orlando, FL
- Manassas, VA
- Orlando, FL
- Philadelphia, PA
- Raytheon, Tewksbury, MA
- Sikorsky Aircraft, Stratford, CT
- Springfield, NJ
- APO (Aircraft Propulsion Operations), Hartford, CT
- NSEO (Naval Special Emphasis Operations), Philadelphia, PA





- Full service on-site support
 - Can be either co-located with major contractor or geographically oriented
- On-site eyes and ears of the customers
- Accept products for military services
- Provide business systems insight and ensure compliance
- Analyze contractor performance capability
- Assess contractor progress and authorize payments



Scope of Work

Total Contract Amount	\$3.92 trillion
Obligated Amount	\$2.208 trillion
Serviced Contractor Locations	15,482
Active Contracts	226,230
• Contract Unliquidated Obligations	\$328.6 Billion
• ACAT I (IAC, IC, ID) & II Programs	150
Aircraft Accepted into Service Inventory	Q2 268 / YTD 529
Aircraft Acceptance Flying Hours	Q2 3,001 / YTD 5,939
Oversight of Government Property	\$169.5 billion
Progress Payments	\$28.2 billion
Performance-based Payments	\$15.7 billion

Span of Control

Civilians On-Board	10,339
Military (Active Duty – 392, Reserve – 175)	567
Budget Authority	\$1.04 billion
Reimbursable Target	\$267 million

DCMA authorizes \$881.3 million in contractor payments each business day (FY22 average to date).

DCMA Value throughout the Contract Lifecycle



Early Acquisition Engagement

- **Proposal analyses**
- Contract/clause construction
- Market research/assessment
- Anticipated technology shifts
- **Cost & Pricing**
- Corporate motivations for incentive structures
- Reality of production promises
- Lessons learned

Contract Performance

- PARs/CPARS
- CARS
- Root Cause Analysis
- Production Surveillance
- Product Delivery
- Product Acceptance
- Earned Value (EVMS)
- Subcontract insight
- **Fraud investigations**
- Small business compliance

Contract Closeout

- **Negotiate final rates**
- Reconcile deliverables
- **Property disposition**
- **Contract Closeout**
- Funds Release
- **Canceling Funds**
- Settlement of disallowed costs

Continuous throughout the lifecycle

- Embrace Partnership/Strategic Industry Engagements
- **Forward Pricing Rate Agreements**
- Production capacity
- **Commercial Items**
- Business system insight
- Financial Stability

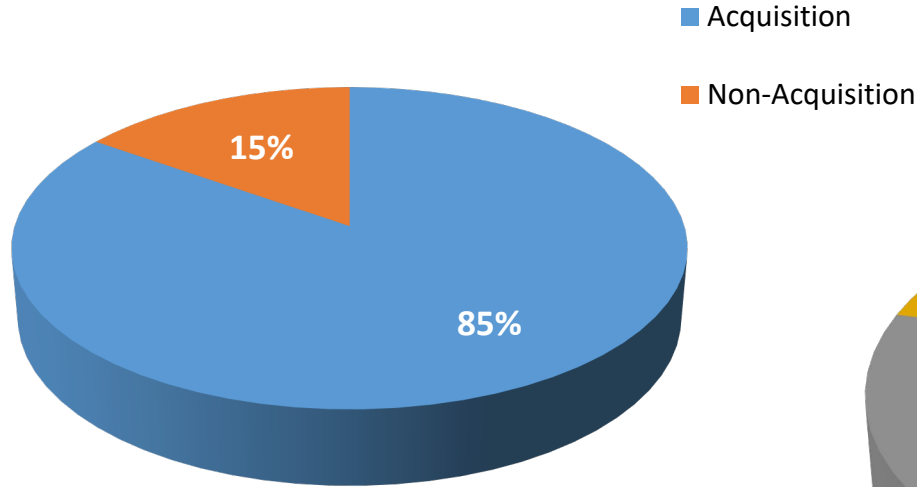
FY21 Measurable Return on Investment (ROI)

- **Saved: \$43.4M**
(Contract Terminations)
- **Recovered: \$516M**
(Contract Litigation, cost and accounting standards, fraud cost recoveries, incurred cost settlements, and property claims)
- **Cost Avoided: \$1.463B**
(Commercial pricing, property and plant clearance, and surge support efforts)
- **Projected savings over the next 3-5 years: \$3.186B**
(Forward Pricing Rates)

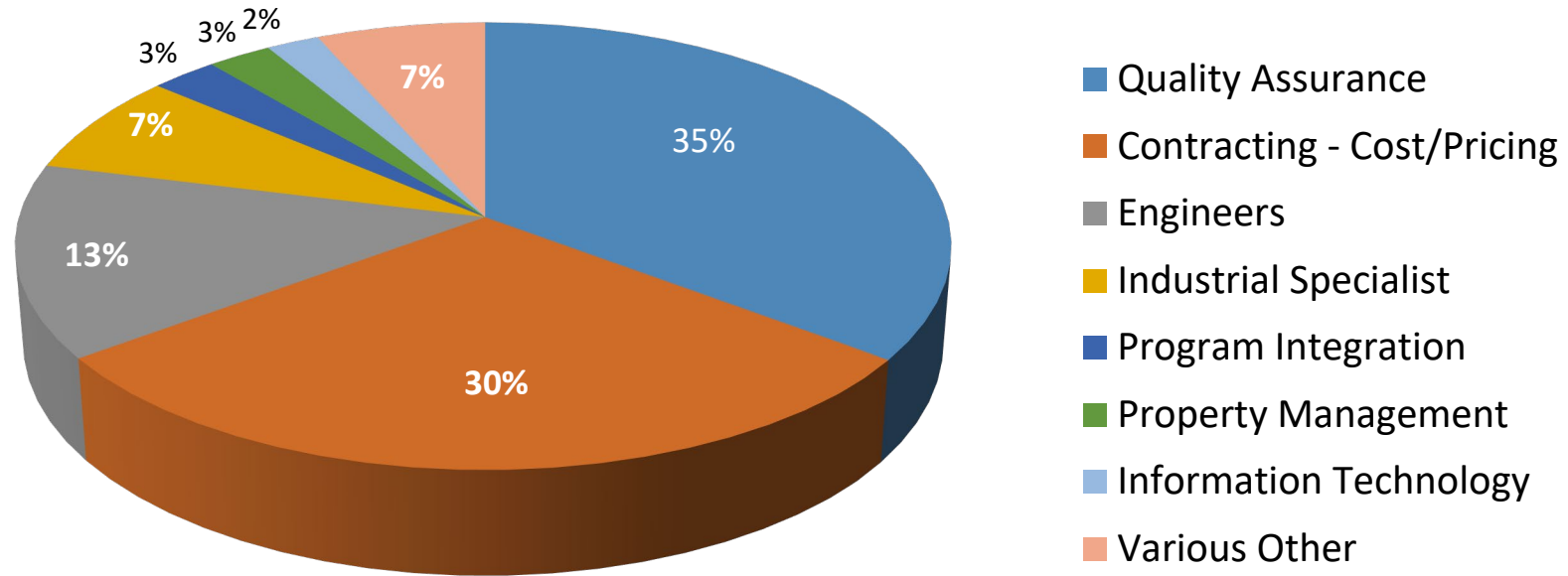
ROI Savings/Agency Budget
1.44:1



DCMA Civilian Workforce



DCMA Acquisition Employees





<https://www.dvidshub.net/video/691167/paper-product-we-dcma>



Improve warfighter capabilities by influencing timely delivery of quality and affordable products

Mr. Matthew Lupone, Executive Director
Technical Directorate

Defense Contract Management Agency Line of Effort 1 focuses on improving the delivery of high-quality and affordable defense systems.

Our team is enabled and empowered by tailored contract administration services and long-standing partnerships with the buying commands. As trusted partners in our national defense efforts, our people will deftly synchronize data-driven continuous surveillance improvements and a growing culture of collaboration. The resulting convergence of tech and teamwork will accelerate the enterprise toward DCMA Vision 2025.

This effort also recognizes the substantial role of innovation and information technology, and DCMA's responsibility to ensure contractors meet 21st century safety and cyber requirements.

Delivery means readiness. Our access to contractor facilities and knowledge of the defense industrial base lets us minimize and manage delays. We swiftly resolve issues, prioritize workload and reduce cycle time so warfighters get their equipment on time, every time.

Quality means confidence. Our modernized surveillance techniques are enabled by data based risk analysis to ensure weapons, systems and gear are right before they enter the fight.

Affordability means capability. We leverage data to provide unique acquisition insight to the buying commands and influence the cost of weapon systems. Reducing system costs is key to providing maximum capability to the warfighter on a limited budget.

OBJECTIVE 1.1 Modernize surveillance business practices to be agile and data driven

OBJECTIVE 1.2 Leverage Agency's access to data to provide acquisition insight and make informed decisions



Expand DOD Contract Administration capabilities to allow for flexibility and enhanced acquisition decision making

Mr. Craig Morgan, Acting Executive Director
Contracts Directorate

Defense Contract Management Agency Line of Effort 2 delivers enhanced Contract Administration Services (CAS) processes, tools and data. Equipped with these enhanced tools, our DCMA team will deliver critical goods and services to our warfighter on time, on budget and at the best value to the taxpayer. This will enable the Defense Department's post-award contract administration mission and help build a resilient defense ecosystem by:

Streamlining CAS processes and enable tailored CAS support based on program/contract risk and value to the Department.

Leveraging enterprise solutions to modernize CAS tools for use by all DOD components, putting the preponderance of post-award contract administration actions and information in one data lake, and integrating that data in ADVANA.

Facilitating accurate and timely contractor payment by utilizing streamlined CAS policies and modernized tools with a focus on stewardship and fiscal compliance, ensuring that DCMA will maintain an unqualified audit opinion as a major DOD service provider.

Engaging customers to ascertain what DCMA does that is most critical to each buying command, tailoring CAS to fit their needs, and delivering enriched training that will allow our workforce and the wider Department to execute post-award contract administration effectively, consistently and seamlessly.

OBJECTIVE 2.1 Modernize CAS tools to improve DCMA processes, enhance DOD Acquisition Insights, and standardize contract administration actions and data accessibility across the Department

OBJECTIVE 2.2 Streamline CAS processes and enable tailored CAS support based on program/contract risk and value to the Department

OBJECTIVE 2.3 Ensure prompt and accurate contractor payments and stewardship of Department funds through effective internal controls and fiscal compliance

OBJECTIVE 2.4 Effective application of resources against high risk mission sets (balance people to mission) and empower workforce with necessary standards, credentials, and certifications

OBJECTIVE 2.5 Enhance engagement with buying commands to increase Contract Administration business integration across the Enterprise.



More information available at: https://www.dcmil/Portals/31/Documents/DCMA_Strategic_Plan-FY22-26.pdf



Drive enhanced value and affordability through modern, adaptive, and responsive cost and pricing capabilities

**Mr. Jorge Bennett, Executive Director
Cost and Pricing Regional Command**

Defense Contract Management Agency Line of Effort 3 delivers modernized, responsive and adaptive Cost & Pricing capabilities that leverage multi-functional integration, automation and the power of our team of trusted professionals.

Disruptions in the global environment, from pandemics to threats to democracy, bring unprecedented challenges and create instability in our work and that of the defense industrial base. Trust in our professional workforce is paramount to innovation, which will improve the efficiency of tools and processes that drive costs for both industry and government.

LOE 3 leverages the opportunities of an optimized virtual work environment, reducing infrastructure and making DCMA more attractive to a diverse, highly skilled workforce that is motivated to maximize the value of every dollar invested in our Agency. This effort:

Emphasizes modernized, responsive and adaptive Cost & Pricing capabilities.

Embraces multi-functional integration and highlights our trusted workforce.

Demands a shift in strategic management, exploiting trade space between workload, risk, resources and customer needs.

Leverages advantages, opportunities and challenges of an optimized virtual environment, reducing infrastructure, and decentralizing the organization.

OBJECTIVE 3.1 Evolve and design efficient, effective Cost & Pricing processes and tools to improve agility and responsiveness to dynamic customer needs in an ever changing environment

OBJECTIVES 3.2 Exploit multi-functional data and Agency-wide predictive insights to enhance value proposition to DOD Customers and other acquisition stakeholders

OBJECTIVE 3.3 Recruit, retain, and cultivate a professional, empowered, diverse, pricing-minded workforce to integrate and exploit adaptive capabilities and flexibly respond to customer requirements



Innovate the Agency's approaches to how and where we work to better adapt to the workplace of the future

**Mr. Cory Rosenberger
Chief of Staff**

Defense Contract Management Agency Line of Effort 4 reinvents how and where we conduct our work. By combining recent lessons learned, emerging trends, and mission innovations delivered through the Agency's other Lines of Effort, DCMA has an unprecedented opportunity to shape a workplace that is better by most measures than what we had before the pandemic.

Through measurable objectives, initiatives and tasks, we will take an integrated approach to adapt the relevant aspects of the future, agile workplace and organization structure within DCMA:

Space. Reducing our physical footprint and employing workspace strategies, like alternative desking, will save money, and allow us to maintain physical workspaces as hubs of innovation and positive social interaction.

Place. Optimizing workforce flexibility and leveraging remote and telework programs builds a healthy, engaged team dedicated to successful mission execution.

Talent. Transforming how we hire, develop and retain our team of trusted professionals equals long-term mission success. We'll focus more on modern skills and less on traditional roles; and implement Back to Basics and Safer Federal Workplace Model principles.

Technology. Identifying opportunities to automate or eliminate certain tasks frees our workforce to focus on things where creativity and critical thinking add strategic value. Modernizing tools that enable mobility further strengthens our virtual capabilities.

OBJECTIVE 4.1 Transform the practices and strategies for the way we hire, develop, and retain the skilled people needed for a diverse, motivated, and talented workforce

OBJECTIVE 4.2 Enable a hybrid work model that facilitates positive, innovative workplaces while capitalizing on rightsizing opportunities with our facilities inventory

OBJECTIVE 4.3 Modernize our processes and related tools & training to empower our workforce to be equally effective and efficient in both the onsite and virtual environment

OBJECTIVE 4.4 Refine the Agency's organization structure to integrate future workspace environs with mission requirements



More information available at: https://www.dcmil/Portals/31/Documents/DCMA_Strategic_Plan-FY22-26.pdf



DCMA Contracting Overview

Mr. Ryan Kidd



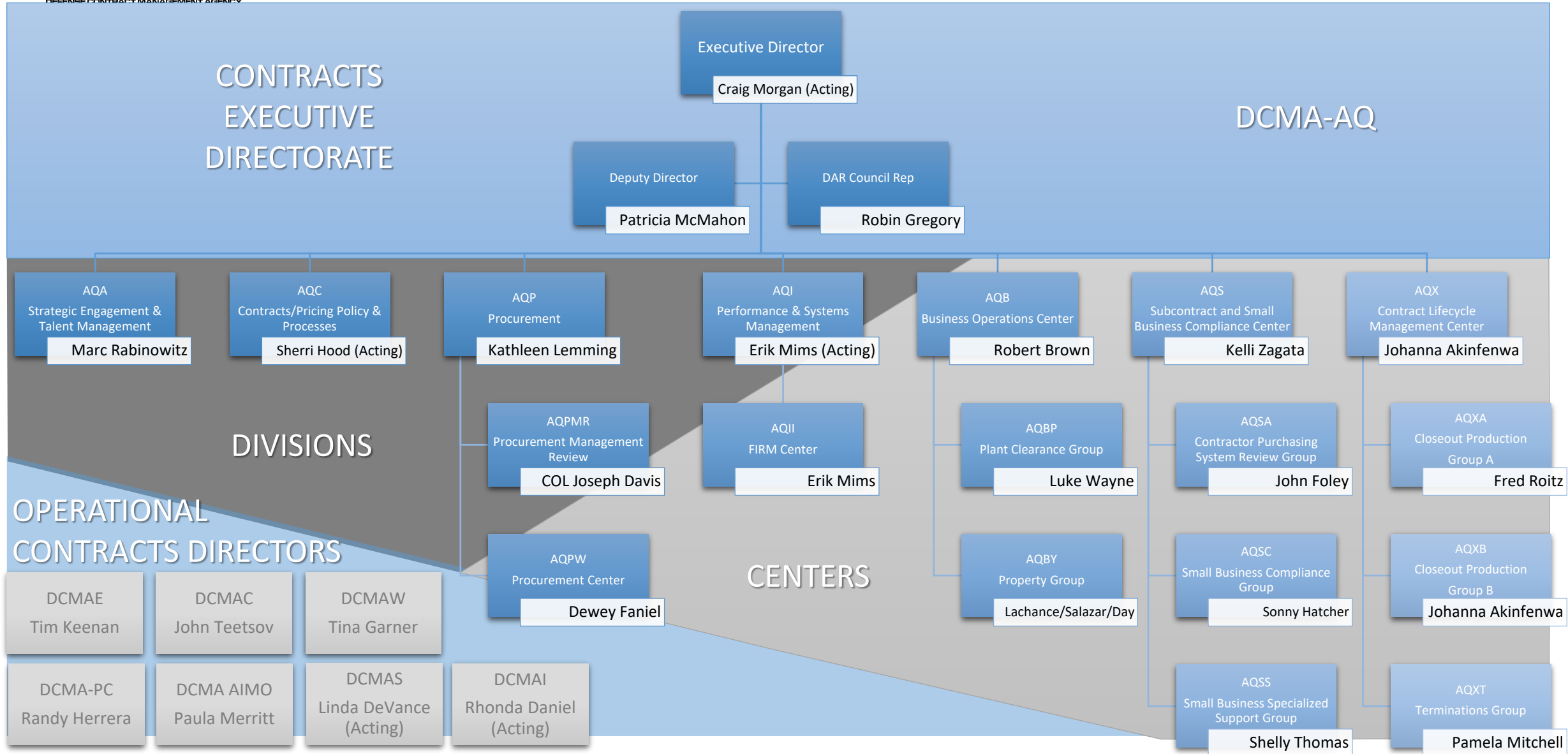
- **Contracts Executive Directorate Overview**
- **Current Initiatives**



Contracts Executive Directorate Overview



DCMA
DEFENSE CONTRACT MANAGEMENT AGENCY





AQ Contracts Executive Directorate

- Serves as DCMA’s PE & HCA
- Co-Chair of MOCAS JPMO
- Establishes processes & policy for Contract Administration Services (CAS) IAW FAR 1.3 & DFARS 201.3
- DAR Council Rep

AQA Strategic Engagement & Talent Management Div

- Warrants
- Professional Certifications
- Training
- Acquisition PDs
- FOIA Requests
- DCMA’s GPC program

AQC Contracts/Pricing Policy & Processes Div

- **Policy & Processes for Contract Management, Cost & Pricing, & Financing & Payment**
- **Contractor Business Systems Panels**
- Contract Management Board of Reviews
- GAO/DODIG responses
- DFARS case/DAR subcommittees
- Policy/Process Training
- Audit support
- CAP for RMIC

AQP Procurement Div

- Solicit, evaluate, & award contracts to support DCMA mission
- Acquisition Review Board
- Review approve/disapprove DCMA purchases of supplies & services
- Assist with development of PR & PWS
- Provide COR training & support
- **DoD Clause Logic Services PM**
- **DoD Procurement Management Review**
- DoD Ability One PM
- **DoD GPC PM**

AQI Performance & Systems Management Div

- **PIEE DCMA PM**
- MOCAS JPMO Tech Lead
- **P2P PM**
- IO for MCC, MDO, & AQ eTools
- Performance Indicators, baseline targets
- Monitors Regional & CMO performance against OCPs
- Maintain capabilities & metrics reports
- **DFAS Liaison**
- Sys Admin for FPDS, SPS, CORT Tool, CPARS, FedBizOpps, SAFIRE
- MOCAS, PIEE/WAWF, SDW & AQ eTools support, testing, & development
- Support to operational community on AIS
- Serves as Agency Admin/Manager for CMT, eSAAR, FedCAS/CASD, DoDAAD, CAGE, EDI, SAM, FPDS-NG
- DCMA’s Trusted Agent & Direct Input PM
- **Global Modifications**
- **Mass Transfers**

AQB Business Operations Center

- Reutilization, sale, & disposal of excess Govt. property
- **Evaluate adequacy of Contractor’s property management system**
- Plant Clearance Group
 - Proper disposal
 - **PCARSS**
 - Demilitarization
 - Surplus property
- Property Group
 - Monitor & evaluate contractor corrective actions
 - Investigate Lost, Damaged, Stolen, or Destroyed Property
 - Support ACOs on property matters

AQS Subcontract and Small Business Compliance Center

- Comprehensive Subcontracting Test Program
 - Small Business Compliance
- DoD Mentor Protégé Pilot Program
 - Review/Approve contractor credit agreements & review reimbursable agreements
 - Oversight & management of MPAs
 - Perform Surveillance on MPs
- **Contractor Purchasing System Review**
 - Evaluates supplier’s purchasing system
 - Provide KO BSAS
 - Assess contractor’s system to avoid counterfeit parts

AQX Contract Lifecycle Management Center

- **Accomplish Admin closeout**
- **Make payments including Final Vouchers**
- **De-obligates excess funds**
- **Ensures at risk dollars and cancelling funds dollars impact on services is minimized**
- **Negotiates settlement of contract for T4Cs**
- Coordinates settlement proposal audits w/ DCAA
- Issues final settlement modification



Mission: Serves as the principal advisor to the Director of the Agency in the development and deployment of Agency Contracting policy and processes for contract administration, services, and procurement.

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> • Perform all activities within the Business Operations, Small Business, FIRM, Closeout and Procurement Centers • Award contracts to support the Agency mission and maintain oversight of outgoing Military Interdepartmental Purchase Requests (MIPR) • Represents DCMA as a permanent member on the DAR Council and participates in federal acquisition rulemaking processes through membership on DAR Council committees | <ul style="list-style-type: none"> • Manage the competency and structure of the Agency's contracting and property work force; interfaces with Office of the Secretary of Defense (OSD) on policies, procedures, and other executive decisions for strategic changes • Develop training materials and tools, in order to provide consistent and cost effective contract administration services • Accomplish administrative closeout procedures in accordance with the Federal Acquisition Regulation and DCMA Instructions • Appoint and warrant contracting officers | <ul style="list-style-type: none"> • Coordinate AQ input to and participation in various industry association engagements, both at the DCMA and OSD/DPC level • Manage the contracting interface with IT and others Directorates on the systems and programs where Contracting is a major stakeholder • Establish and perform annual Procurement Management Reviews (PMRs) of other defense agencies (ODAs) on behalf of the Director, Defense Procurement Acquisition Policy • Daily Support to CMO's on Automated Information Systems and Complex functional/technical problems |
|---|---|---|



Early Acquisition Engagement

- Proposal analyses
- Contract/clause construction
- Market research/assessment
- Anticipated technology shifts
- Cost & Pricing
- Corporate motivations for incentive structures
- Reality of production promises
- Lessons learned

Award

Contract Performance

- PARs/CPARS
- CARS
- Root Cause Analysis
- Production Surveillance
- Product Delivery
- Product Acceptance
- Earned Value (EVMS)
- Subcontract insight
- Fraud investigations
- Small business compliance

Contract Closeout

- Negotiate final rates
- Reconcile deliverables
- Property disposition
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- Funds Release
- Canceling Funds
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Continuous throughout the lifecycle

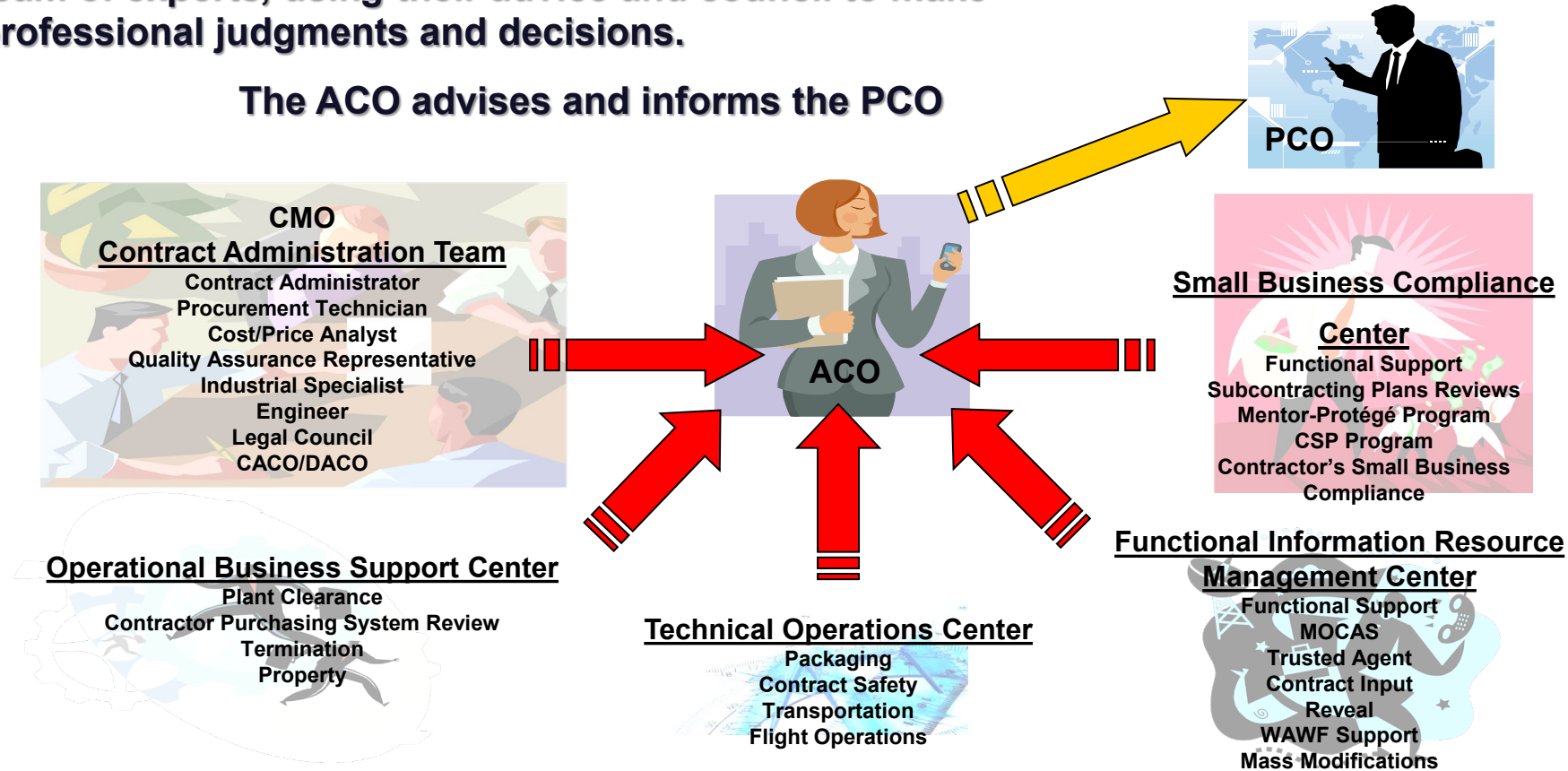
- Embrace Partnership/Strategic Industry Engagements
- Forward Pricing Rate Agreements
- Production capacity
- Commercial Items
- Business system insight
- Financial Stability





The Administrative Contracting Officer (ACO) is supported by a team of experts, using their advice and council to make professional judgments and decisions.

The ACO advises and informs the PCO





- Effective contract administration requires knowledge and skill in procurement laws, regulations, procedures, price analysis, financial management, systems reviews, negotiation techniques, production, property administration, transportation, packaging, quality and product assurance, industrial security, and engineering
- The Contract Administration Team consists of a group of experts, whose collective and individual advice and counsel contribute to the accomplishment of the overall contract administration
 - Using the advice and counsel of these experts, the ACO is able to make a professional judgments/decisions
 - The ACO, as the leader of the Contract Administration Team, must make and take responsibility for final decisions



**Contract
Administration
Team**



- Making professional judgments/decisions (FAR 1.602-2)
 - Technical and auditing experts provide advice and council to the ACO
 - Identify issues as soon as possible. Early involvement often results in timely resolution
 - Understand the issue and the impact on contract administration
 - Identify roadblocks that could delay resolution
 - Inform ACO and CMO team leaders about the issue and recommend a resolution
 - Using the advice and counsel of these experts, the ACO will
 - Analyze the issue and recommend resolution, focusing on the facts (i.e., advisor's report, contractor's response, other data relative to the issue)
 - Organize information and discuss with responsible parties to ensure full understanding
 - Explore options and discuss as necessary with advisor's or others (e.g., legal, other ACO's, team leader, etc.)
 - Understand the consequences (pros and cons) of each option
 - Take prompt action and document the basis for the decision

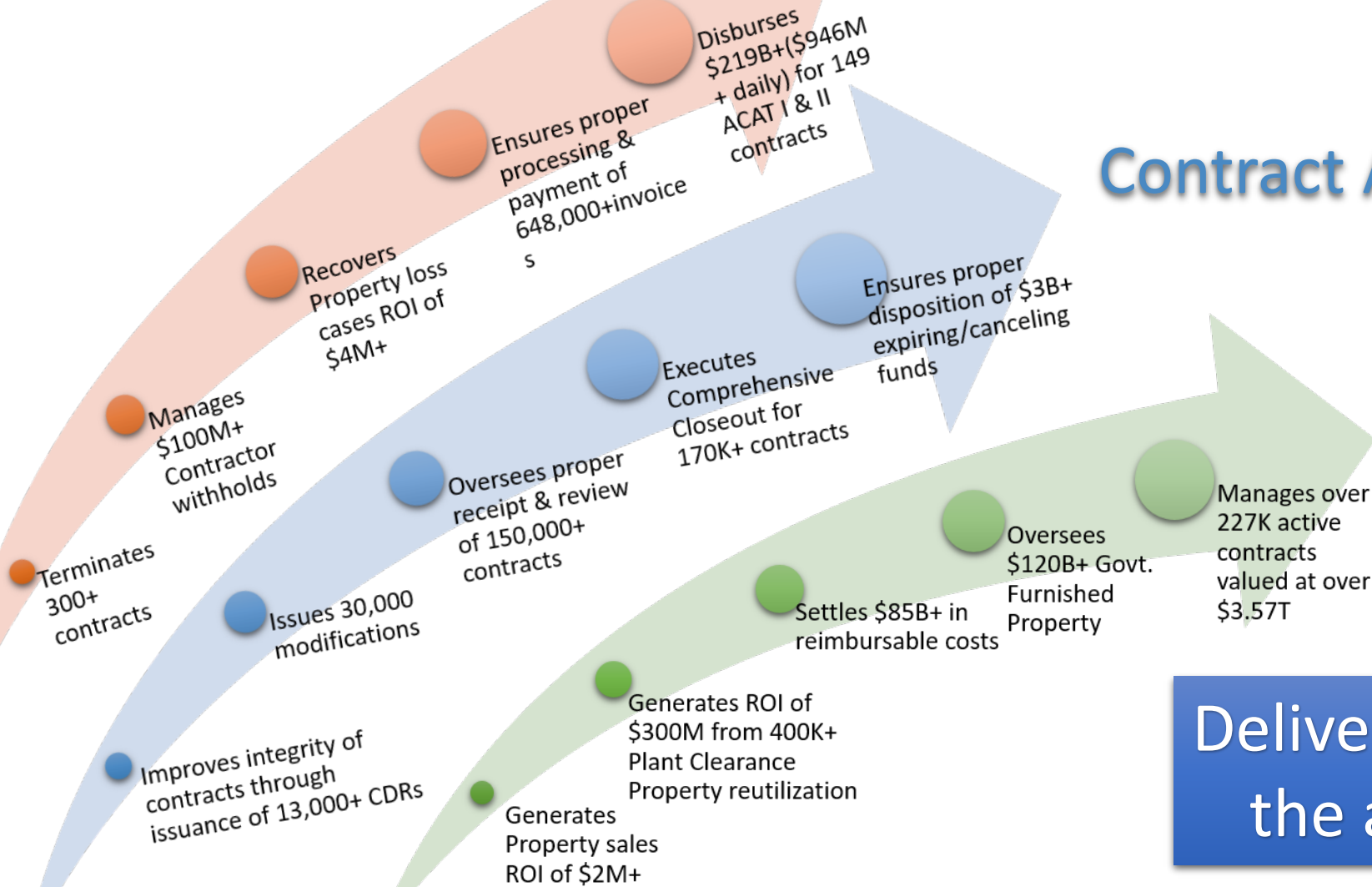




Contractor Management

Contract Administration

Acquisition Support



Delivering value throughout the acquisition lifecycle.



Current Initiatives



▶ LOE 1

Improve warfighter capabilities by influencing timely **delivery** of quality and affordable products

✓ LOE 2

Expand DOD Contract Administration capabilities to allow for flexibility and enhanced acquisition **decision** making

\$ LOE 3

Drive enhanced value and affordability through modern, adaptive, and responsive cost and **pricing** capabilities

💡 LOE 4

Innovate the Agency's approaches to how and where we work to better adapt to the workplace of the future

- Modernize business processes and tools
- Transform hiring, developing, and retaining the skilled people needed
- Measure and tailor workload for efficiencies and savings
- Enable a hybrid work model & re-invest facility savings
- Exploit multi-functional data and predictive insights

Achieve 21st Century Quality, Delivery, and Contract Administration empowered by technology and a committed, well-trained, world-class workforce.



Released

Purpose Code Management/CASD

Commercial Item Determination (CID)

Property Loss

Shared Data Warehouse (SDW) SSO

Contractor Business Analysis Repository (CBAR)

Plant Clearance Automated Reutilization Screening System (PCARSS)

Modifications and Delivery Orders (MDO)

In Dev

Duty Free Entry (DFE)

Combined Audit Tracking and Action Tool (CA-TAT)

Delivery Schedule Manager (DSM)

- *Modernization targeted to improve DCMA processes AND DOD Acquisition Insights*
- *Improvements deliver enhanced capability to the Services AND Other Defense Agencies*

Future Dev

Shipping Instructions Requests (SIR)

Contract Property Administration System (CPAS)

Pre-Award Survey System (PASS)

MOCAS Contract Closeout

Modifications and Delivery Orders (MDO) Rel. 2.

Commercial Item Market Research

Contract Management Team (CMT)

Contract Workflow (virtual contract file, CRR, post award determination, business system data corrections, reporting capability & terminations)



Providing enhanced business integration and supply chain insights



PRE-AWARD



Contractors Ability to Execute a Contract



Collection of Commercial item data to satisfy contractual needs



Current Contractor Business System Status & Rates



CAO down to individual contract management team members

POST-AWARD



Modifications/Mass Modifications



CRR/Terminations



DCAA Audit Tracking



Shipping Instructions/ Duty Free



Contractor Delivery



Contract Close-Out



Property Re-Utilization



GFP System Admin



Contractor ICP Submission



ADVANA



Expiring/Canceling Funds

***Vignette #1:** Delivery Data (DSM) will inform Audits, drive Business System determination and Contract award in a single system*

***Vignette #2:** Incurred Cost Proposal submission, Audit Settlement and Delivery will inform expiring/ canceling funds availability for return to the Services and ODAs for use on current obligations*

Improved Contract Decision making through shared data



Problem Statement: Investment Needed to Support Architecture and Infrastructure Improvements (Sustainment & Modernization)

- Highly Capable System with Aging architecture
 - At risk for evolving cybersecurity standards
 - Frequently Labor intensive
- Highly Complex - no COTS alternative

Request for information (RFI) to industry closed June 17, 2022. RFI responses will inform FYDP costs for potential future issue paper submission.

Key Risk/Impact(s):

- System that pays ACQ Progress Payments (Services' ERPs unable)
- System that pays Mixed Funding (Services' ERPs unable)

Business Value: Unique DoD System Capability

- Pays and administers complex contracts for 51% of DoD procurement spend
 - Integrated DOD contract administration, entitlement and disbursing system
 - 281K contracts, \$8T total value, FY21 128 days w/ > \$1B disbursed
 - 8 straight unmodified opinions for the contract pay going back to FY14
 - 101 interfaces with other systems
- **Cost Effective Alternative** – Avoids Costs for Multiple Service Level ERPs development of missing Contract Administration and Complex Payment capabilities



DCMA Industrial Specialist Overview

Ms. Sandra Nelson



- **The Industrial Specialist (IS) will perform or support assignments to provide technical insight and information to a Contracting Officer.**
- **The IS role can further be distinguished by those recruited to serve as a Defense Priorities and Allocations Officer, Preaward Survey Manager, Industrial Analysis Manager and Industrial Labor Relations Officer.**



United States



International





Levels	Responsibilities
Headquarters (HQ)	Protects the agency from risk by writing, developing, and providing guidance on policy, tools and training to comply with Federal Acquisition Regulation, Defense Federal Acquisition Regulation Supplement and other DoD Directives.
Operational Units (OU)	Performs oversight of respective Contract Management Offices (CMO) to ensure consistent execution and act as a conduit for tactical interpretation of policy and guidance. Policy gaps or issues will be reported upward (HQ) for resolutions.
Command Management/Contract Management Office	Manages the technical teams, performs Group Lead or Supervisory tasks and contributes to mission support.
Functional Specialist (FS)	Serves as a FS and may be in the role of an Industrial Specialist Lead or general Industrial Specialist.



- **DCMA personnel are responsible for performance to support the lines of efforts outlined in the agency's strategic plan. Industrial Specialists' assignments contribute to the following efforts:**
 - Improve warfighter capabilities by influencing timely delivery of quality and affordable products
 - Expand DoD Contract Administration to allow for flexibility and enhanced acquisition decision making
 - Drive enhanced value and affordability through modern, adaptive and responsive cost and pricing capabilities



- **IS functions are identified in FAR 42.302 Contract administration functions and DFARS 242.1104 (not intended to be all inclusive):**
 - Preadward Surveys
 - Industrial Capability Assessments
 - Post Award Orientation Conference
 - Production Surveillance Activities
 - Review and Evaluate Proposals
 - Performance Based Payments
 - Physical Progress Reviews
 - Defense Priorities Allocations System Reviews
 - Industrial Labor Relations
 - Contract Closeout

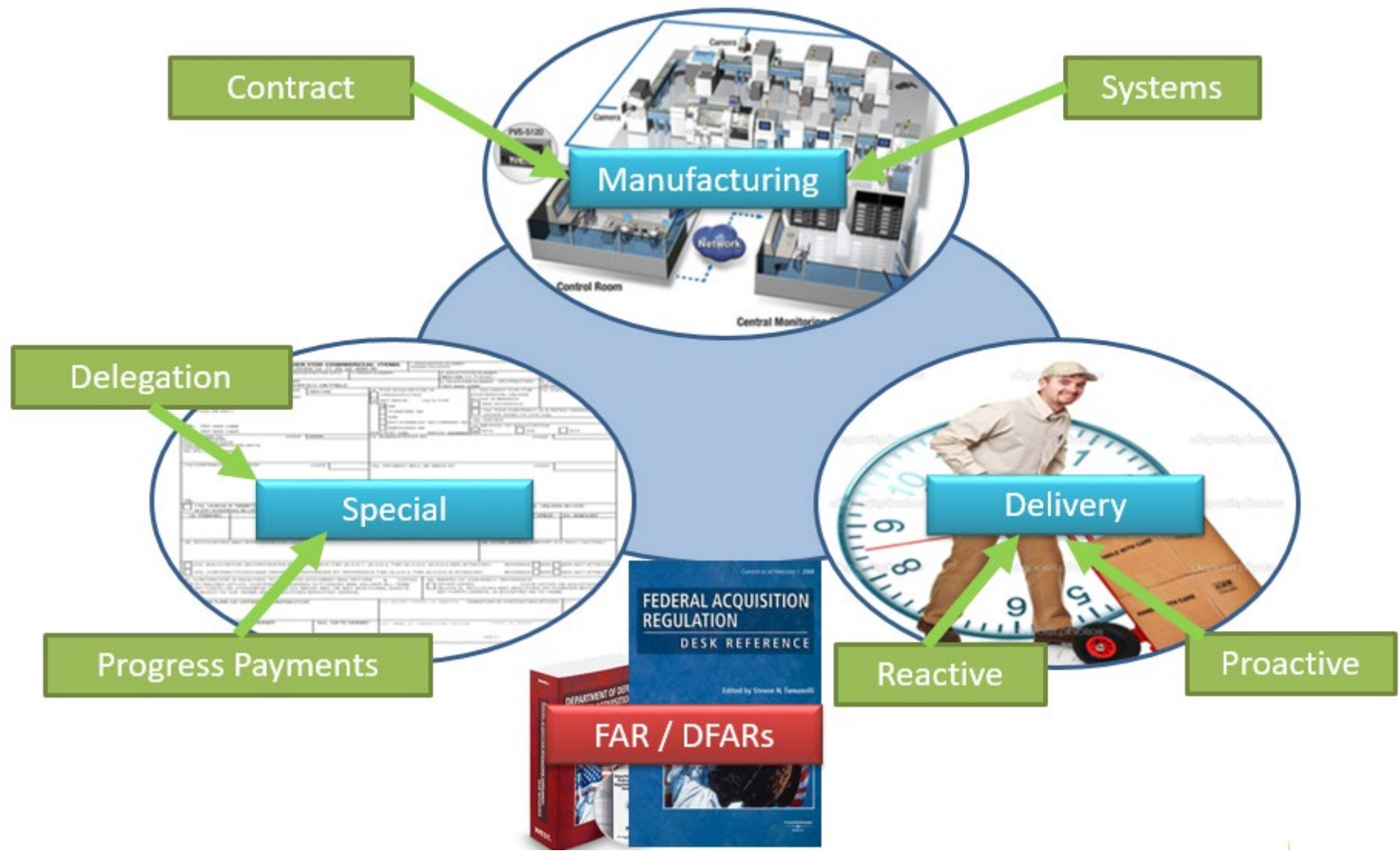


- **What are some examples of IS and contractor interactions?**
 - The IS may be required to conduct surveillance visits at the contractor's facility to determine the status of the contract requirements.
 - A request may be required to review and evaluate a contractor's proposal in support of negotiations to be accomplished by a contracting officer.
 - A contracting officer may have initiated a request for a preaward survey.
 - A physical progress review or performance based payment support requested from the contracting officer
 - A production planning and control system review may be required
 - It may be necessary to conduct a DPAS briefing and review implementation of criteria



- **Production Surveillance is comprised of activities to be performed in accordance with documented procedures utilizing risk management principles.**
- **Surveillance activities ensure contractors:**
 - Have adequate manufacturing systems in place for contract execution
 - Have established a detailed manufacturing plan for contract execution
 - Have adequate resources for plan execution
 - Monitor their performance to plan, take corrective action or make adjustments as necessary

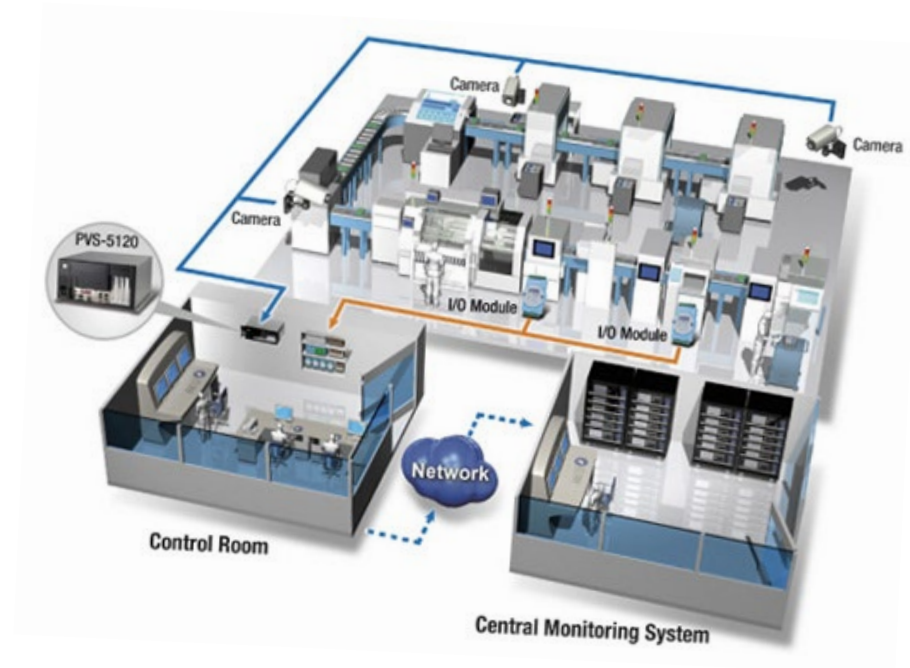
Production Surveillance Components





- **Examples of Activities:**

- Conduct on-site meetings
- Organizational structure and key personnel
- Facilities and core competencies
- Products and product lines
- Product flows and processes
- Manufacturing systems
- Performance history
- Strengths and weaknesses





- **Engage with the contractor**

- Establish relationships at varying levels of the contractor's organization
- Gather information from appropriate sources
- Get involved directly
- Ask questions face-to-face
- Be a visible and an active participant





- **Attend meetings**

- Program Management Reviews
- Manufacturing Reviews
- Quality Reviews
- Preliminary and Critical Design Reviews
- Supplier corrective action or material review board meeting



- **Meetings can provide information regarding potential risk areas warranting surveillance efforts**



- **In conclusion, the IS provides support to Contracting Officers, DCMA or external DoD activities, by performing assigned tasks that result in reporting, notifications or recommendations to provide acquisition insight.**
- **The IS can also be valuable to a contractor by educating representatives on why performance is monitored or evaluated, interpreting contract requirements and obtaining support from other contract management team members, when necessary.**

DCMA Quality Assurance Surveillance Overview

Mr. Christopher Ford



What is DCMA's Mission?

*We are the **independent eyes and ears** of DOD and its partners, enhancing warfighter lethality by ensuring timely delivery of quality products, and providing relevant acquisition insight supporting affordability and readiness.*

What are DCMA's Values?

INTEGRITY - *Committed to the highest standards of ethical and moral behavior at all times.*

SERVICE - *Working for the benefit of our nation and putting professional responsibilities before self-interests.*

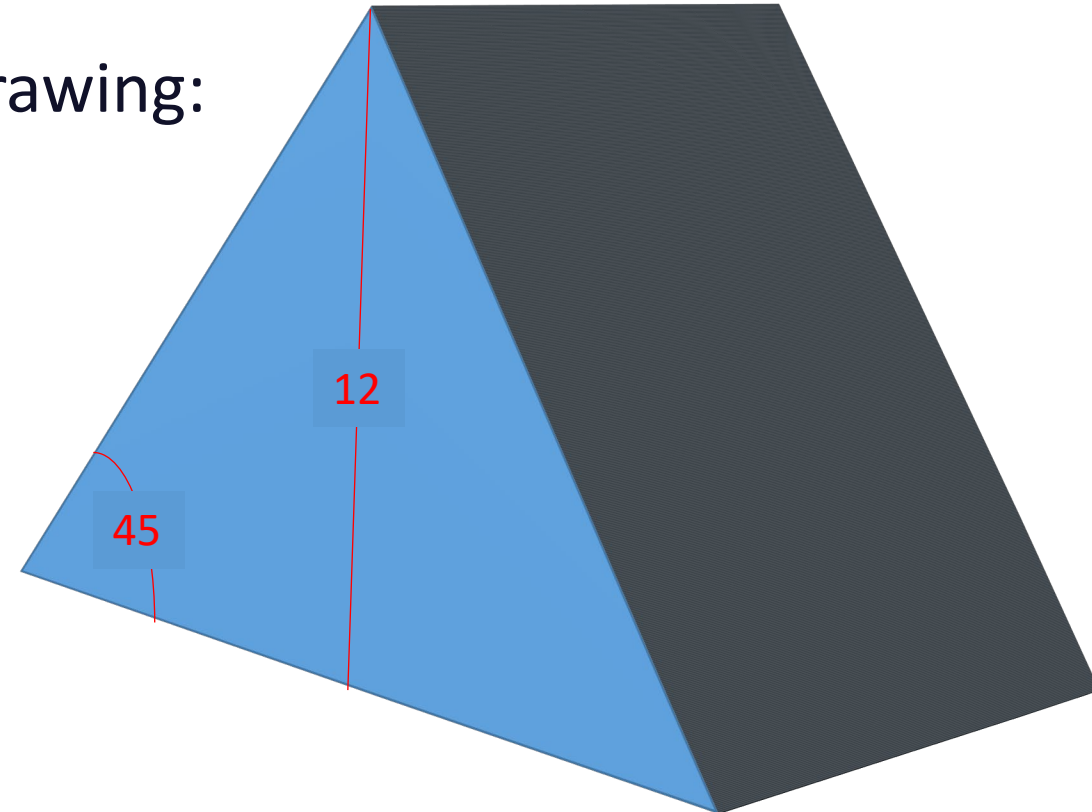
EXCELLENCE - *Committed to exceptional performance in everything we do.*

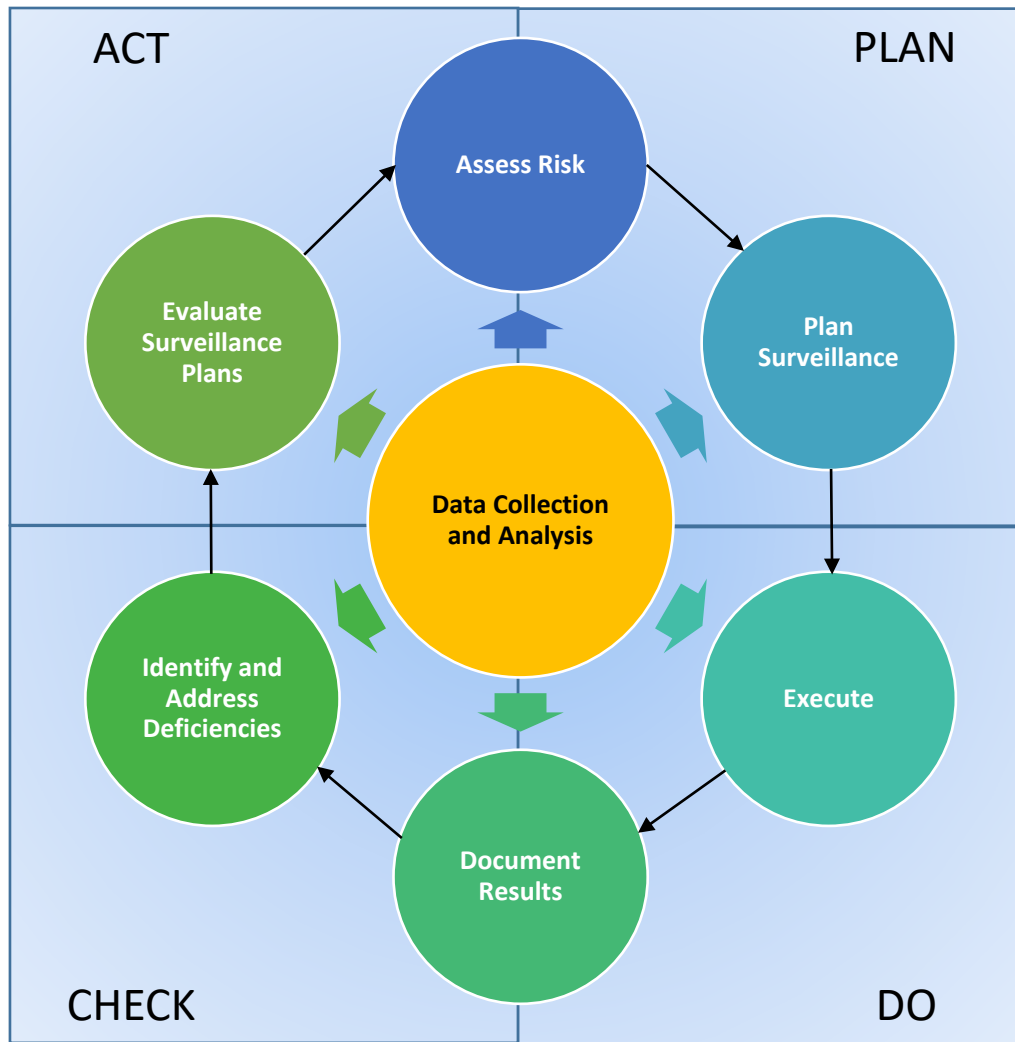


- DCMA QA surveillance activities are predicated by FAR/DFARS requirements and applicable clauses contained in the contract. The two most common QA clauses are:
 - FAR 46.104 “Contract Administration Office Responsibilities”
 - FAR 52.246-2 “Inspection of Supplies-Fixed-Price”
 - FAR 52.246-11 “Higher-Level Contract Quality Requirement”
- DCMA supports the acquisition process by ensuring the quality of purchased goods and services in accordance with all QA & technical requirements outlined in the contract.
 - Adapts to meet customer-specific requirements when requested to do so by Quality Assurance Letter of Instruction (QALI)



- Contracting Command needs 100 chock blocks for wheeled vehicles.
- Standard Inspection System (FAR 52.246-2)
- 2 critical characteristics found in contract/drawing:
 - 45 deg angle
 - 12 inches tall
- What actions will the QAS take?





- QA surveillance closely mirrors the industry-recognized Plan-Do-Check-Act (PDCA) cycle.
- Surveillance is summarized by six steps, with a seventh interacting with all steps of the process.
 1. Assess Risk
 2. Plan Surveillance
 3. Execute
 4. Document Results
 5. Identify & Address Deficiencies
 6. Evaluate Surveillance Plan
- Data Collection & Analysis occurs throughout surveillance.

Assess Risk

- How does DCMA define risk? Risk is a measure of future uncertainties, comprised of 3 parts:
 1. A **future root cause**;
 - E.g. Is it a process? Is it a characteristic? If it is a characteristic is it classified as critical, major, or minor?
 2. a **likelihood** of that risk occurring;
 3. and the **consequence** associated with that risk occurring.
- Risk impact/consequence of the item or weapon system failing cannot be influenced by DCMA surveillance. We seek to reduce the likelihood of the risk occurring during manufacturing.
- Risk assessment is based on objective evidence (data collection & analysis).



Plan
Surveillance

- **QA surveillance is risk-based.**
 - High risk processes and characteristics will be surveilled at a greater frequency and intensity. AQL is an example of “intensity”
 - Low risk will be surveilled at a lower frequency and intensity.
 - High risk will be prioritized with regards to schedule.
- QA plans surveillance using 3 methods. They are:
 - **Deliverable Product / Service Evaluation (DPE or DSE)**
 - Actual inspection of the goods or services required per contract.
 - **Process Evaluation (PE)**
 - An evaluation of a process of which the output is the identified high risk. E.g. a machining process associated with a critical characteristic.
 - **Contractor Technical Assessment**
 - An audit of the contractor’s quality management system.



Execute

- QA surveillance is executed using a variety of techniques that define the action's taken. Examples include:
 - **Inspect:** Inspect the product or service for conformity. (Labor intensive, used only when absolutely necessary)
 - **Test:** QAS conducts portions or all of a contractually-required test through physical operations of the product, system, sub-system, etc...
 - **Witness:** 100% oversight of the entire event to confirm occurrence. (Labor intensive, not preferred)
 - **Verify:** Determine or confirm the level of conformity through objective evidence such as inspection records or test results.

Document Results

- “If it isn’t documented, then it didn’t happen.” – Unk.
- Surveillance results are documented and become an official record.
- Just like contractor records, they may be:
 - Completed Inspection Records (Qty. inspected vs Qty. rejected)
 - Completed Checklist (Often used for processes)
 - Corrective Action Request (CAR)

If it isn’t documented, then it didn’t happen. - Unknown



Identify and Address Deficiencies

- Deficiencies are documented on a Corrective Action Request. There are 4 levels of CARs that increase in severity by level:
 - **Level I**
 - Deficiency related to the outcome or product of a process
 - **Level II**
 - Deficiency in a contractor process such as calibration or configuration management
 - **Level III**
 - Multiple major deficiencies in a system affecting contractor's ability to meet cost, schedule, or performance requirements.
 - **Level IV**
 - Deficiency is serious in nature that requires attention from top management, or a Level III CAR has been ineffective. May suspend product acceptance.



Evaluate Surveillance Plans

- QA surveillance plan is a “living document” and is constantly updating as risks change and evolve.
- Several trends or events can influence and adjust a surveillance plan:
 - Customer complaints such as Product Quality Deficiency Reports (PQDR) or Supply Discrepancy Reports (SDR)
 - Contractor’s internal audit results
 - Consistent satisfactory or better contractor performance
 - Contract modifications
 - Customer request



**Data
Collection
and Analysis**

- Data Collection & Analysis occurs throughout the surveillance process, and is required by DFARS 246.470-2.
- Relies on 3 sources of data:
 - **Government**: Data developed through contract quality assurance surveillance and contract administration
 - **Customer**: Information provided by the Procuring Agency, Program Offices, and Users
 - **Contractor**: Data developed by the Contractor during performance
- Great emphasis is placed on reliance on contractor QA data once validated.



- QAS will make a recommendation for a Post Award Orientation Conference (PAOC) as soon as possible after contract award when contract contains:
 - FAR 52.209-3 First Article Approval-Contractor Testing
 - FAR 52.209-4 First Article Approval-Government Testing
 - DLAD 46.291 Production Lot Testing (PLT)
 - DLAD 46.292 Product Verification Testing (PVT)
- If the recommendation is not taken and circumstances exist that warrant it, then the QAS will coordinate with other functional team members to ensure coverage.
- The PCO is kept informed and up-to-date throughout these processes.



- Prior to acceptance, the QAS ensures:
 - Planned surveillance is complete IAW the established surveillance plan
 - All contractor inspections and tests are complete
 - Supplies/services meet contractual requirements and are conforming
- The contract and Cognizant Administration Office (CAO) may also authorize an Alternative Release Procedure, such as:
 - Certificate of Conformance (CoC) (FAR 52.246-15)
 - CoC is authorized in writing by the CAO.
 - Alternative Release Procedures IAW DFARS 246.471
 - ARP is authorized in writing by the CAO.

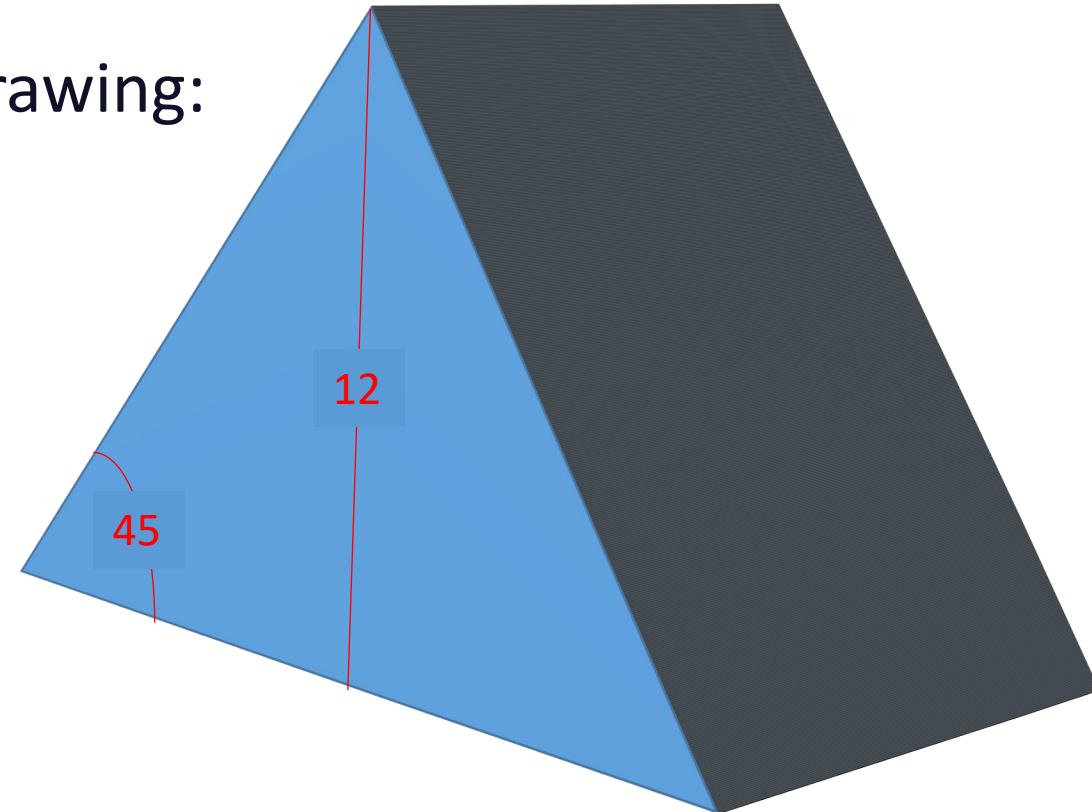


- Acceptance of supplies or services is done electronically through Wide Area Workflow (WAWF) found in the Procurement Integrated Enterprise Environment (PIEE) via a:
 - WAWF Receiving Report (WAWF-RR)
 - WAWF Repairables Receiving Report (WAWF-RRR)
- Acceptance may be accomplished manually through the use of the Form DD-250 Material Inspection and Receiving Report (MIRR)

MATERIAL INSPECTION AND RECEIVING REPORT										Form Approved OMB No. 0704-0248	
<small>The public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Department of Defense, Executive Services and Communications Directorate (0704-0248). Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.</small>											
PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE ABOVE ORGANIZATION. SEND THIS FORM IN ACCORDANCE WITH THE INSTRUCTIONS CONTAINED IN THE DFARS, APPENDIX F-401.											
1. PROCUREMENT INSTRUMENT IDENTIFICATION (CONTRACT) NO.			ORDER NO.		6. INVOICE NO./DATE		7. PAGE OF		8. ACCEPTANCE POINT		
2. SHIPMENT NO.		3. DATE SHIPPED		4. B/L TCN		5. DISCOUNT TERMS					
9. PRIME CONTRACTOR CODE				10. ADMINISTERED BY CODE							
11. SHIPPED FROM (If other than 9) CODE				FOB:		12. PAYMENT WILL BE MADE BY CODE					
13. SHIPPED TO CODE				14. MARKED FOR CODE							
15. ITEM NO.	16. STOCK/PART NO. <small>(Indicate number of shipping containers - type of container - container number.)</small>	DESCRIPTION				17. QUANTITY SHIP/REC'D*	18. UNIT	19. UNIT PRICE		20. AMOUNT	

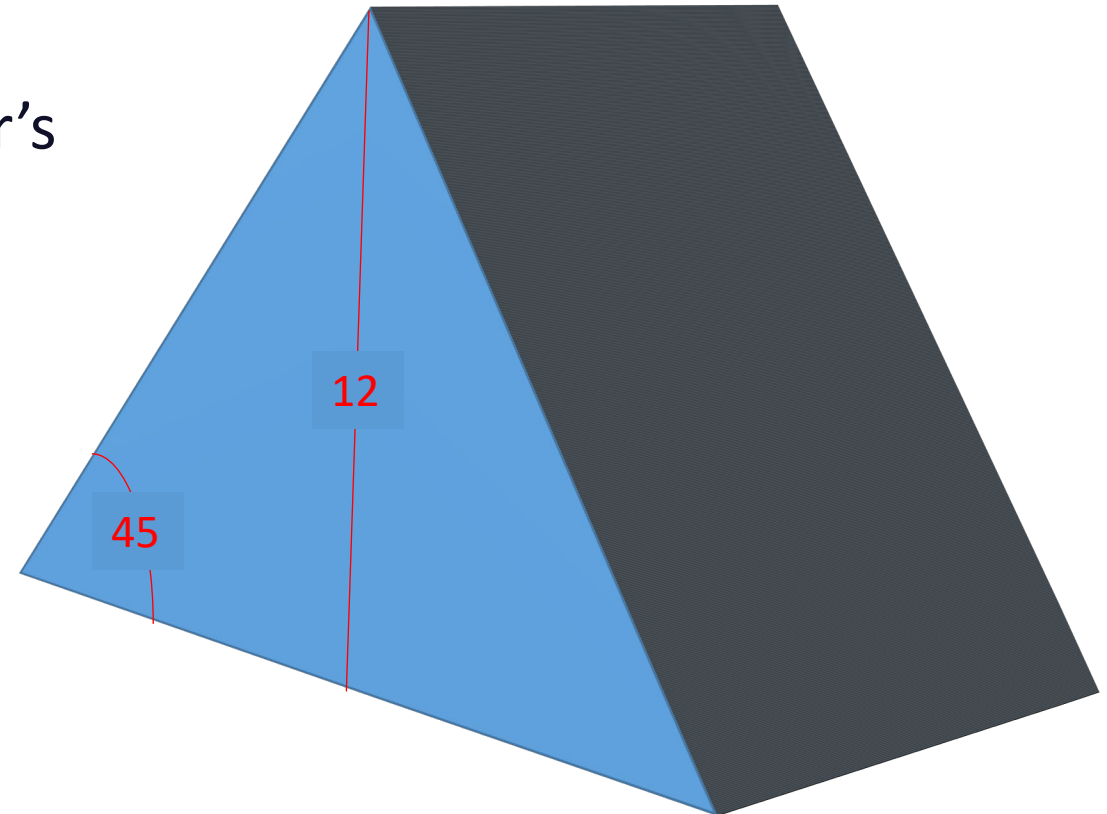


- Contracting Command needs 100 chock blocks for wheeled vehicles.
- Standard Inspection System (FAR 52.246-2)
- 2 critical characteristics found in contract/drawing:
 - 45 deg angle
 - 12 inches tall
- What actions will the QAS take?





- Option 1: The QAS may elect to wait until all 100 items are manufactured and then inspect the critical characteristics.
- Option 2: The QAS may witness the contractor's inspection of the characteristics.
- Option 3: The QAS may conduct a process evaluation on the manufacturing process that produce those two critical characteristics.
- Option 4: A combination of all 3...





BACK-UP



Contract Administration Fundamentals



FAR Part 2 Definition of Contracting Officer –

“a person with the authority to **enter into, administer, and/or terminate contracts and make related determinations and findings**. The term includes certain authorized representatives of the contracting officer acting within the limits of their authority as delegated by the contracting officer. “Administrative contracting officer (ACO)” refers to a contracting officer who is administering contracts. “Termination contracting officer (TCO)” refers to a contracting officer who is settling terminated contracts. A single contracting officer may be responsible for duties in any or all of these areas. Reference in this regulation (48 CFR Chapter 1) to administrative contracting officer or termination contracting officer does not –

1. Require that a duty be performed at a particular office or activity; or
2. Restrict in any way a contracting officer in the performance of any duty properly assigned.”

Procuring Contracting Officer	Administrative Contracting Officer	Termination Contracting Officer
<ul style="list-style-type: none"> • Enter into contracts • Administer contracts • Terminate and settle terminated contracts • Make related determinations and findings 	<ul style="list-style-type: none"> • Administer contracts 	<ul style="list-style-type: none"> • Settle terminated contracts • DCMA TCO's authorized to settle contracts terminated for convenience (PCO settles contracts terminated for default)

- Certificate of Appointment
 - Provides authority to legally bind the Government
 - Issued at the Buying Activity or Agency
 - Reference FAR 1.603 for contracting officer selection and appointment policy
- NOTE: Most DCMA Warrants are Unlimited (unique distinction among DoD)

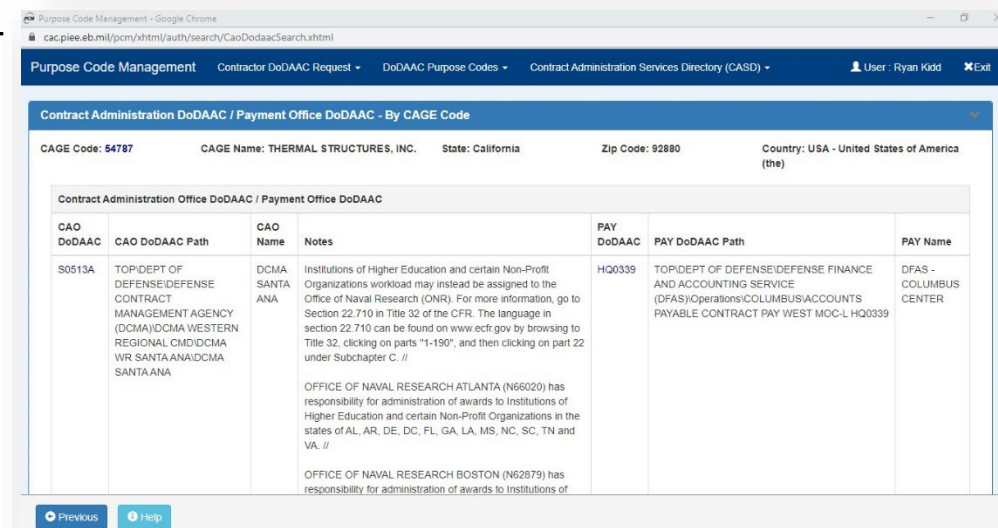
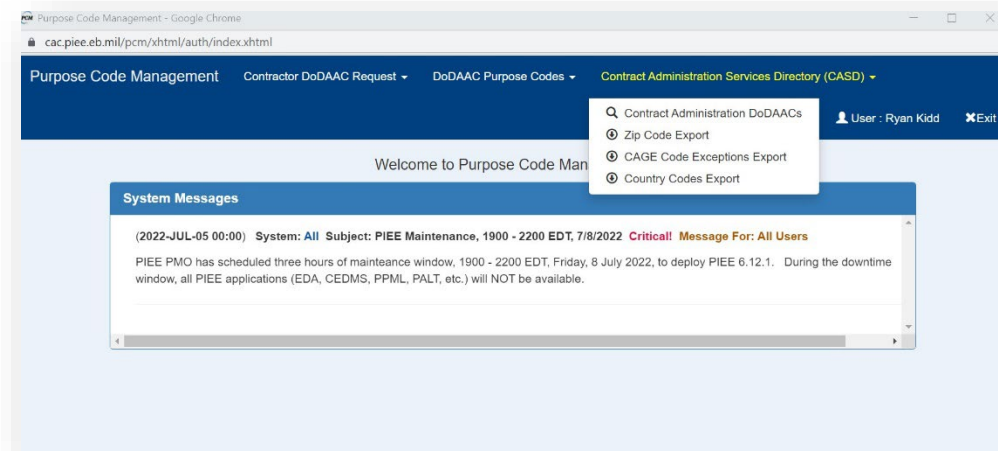


- FAR Part 42 and DFARS Part 242 provide regulation regarding contract administration and delegation
 - FAR 42.202 states that contracting officers “may delegate contract administration or specialized support services, either through interagency agreements or by direct request to the cognizant CAO listed in the Federal Directory of Contract Administration Services Components.”
 - DFARS 242.202 states that “DoD activities shall not retain any contract for administration that requires performance of any contract administration function at or near contractor facilities, except contracts for (list (A) through (R))”

This is the basis for geographic assignment of CMO workload!



- FAR 42.203 states **DCMA** is responsible for maintaining the Contract Administration Services (CAS) Directory. DCMA HQ's Functional Information Resource Management (FIRM) Center maintains the directory at: (<https://wawf.eb.mil/pcm/xhtml/unauth/index.xhtml>)
- Basic Contract Administration Assignment Rule – Contractor (CAGE/FSCM) can only be administered by **one CMO** – *One Face to Industry!*
- Most Assignments are based on geographic location of the contractor
 - EXCEPTIONS FOR COMMODITY BASED ASSIGNMENTS AND PLANT RESIDENT OFFICES
- Changes in CMO Cognizance – Changes are executed by **DCMA General Orders** (signed by the Director of DCMA)
- CAS Directory assists the contracting officer in selecting the appropriate DCMA CMO and Payment Office





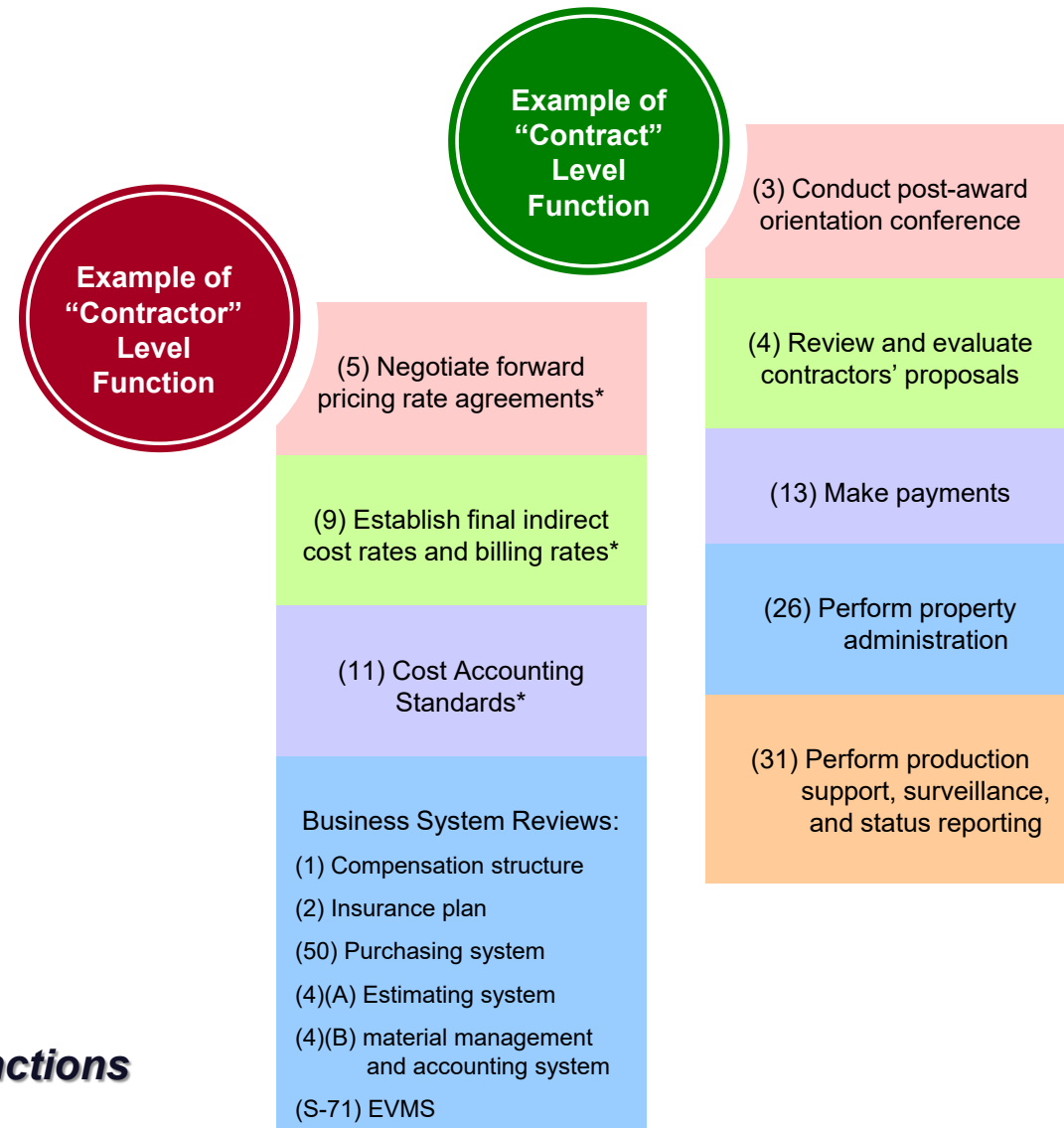
- FAR 42.3 and DFARS 242.3 provide regulation regarding Contract Administration Office (CAO) **functions**.
 - FAR 42.302(a) states “The contracting officer ***normally*** delegates the following contract administration functions to a CAO. ***The contracting officer may retain any of these functions***, except those in paragraphs (a)(5), (a)(9), (a)(11) and (a)(12) of this section, unless the cognizant Federal agency (see [2.101](#)) has designated the contracting officer to perform these functions.
 - The FAR lists 71 CAO functions and the DFARS lists 5 additional functions (S70 – SPI, S71 – EVMS, S72 – SPOT, S73 – Combating Trafficking in Persons, S74 – Approve/Disapprove Contractor Business Systems) that are ***normally*** delegated to the CAO.



- **Full Delegation**: When the contracting officer *does not* retain any function, the contract is “*fully delegated*” to the CAO for administration. Full delegation contracts require multiple functional specialists to administer the contract.
- **Partial Delegation**: When the contracting officer decides to delegate a specific function to the CAO (e.g., property only, payment only, quality assurance only, etc.), the contract is considered to be “*partially delegated*” for administration.
- **Reimbursable Delegation**: When DCMA is requested to support customers that are normally exceptions (ref DFARS 242.202(a)(i)(A) through (R)) or for non-DoD organizations, a formal workload acceptance agreement must be created.
 - CMO’s notify the Division when such requests are received
 - DCMA is usually reimbursed for such delegations



- **Contract Administration Functions:**
 - Certain functions are performed at the “**Contractor**” level and others at the “**contract**” level
 - Many of the “Contractor” level functions impact whether or not a contractor will receive an award (e.g. business systems that are not compliant with FAR/DFARS and CAS may prevent the award of a contract)



****PCO may not retain these CAO functions***

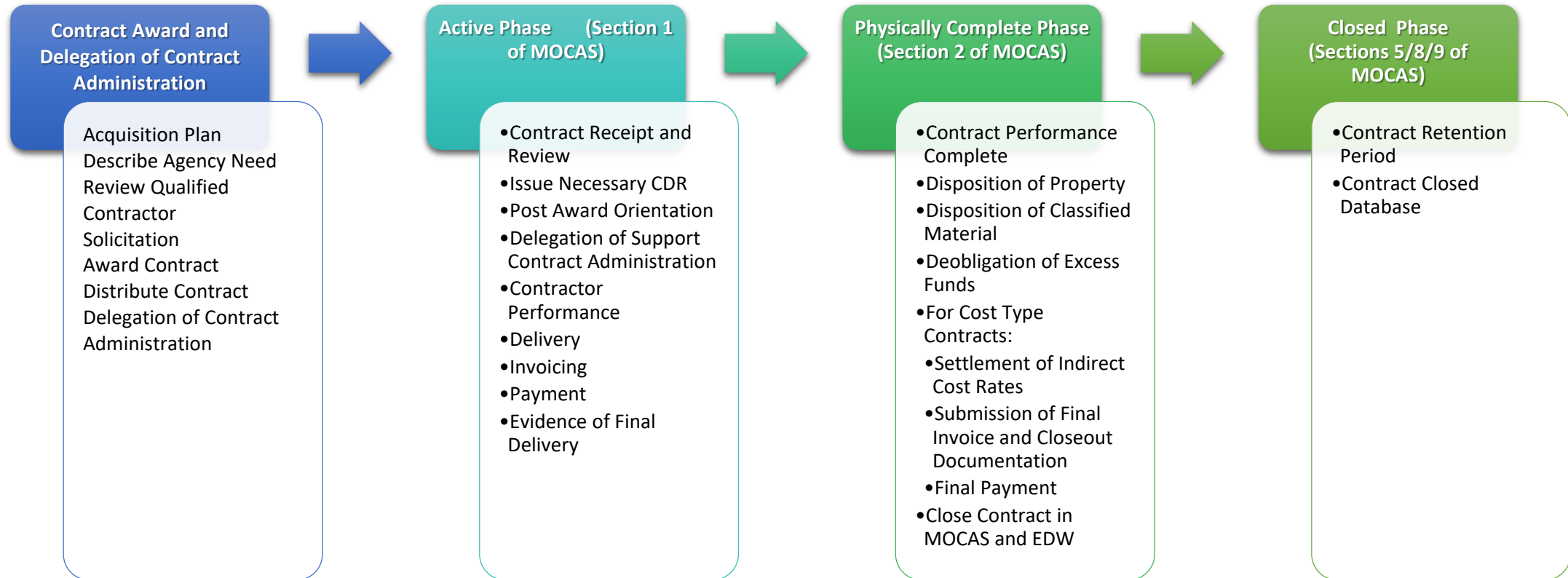


Overview of basic FAR/DFARS responsibilities for each contract administration team member

- **ACO:**
 - Responsible for ensuring that the functions listed in FAR 42.302 and DFARS 242.302 to the extent that they apply to the contract or contractor, except for the functions specifically withheld, are performed.
 - Keep the PCO advised of required contract status and major problem areas
 - **Make contractual determinations and decisions that legally bind the Government**
 - Oversee work of contract administrators
- **Contract Administrator**
 - Support the ACO in the management of assigned contracts
 - Perform FAR 42.302 and DFARS 242.302 functions, up to the point of ACO signature



- **Industrial Specialist:**
 - Perform production support, surveillance, and status reporting, including timely reporting of potential and actual slippages in contract delivery schedules
 - Perform pre-award surveys
 - Advise and assist contractors regarding their priorities and allocations responsibilities and assist contracting offices in processing requests for special assistance and for priority ratings for privately owned capital equipment
- **Quality Assurance Representative**
 - Ensure contractor compliance with contractual quality assurance requirements
 - Review quality assurance plans
 - Perform inspection and acceptance
- **Engineer**
 - Perform engineering surveillance to assess compliance with contractual terms for schedule, cost, and technical performance in the areas of design, development, and production
 - Review and evaluate for technical adequacy the contractor's logistics support, maintenance, and modification programs
 - Perform engineering analyses of contractor proposals
 - Assist in evaluating and make recommendations for acceptance or rejection of waivers and deviations



The following actions may take place at any time during the life of the contract:

- Legal Issues, e.g. bankruptcy, contract litigation, etc. (Section 3 of MOCAS)
- Reconciliation of Contract Payment (Section 4 of MOCAS)

Contract Administration Processes



- **Review incoming contracts for accuracy and correct assignment**
- **Issue contract deficiency reports (CDR) to notify buying activity of errors, conflict in terms, or omissions in the contract that may cause delay in delivery or payment issues**
 - Volume of CDRs is approximately 3% of DLA contracts issued
 - Primary reasons for CDRs:
 - ❖ Administration Office cited is incorrect for CAGE/Awardee location
 - ❖ Inspection Acceptance site is wrong, ambiguous, or missing
 - ❖ Clauses are missing
 - Issue corrective administrative modification when coordinated with the PCO
- **Delegated to DCMA under FAR 42.302(a)(43), (57), (59) and DFARS PGI 204.270-2**
- **Work spread across all DCMA sites (in-plant and geographic CMOs)**

More information available at: <https://www.dcmamil/Policy/>

DCMA Manual available at: [https://www.dcmamil/Portals/31/Documents/Policy/MAN_2501-01r_\(C1\)_20220201.pdf](https://www.dcmamil/Portals/31/Documents/Policy/MAN_2501-01r_(C1)_20220201.pdf)

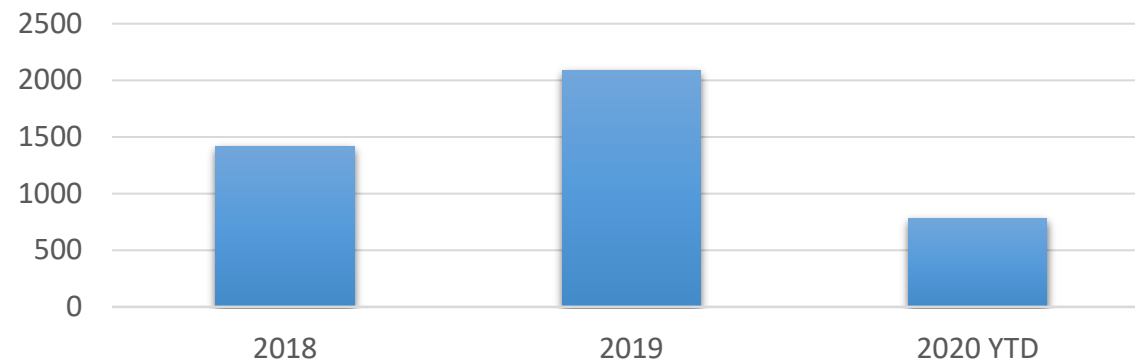


- **Prepare, execute, and distribute unilateral or bilateral modifications as assigned, within the scope of the requirements, administrative delegations, and warrant authority IAW FAR 42.302**

- Examples of Modifications Include:

- ❖ Administrative changes
- ❖ Transportation
- ❖ Delivery
- ❖ Property
- ❖ Excess funds
- ❖ Spare parts and provisions
- ❖ Terminations
- ❖ Change orders
- ❖ Definitizations
- ❖ Over and above actions

ADMIN MODS EXECUTED BY DCMA FOR DLA*



- **Serve as responsible Administrative Contracting Officer IAW with FAR 42.12 for Novations or Change-of-Name Agreements for a contractor**
 - Evaluate the proposal of sale or Change-of-Name
 - Determine whether it is in the best interest of the Government to recognize a successor in interest to the Government contract in accordance with FAR 42.1204(a), (c), (d), and (h)
 - Prepare, execute, and distribute Novation or Change-of-Name Agreements and mass modifications

DCMA Manual available at: [https://www.dcma.mil/Portals/31/Documents/Policy/MAN_2501-02r_REWRITE_\(20211220\).pdf](https://www.dcma.mil/Portals/31/Documents/Policy/MAN_2501-02r_REWRITE_(20211220).pdf)

*EDA Data (Admin By = a current DCMA DoDAAC, Contract Number or Delivery Order Number starts with 'SP' (denoting DLA), Contract Mod starts with 'A' (denoting ACO mod), Sorted by Year)



- **Administrative Contracting Officer/Contract Administrator (ACO/CA) determines if appropriate clause is included in contract**
 - FAR 52.232-32, Performance Based Payments
 - FAR 52.232-16, Progress Payments
 - FAR 52.212-4, Contract Terms and Conditions—Commercial Items
 - FAR 52.216-7, Allowable Cost and Payment (Public Vouchers)
 - FAR 52.232-7, Payments under Time & Material/Labor Hour Contracts
 - FAR 52.232-25, Prompt Payment
- **ACO/CA evaluates contractor's capability to perform and performs risk assessment**
 - Contractor's experience, performance record, reliability, financial strength, business systems, adequacy of controls established by the contractor
- **ACO/CA reviews payment request to verify amounts claimed by contractor are commensurate with the contract's terms and conditions**
 - Performance Based Payment event completion verification
 - Progress payment validation of costs incurred and estimates to completion
 - Commercial advance payment, interim payments, delivery payments
 - Final voucher review of cost vouchers
- **ACO/CA verifies funding is available for payment**
- **ACO approves/disapproves payment request**
- **DFAS processes/disburses payment**
- **ACO/CA verifies disbursement data (as required)**

DCMA Manual available at: https://www.dcma.mil/Portals/31/Documents/Policy/MAN_2101-02_C1_20211220.pdf



- **DCMA's Property Administrators (PA) ensure contractor's property management systems control, use, preserve, protect, repair and maintain the Government property in their possession**
- **PAs perform Property Management System Analysis (PMSA) to ensure compliance with terms and conditions of the contract**
- **PAs investigate losses and damage to Government property and determine liability**
- **DCMA's Plant Clearance Officers (PLCO) provide disposition instructions for excess Government property in the possession of contractors**
- **PLCOs also conduct allocability reviews of Termination Inventory, as required by FAR 49.105. This is a critical aspect of validating contractor settlement proposals**
- **Plant Clearance**
 - Complies with FAR 45.6 Reporting, Reutilization, and Disposal for the reutilization, including transfer and donation, of Government property no longer required for continued performance of the contract
 - Maintains the Plant Clearance Automated Reutilization Screening System (PCARSS) to facilitate screening and disposition of excess contractor inventory, equipment, special tooling, etc...
 - Key contributor for development of disposition capability within the PIEE GFP Module, scheduled for deployment in 2021

DCMA Manual available at: [https://www.dcma.mil/Portals/31/Documents/Policy/DCMA-MAN_2501-12_C1_\(04-22-2020\).pdf](https://www.dcma.mil/Portals/31/Documents/Policy/DCMA-MAN_2501-12_C1_(04-22-2020).pdf) & [https://www.dcma.mil/Portals/31/Documents/Policy/MAN_2501-04r_C2_\(20220103\).pdf](https://www.dcma.mil/Portals/31/Documents/Policy/MAN_2501-04r_C2_(20220103).pdf)



- **Return excess funds to DoD buying activities throughout the funds lifecycle and prevent funds from canceling**
 - Review contract funds status and notify the contracting office of any excess funds the ACO might deobligate
 - Deobligate funds when authorized by the PCO
 - Validate commitments, obligations & disbursements against data system records
- **May be delegated to DCMA under FAR 4.804-5(a); FAR 42.302(a)(70); FAR 42.302(b)(4)**
- **Work spread across all DCMA CMO sites (in-plant and geographic CMOs)**

More information available at: <https://www.dcmamilitary.com/Policy/>

DCMA Manual available at: <https://www.dcmamilitary.com/Portals/31/Documents/Policy/DCMA-MAN-2501-03.pdf>



- **DCMA's Terminations Contracting Officer (TCO) and Terminations team provides full and comprehensive support:**
 - Active engagement upon DLA request for support
 - Coordinates initial conference and meetings for information gathering
 - Evaluates termination factors and establishes a path forward
 - Determines if a no cost modification will be established, or moves forward with preparing a negotiation position for settlement
 - Collaborates with functional specialists; i.e. DCAA for audit assistance, if needed, DCMA Plant Clearance for proper disposition terms and conditions
 - Negotiates entire termination settlement and makes a determination based on outcome of negotiation
 - Prepares final settlement modification and all memoranda to document termination actions
 - Ensures records management per policy guidelines
 - Upon termination settlement, arranges and confirms proper transfer of record to the Administrative Contracting Officer (ACO) for final closeout actions
 - Performs and participates in internal control evaluation of processes; creates and updates policy and guidance based on evaluation outcomes

More information available at: <https://www.dcms.mil/Policy/>

DCMA Manual available at: [https://www.dcms.mil/Portals/31/Documents/Policy/MAN_2501-06_C1_\(09-11-2020\).pdf](https://www.dcms.mil/Portals/31/Documents/Policy/MAN_2501-06_C1_(09-11-2020).pdf)



RFV Process

03.2022

