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Supplier Operations Commodities Webinar Series

Daniele Kurze
Director, Supplier Operations
Commodities
April 13, 2022



Agenda

- **Opening Remarks**
 - Daniele Kurze, Director, Supplier Operations Commodities, Defense Logistics Agency (DLA) Aviation
- **Facilitator**
 - Shannon Kersch, Chief, Post Award Commodities Division, DLA Aviation
- **Presenters**
 - Tim Farley, Government Test Program Manager, DLA Aviation
 - Tyler Bishop, Contractor Test Program Manager, DLA Aviation
 - Brian Hartman, Engineering Technical Manager, DLA Aviation
 - LaShunta Horne, Supervisory Contract Administrator, DLA Aviation
- **Open Q&A**
 - Brook Mason, Hill AFB Lab Process
 - Jesse Hornblum, NAVSUP WSS, N23E Engineering Division Head
 - Dan Lenza, NAVSUP WSS, N23 Source Development Department Director
 - Randy Byrum, Quality Assurance Manager
 - Schelica Grant, Supervisory Contract Administrator, ZT Team
 - Wendy Epps, Team Lead Contract Administrator, ZT Team
 - Jeremy Prince, Contracting Team Lead



How to Submit a Question in the Q&A

Zoom Webinar

Enter Full Screen



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**Supplier Operations
Commodities Webinar Series**

Daniele Kurze, Director Supplier
Operations Commodities
February 9, 2022

WARFIGHTER ALWAYS

Join Audio

Chat

Raise Hand

Q&A

Leave

WARFIGHTER ALWAYS

Briefer: Daniele Kurze



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Government Testing

Government First Article Testing

Government Production Lot Testing

Tim Farley, Government Test
Program Manager, DLA Aviation





Government FAT/PLT Definition

Government First Article Testing: (FATG) This test is to show manufacturer capability and is completed at a Government Test Lab with witnessed Origin Inspection by a qualified Government Defense Contract Management Agency Quality Assurance Representative (DCMA QAR).

Government Production Lot Testing: (PLTG) This Test indicates the manufacturer's ability to create a consistent product within prescribed tolerances (quality). This is done at a Government Test Lab with witnessed Origin Inspection by a qualified Government Defense Contract Management Agency Quality Assurance Representative (DCMA QAR).



Contract Cited Testing Responsibilities & Roles

- The Product Assurance Branch serves as the Program Management Team for the various test facilities. We determine, monitor, and track Lab performance for contractually mandated testing.
- Our office serves as the Subject Matter Experts for testing between DLA Partners, contracting, and technical staff.
- Additionally, we identify and coordinate the corrective actions required to resolve deficiencies that may impede the testing process.



Government Product Evaluation & Testing

Issues FAU Division Assists In Resolving

- **Inadequate or Missing Documentation:** First Article Test Program Manager's (FATPM) will contact resolution partners to expedite obtaining missing TDP Technical Data or MFG certification package data, as requested.
- **Inadequate or Missing Contract Language and/or Testing Requirements:** FATPM's coordinate with Post Award Administrator's (PAA) to assist in the identification and verification of missing or incorrect contract content and offer suggestions for necessary modification issuance.
- **Insufficient Sample Quantity:** FATPM's will assist resolution partners to verify quantity shortages/overages and make recommendations for corrective action and possible contract modifications.



Government Product Evaluation & Testing

Issues We Assist In Resolving (cont.)

- **Repeated First Article Submission for the Same Materials/Vendor:** FATPM's screen lab work-in-process lists to identify parent/child duplicates and orchestrate returns with recommendations for child contract waivers following parent approvals.
- **First Article Resubmission Without Contracted Authority (Mods):** FATPM encounter First Article Test (FAT) re-submissions without PAA authorization. Re-submission negotiations needs to occur with appropriate modification, before sample is sent back to the Lab. FATPM coordination for obtaining the required modification necessary to allow testing progress.

All Resubmittals (government/contractor) should be submitted to:

DLATesting@dla.mil

Submitting Resubmittals via PAR, US Mail, FEDX, UPS or to Labs will **significantly** increase processing time.



Test CLIN Combinations

17 Possible Contract Test CLIN Combinations

Examples:

- **Very Complex Parts – Critical Flight Safety (CSI):**
 - **FATG & PLTG w/Form-Fit-Function (FFF)**
(most expensive; most time consuming)
- **Complex Parts – Critical Application:**
 - **FATG & PLTC**
- **Non-critical:**
 - **No Testing**
(least expensive)



Government FAT Tracking

FAU Test Tracking Tools (Access Database and Share Point):

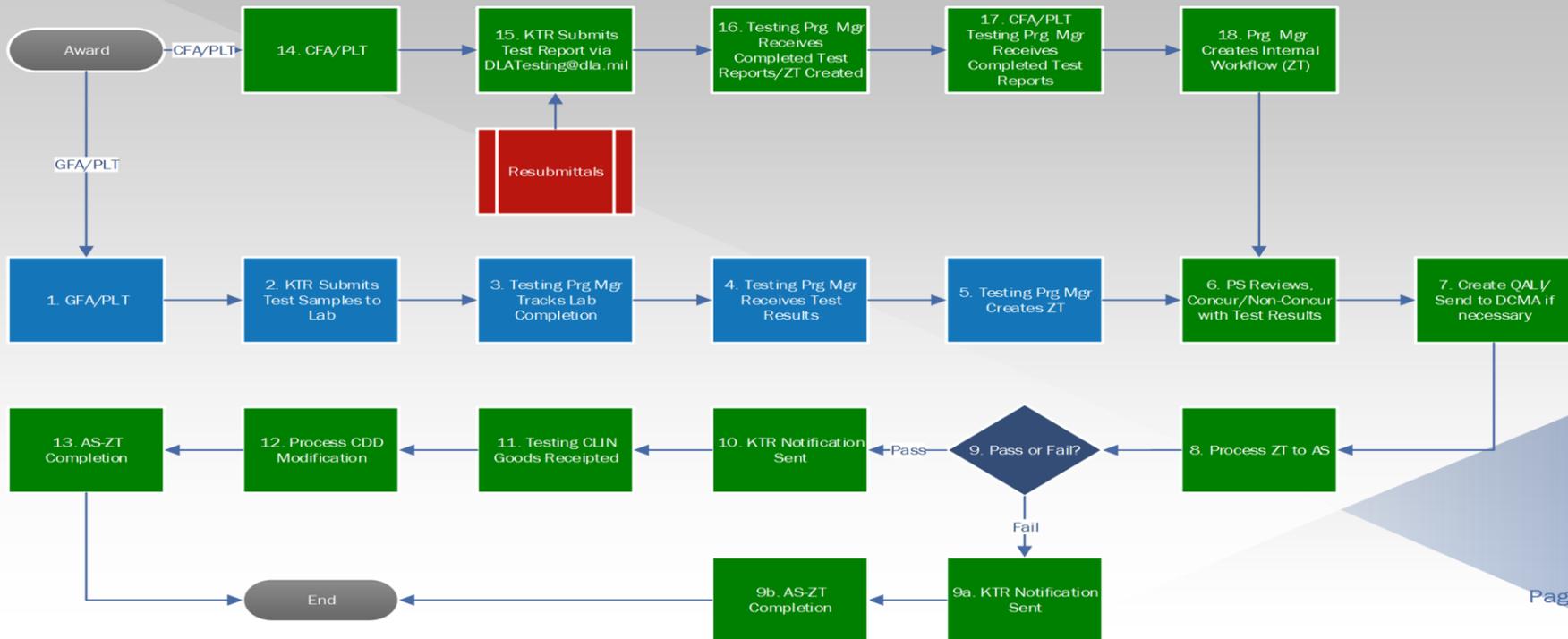
- DLA Aviation FAT Tracker Database providing real time Work in Process (WIP)
- Lab or completion status can be requested through the Post Award Administrator (Post Award Request (PAR))
- Database is shared to DCMA



Process Flow

FA Internal Testing Process

March 25, 2022



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Product Verification Testing Clause (PVT)

- Product has past quality problems (item)
- Contractor has past quality problems
- Performance specs (supplier base)
- Industrial base past performance has been unacceptable or has experienced major problems (processes)
- Complex or sensitive production/manufacturing set ups are required (processes)
- Emerging technology mandating significant changes in production manufacturing (processes)
- First-time buys
- Critical Safety Items (CSIs)
- No other Quality verification testing (FAT/PLT) is specified in the award

*FAR Clause 52.246-2



Pending Initiatives

DLA's continued process improvement changes:

- Reduction of First Article Testing
 - Increased use of alternative testing
 - Use of source qualifications prior to solicitation MFG to ESA direct via Tech Data Package (TDP) Source Qualification Statement (SQS).
 - Increased use of Production Lot Testing (PLT) vs First Article Testing (FAT)
 - Improvements to the Testing Waiver Process
- Continued streamlining of waiver criteria for FAT and PLT (Parent/Child Relationship)



GFAT/PLT Sample Returns

FAR 52-209-4

Contract language updated for test sample returns:

- At its discretion, the Government may return FAT units to the contractor at no cost to the Government. **The contractor shall submit the return address and pre-paid return label or shipping account for payment.** In accordance with FAR 52.209-4.sample Returns on Government Testing.



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Contractor Testing

Contractor First Article Testing
Contractor Production Lot Testing

Tyler Bishop, Contractor Test
Program Manager,
DLA Aviation





Contractor FAT/PLT

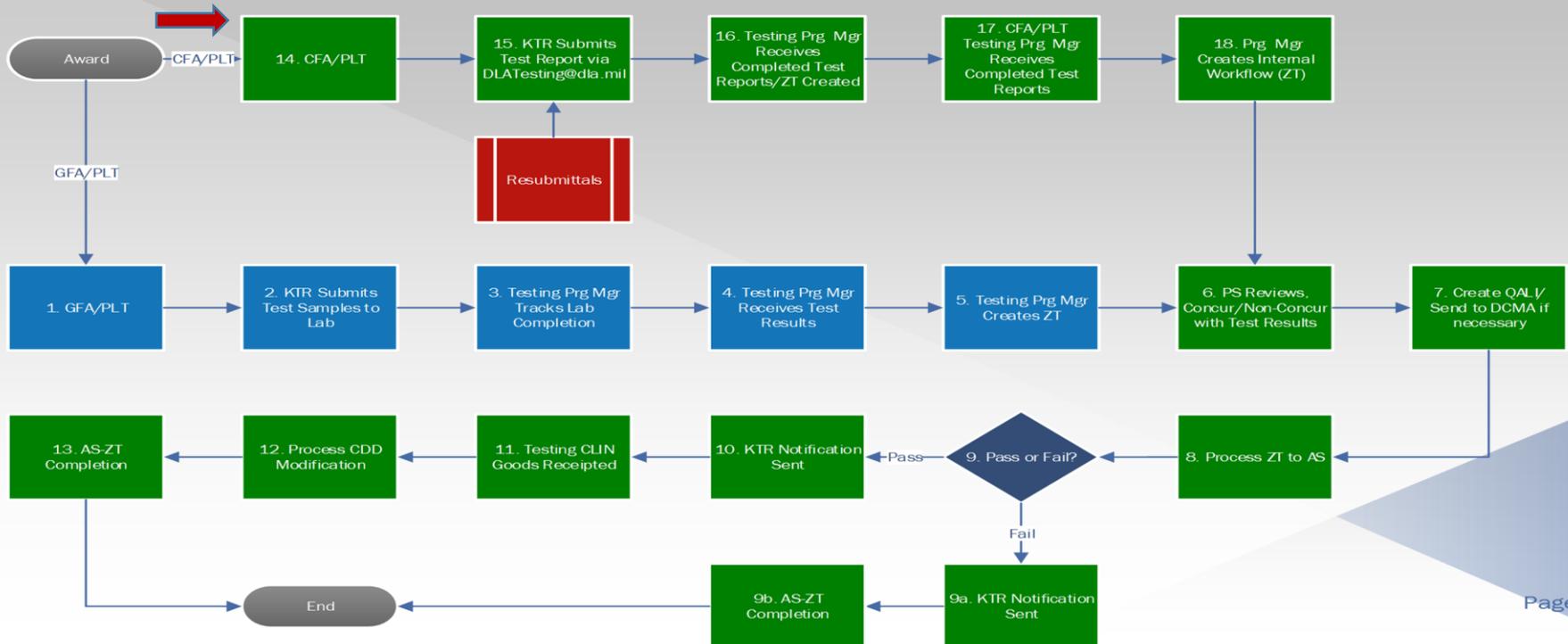
- **Contractor First Article Testing:** (FATC) This test is to show manufacturer capability and is completed at the Manufacturer's Facility and witnessed by a qualified Government Defense Contract Management Agency Quality Assurance Representative (DCMA QAR).
- **Contractor Production Lot Testing:** (PLTC) This Test indicates the manufacturer's ability to create a consistent product within prescribed tolerances (quality). This is done in the Manufacturer's Facility and witnessed by a qualified Government Defense Contract Management Agency Quality Assurance Representative (DCMA QAR).



Process Flow

FA Internal Testing Process

March 25, 2022



Page 1



Contractor FAT/PLT

PROs

- Typically, Less Expensive than Government based testing
Average Price Range: \$0.00 - \$2,500 (report cost only)
- Quicker to accomplish, usually only taking hours, instead of days to complete
- DCMA QAR Verified
- Limited handling required reducing damage and loss
- Quality Based Test

CONs

- Not as thorough as Government FAT/PLT
- Not reviewed by a DLA Engineer/User (Having specific knowledge of aircraft)
- Potential of not catching technical data package errors on FAT Submission (Missing Engineering Change Orders (ECO)/Exception Data prior to production items.



CFAT/PLT Process

Award

Sample Production

- Contractor production of First Article /Production Lot Sample(s)
- FOLLOW GUIDANCE IN CONTRACT - DO NOT SUBMIT SAMPLES WITH TEST REPORT UNLESS CONTRACT REQUIRES ENGINEERING REVIEW

Test Report

- KTR Testing
- Test Report Preparation
- Review/Approval by Government Official (DCMA)
- KTR Submission of Test Report & Signed DD 250 (or DD 1222) to DLA
- **SUBMIT ALL CONTRACTOR FATT/PLT TEST REPORTS TO:**

DLATesting@dla.mil

Government Evaluation

- Government Evaluation Begins when Test Report Received
- Test Coordinator review, create internal DLA workflow (ZT)
- Product Specialist review, recommendation to Acquisition Specialist
- Contracting Officer review

Vendor Notification

- Contracting Officer provides notification to Contractor

Vendor POC/email information is pulled via Dibbs. ***Please ensure this is up to date!**



Timeline for FATC / PLTC Submissions

Once CFAT / CPLT report is received from testing inbox:

- TPM will review and create an internal Quality Notifications (QN) “ZT” and assign to the PS (2 business days)
- Product Specialist reviews the test report and provide recommendations to the Contract Administrator (3 business days). For conditional FAT approvals, PS will also issue Quality Letter of Instruction (QALI) to DCMA QAR
- Contract Administrator issues the vendor a notification letter, issues applicable delivery date modifications, and posts the service CLIN to allow vendor to invoice to DFAS. (20 business days)
- Note: If a contract delivery date lapses due to DLA’s delay in processing test results, a modification will be issued to adjust the delivery date, per the quoted schedule.



CFAT/CPLT Test Report Submission

Package Should Include:

- Material and Process Certifications
- Dimensional/Visual Inspection Reports
- Signed/Inspected DD250 and/or DD1222 from government representative (e.g. DCMA, unless otherwise specified on contract/delivery order)
- Unless a Government Fit Check is required, FAT/PLT exhibits are **NOT** to be shipped to DLA Aviation (or any other government facility) for review.

Only the test report is submitted to DLA



DLA Aviation Resubmission/Rebuttal Process

Upon notification that a FAT/PLT/PVT failed:

- The testing team contract administrator will provide a notification letter to the vendor.
 - Request that return information (address/shipping account details) for the samples be provided within **7 business days** on the vendor notification letter. This allows the vendor to review the samples and possibly rebut the initial findings.
- Vendor has total of **45 days** to notify DLA after notification of failure of intent to resubmit.
- The Testing team contract administrator will then issue a resubmission modification that authorizes the resubmission, revise the delivery schedule, and address the cost to resubmit.



Rebuttal Process (Rebuttal Letter)

- If a vendor wishes to rebut the findings of a FAT/PLT/PVT:
 - Submit an official rebuttal letter on company letterhead to DLATesting@dla.mil and copy the testing team administrator Contract Administrator that sent the official vendor notification letter of test results.
 - On rebuttal letter: Provide all technical or pictorial evidence as to why this is being challenged



Rebuttal Process Cont.

- **DLA will then:**

- Product Specialist will review the rebuttal for validity
- Product Specialist will submit the rebuttal and all evidence supporting the rebuttal to the corresponding lab/ESA either directly via email (for Hill AFB testing) or through 339 system (for all other government tests).
- If the rebuttal is valid: The lab will provide a new disposition letter and findings and DLA will repeat the ZT/Vendor notification process with the new findings.
- If the rebuttal is deemed invalid: The Testing team contract administrator will notify the vendor that the original disposition stands.
- Typical timeline for decision on rebuttals is **45-60** days from receipt of rebuttal package from vendor.
- **Total average timeframe for rebuttal process 90 days.**



Reminder

- **Test Reports**

- Contractor FAT/PLT Test Reports should be submitted to:

DLATesting@dla.mil

Submitting Test Reports via PAR, US Mail, FEDX, UPS will **significantly** increase processing time and contractor notification.

- **Resubmittal**

- Resubmittals (government/contractor) should be submitted to:

DLATesting@dla.mil

Submitting Resubmittals via PAR, US Mail, FEDX, UPS will **significantly** increase processing time.

- **Return Labels**

- The contractor shall submit the return address and pre-paid return label or shipping account for payment.



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Engineering Support Activity

Brian Hartman, Engineering Technical Manager, DLA Aviation



DLA 339

- Electronic request form created by the Product Specialist and submitted to the Military Services Engineering Support Activities (ESA) requesting technical information to support DLA procurements



Reasons for Initiating a 339 Request

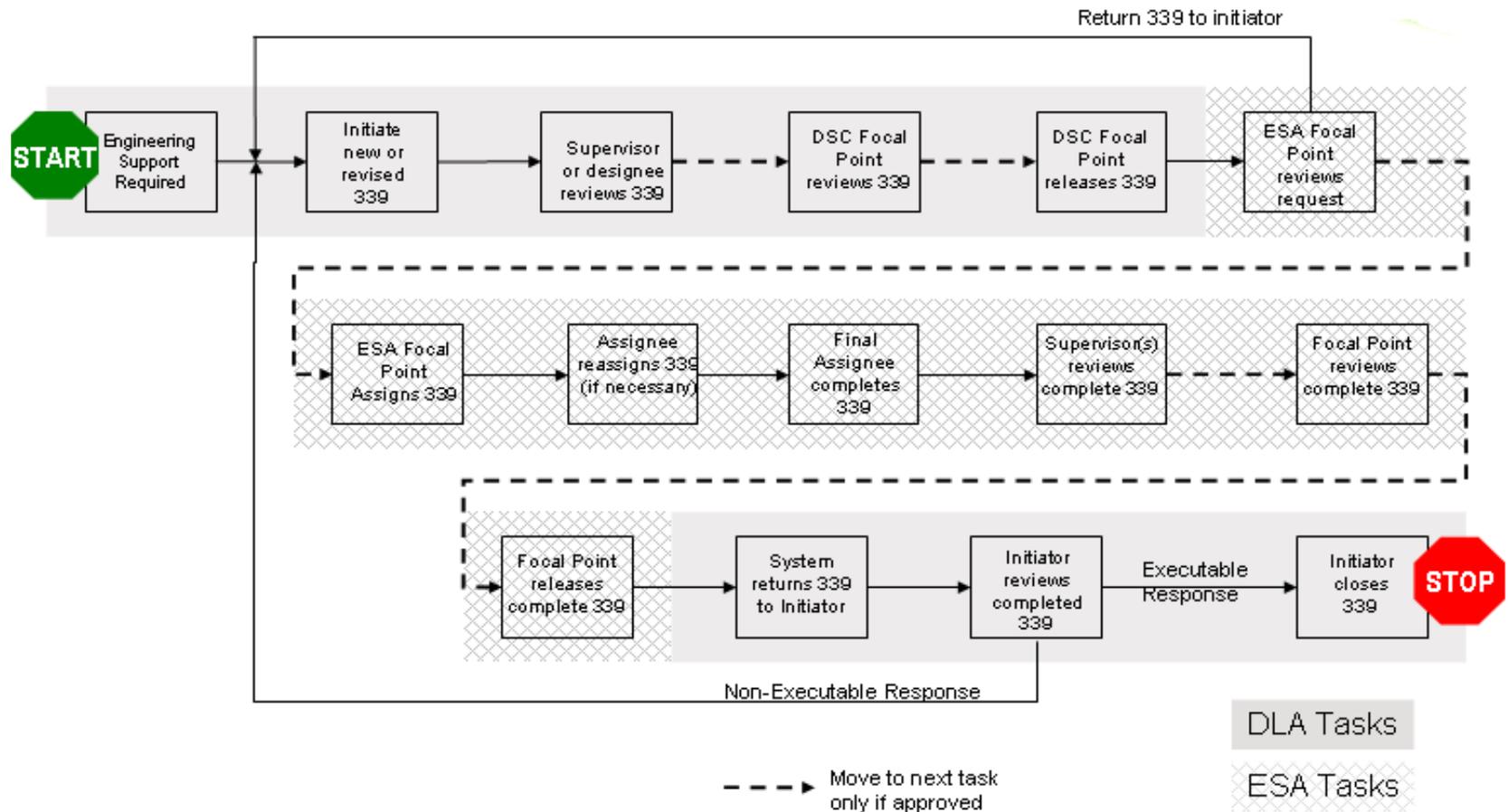
- The material requires an alternate method of support
- The contractor submits an alternate offer
- **Waiver or deviation is requested**
- **Technical Data Package (TDP) Development or Validation is required**
- Reverse engineering candidate or requires reverse engineering approval
- A Contract Data Requirements List is required
- The criticality of an NSN must be established or challenged
- A surplus offer needs to be evaluated
- **Other miscellaneous tech requirements**
- **Testing Rebuttals**
- **FAT/PLT Test Requirements**



339 ESA Workflow Process

ESA Workflow

The initiation of a 339 by the Product Specialist results in a new ESA workflow.





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When to Submit a Post Award Request (PAR)

LaShunta Horne, Supervisory Contract
Administrator, DLA Aviation





Post Award Request Codes

- **VR15 Request for Variance (from National Stock Number Technical Data)**

Allows vendors to submit a DD Form 1694 Request for Deviation and DD Form 1998 Waiver, Deviation, or Engineering Change Request for Engineering Support Activities to consider Requests For Variance.

- **VR16 First Article (Government or Contractor)**

Allows vendors to inquire about the status of First Article Submissions.



Post Award Request: Processing Times

Resolution:

~ 30 days

- Change Contract Delivery Date
- Quantity Reduction
- Cancellation Request
- Defense Contract Management Agency Office Change
- Inspection/Acceptance Location Change
- Contractor First Article Test Report
- Informal Modification/Credit Memoranda
- Erroneous Invoice Submissions
- **First Article Test Submission Notification**
- COVID-19
- Award Error

Resolution:

~ 60 days

- Undefined Other Vendor Requests
- Change Contract Delivery Date with Consideration
- **Requests for Variance**
- Financial Queries/Payment Issues
- **First Article Test Approvals/ Resubmittals/Waiver Request/ Rebuttals**
- Clause Additions/Removals
- Contract Overruns
- Duty Free Material Processing
- CLIN Additions
- Packaging CAGE Changes
- Unclear Verbiage from CDRs, PARS
- Vendor Shipment Module

Resolution:

Greater than 60 days

- Change in Contract Delivery Date (Unresolved First Article Test/Production Lot Test)
- **Request for Variance: Delayed Engineering Support Activity Reply**
- Multiple Post Award Requests for Single Contract
- Price Changes
- Payment/DFAS Issues (Technical Quality/Resolution Specialist support required)
- Unit of Issue Change (Technical Quality support)
- Part Number/National Stock Number Updates
- Technical Data Package Updates/ Corrections
- Source Approval Requests
- Novation Agreements
- DD Form 254 (Unclassified Material)
- Cost/Price Analysis: Increases
- Tooling Issues

