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LESSON 1

Introduction to Government Contract Quality Assurance

Quality Assurance Specialist (QAS)

- Designates all positions classified as the official Office of Personnel Management (OPM) 1910 series
- General term that applies regardless of the specific assignment
- Sometimes referred to as Quality Assurance Representative (QAR)



Government Contract Quality Assurance (GCQA)



Refers to the various functions, **including inspection**, performed by the Government to determine whether a contractor has fulfilled the contract obligations pertaining to quality and quantity

Contract Quality Requirements

- Include:
 1. Clauses prescribing inspection and other quality controls incumbent on the contractor
 2. Technical requirements related to quality
- Ensure the product or service conforms to contract requirements



Acquisition Participants

- Acquisition participants include:
 - Purchasing Office
 - Customer
 - Supplier
 - Contract Administration Office (CAO)
 - Contract Management Team (CMT)



Contract Administration Office (CAO)

- Manages and monitors contract from initiation through final acceptance of product/service
- Assesses degree of supplier compliance with contractual requirements, including quality
- Customer can assign contract administration or retain control
 - If CAO is selected, contract is assigned to a CMO, and a QAS may be assigned



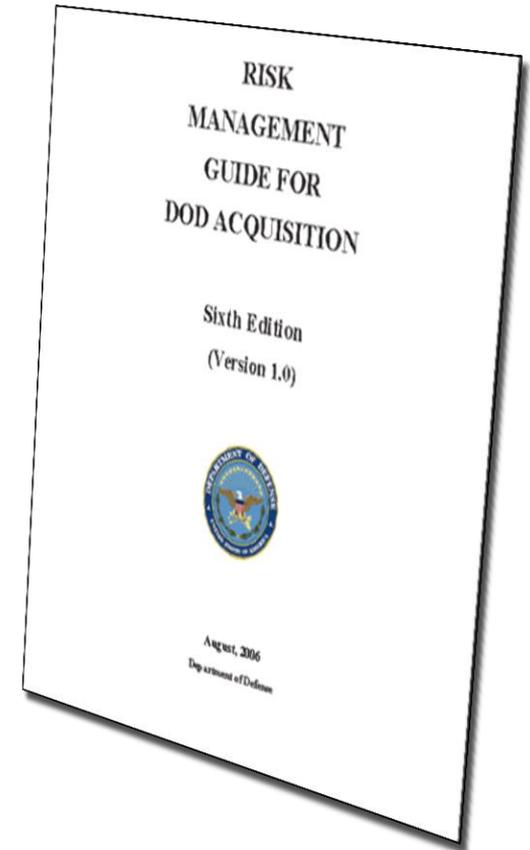
Contract Management Team (CMT)

- Various CAO functions responsible for specific Contractor and Government Entity Code (CAGE) codes
- Minimum members identified, Administrative Contracting Officer (ACO) and QAS; other functional specialist may be identified

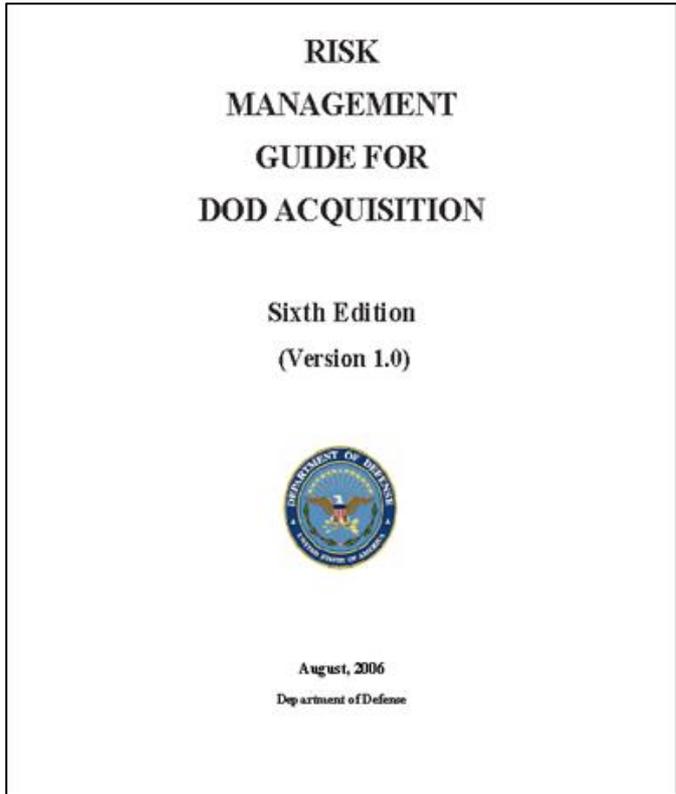


GCQA Concepts

- Risk-based, systematic verification of significant objective evidence
- Process-based approach
- Product acceptability based upon confidence in the supplier's quality management system or inspection system



Risk Management



- CAO's risk assessment process is derived from the Department of Defense's (DoD's) risk management concepts
- Original DoD model released in 1994
 - CAO involved since then
 - Process updated several times since inception

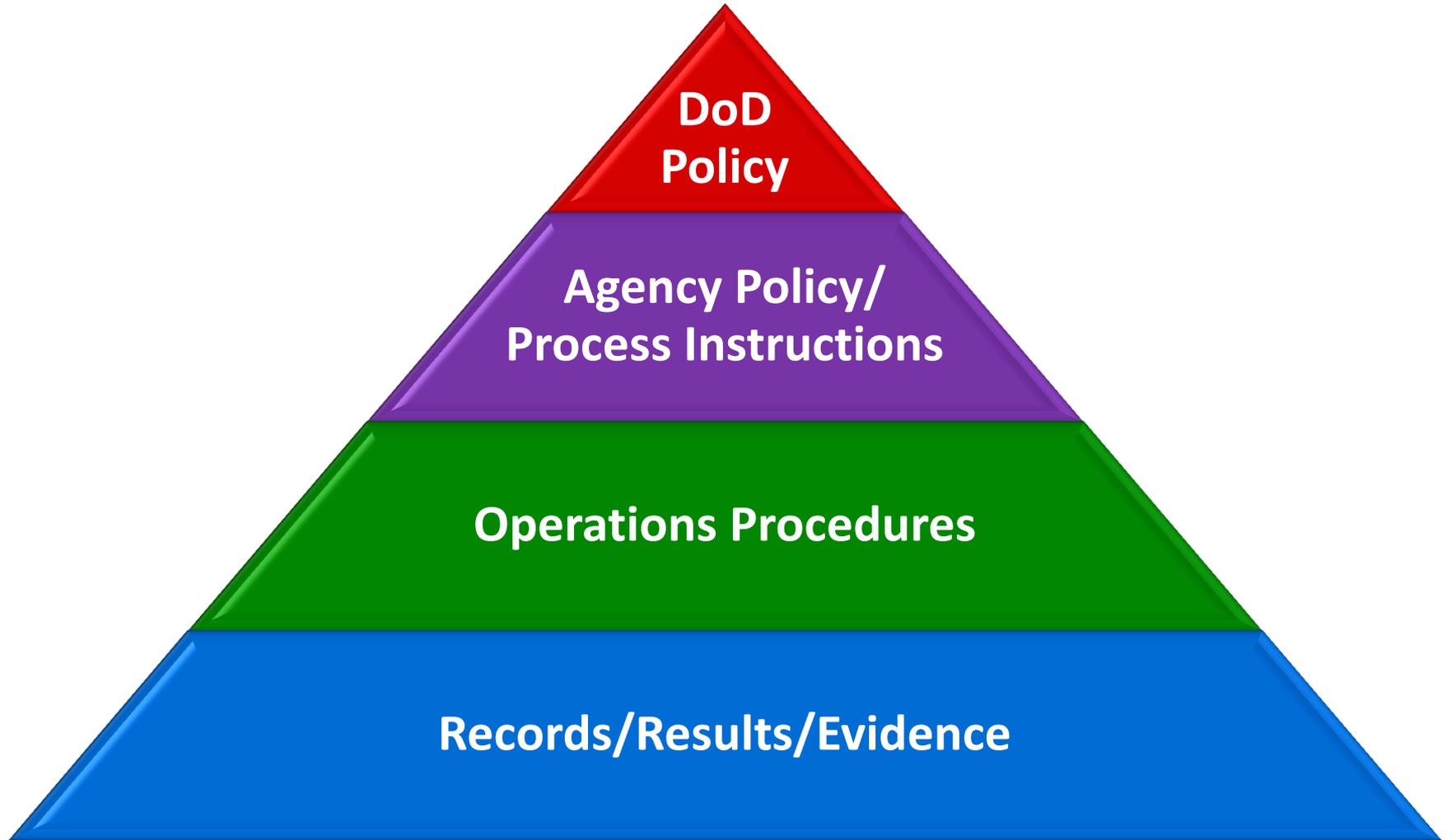
GCQA Concept

Process-based approach provides:

Government determination of product acceptability based upon confidence in the supplier's quality management system or inspection system developed through a risk-based systematic verification of significant objective evidence.



System/Process Integration



Basic QAS Responsibilities

QAS must follow certain processes when performing GCQA beginning with a Contract Technical Review (CTR) and ending with Product Acceptance.



Process-Based Approach



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FAR/DFARS and CAO Policy

Hierarchy of Requirements

Public Law



FAR



**DFARS Procedures, Guidance,
and Information (PGIs)**



DoD Directives



CAO Policy

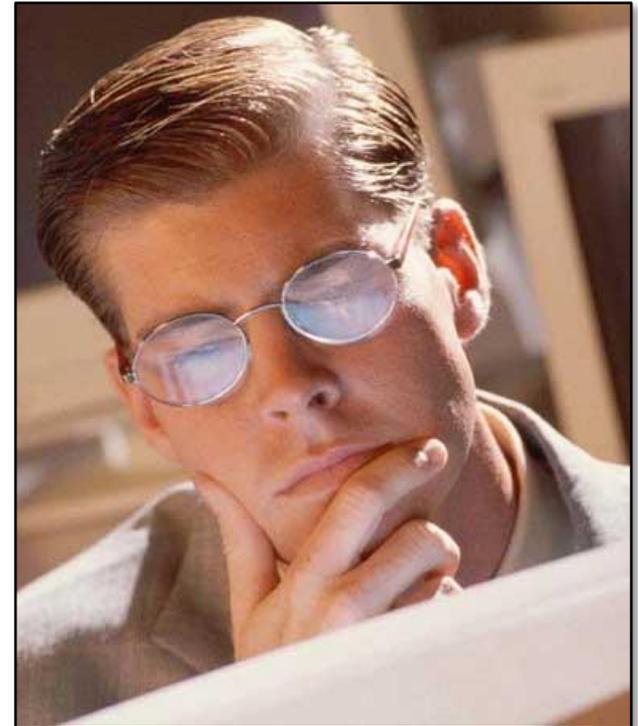


Individual Surveillance Plans



FAR/DFARS and QA Relationship

- QAS main responsibility is to ensure contractor compliance.
- Policy that covers QA includes:
 - FAR Part 12
 - FAR Part 42
 - FAR Part 46
 - FAR Part 3 – 51
 - DFARS Part 246



FAR/DFARS Relationship to QA

FAR 42.302 - Contract Administration Functions.

(a) 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), and (a)(11) of this section, unless the cognizant Federal agency (see [2.101](#)) has designated the contracting officer to perform these functions.

(38) Ensure contractor compliance with contractual quality assurance requirements (see Part 46).

FAR/DFARS Relationship to QA (cont.)

FAR Part 46 Quality Assurance

46.000 - Scope of Part.

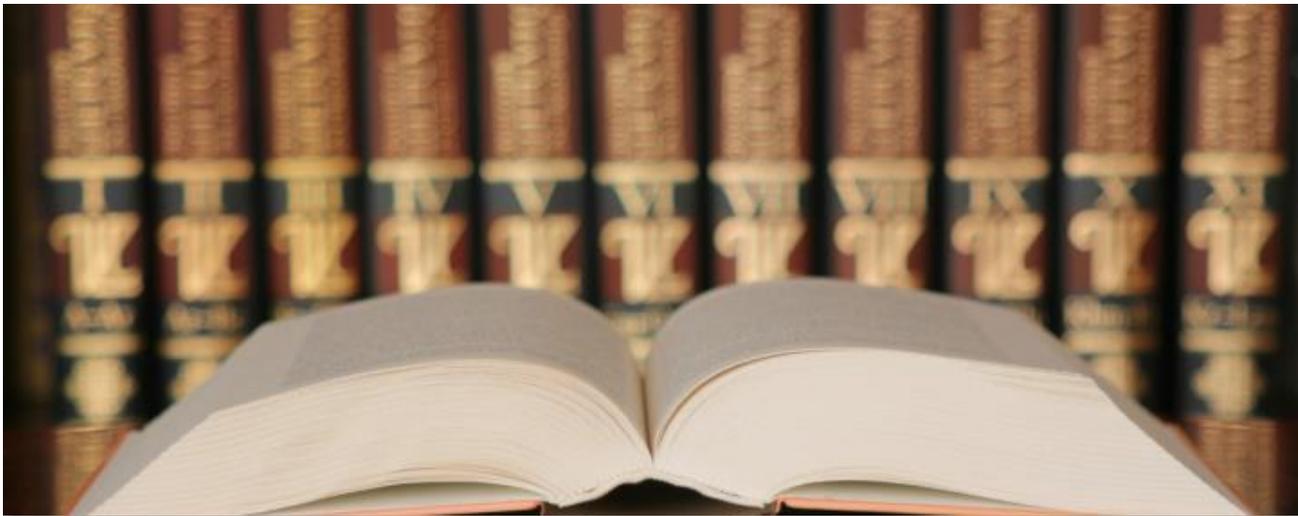
This part prescribes policies and procedures to ensure that supplies and services acquired under Government contract conform to the contract's quality and quantity requirements. Included are inspection, acceptance, warranty, and other measures associated with quality requirements.

Policies and Procedures

- FAR Part 3 through FAR Part 51, each start with a scope that says, “This part prescribes policies and procedures....”
 - These FAR references or paragraphs provide information or policies, but not the actual language to be included in contracts.
- **FAR Part 52** lists the actual clauses that are to be **included in contracts**. These FAR clauses are the official language to be used in contracts.
- Important in the relationship between FAR/DFARS and QA.

QA in FAR/DFARS

- QA policies and procedures – **FAR Part 46** and **DFARS Part 246**
- QA provisions and clauses – **FAR 52.246** and **DFARS 252.246**



Authority vs. Responsibility

- What do they mean?
 - Authority – the power or right to decide and enforce
 - Responsibility – the obligation to carry forward an assigned task to a successful conclusion
- Where do we get each?
 - Authority – the contract
 - Responsibility – the FAR, DFARS, CAO Policy, Process, etc.

FAR Part 46 – Overarching Policy

FAR 46.102 Policy.

Agencies shall ensure that –

- (a) Contracts include inspection and other quality requirements;
- (b) Supplies or services tendered by contractors meet contract requirements;
- (c) Government contract quality assurance is conducted before acceptance;
- (d) No contract precludes the Government from performing inspection;
- (e) Nonconforming supplies or services are rejected;
- (f) Contracts for commercial items shall rely on a contractor's existing quality assurance system;
- (g) The quality assurance and acceptance services of other agencies are used when this will be effective, economical, or otherwise in the Government's interest.

FAR Part 46 – CO Responsibility

FAR 46.103 - Contracting Office Responsibilities.

- (a) Receiving from the activity responsible for technical requirements any necessary specifications;
- (b) Including in solicitations and contracts the appropriate requirements for the contractor's control of quality;
- (c) Issuing any necessary instructions to the cognizant CAO and acting on recommendations;
- (d) When contract administration is retained, verifying that the contractor fulfills the contract quality requirements; and
- (e) Ensuring that nonconformances are identified, and establishing the significance of a nonconformance when considering their acceptability.

FAR Part 46 – CAO Responsibilities (1 of 3)

FAR 46.104 - Contract Administration Office Responsibilities.

When a contract is assigned for administration to the contract administration office cognizant of the contractor's plant, that office, **unless specified otherwise**, shall –

- (a) Develop and apply **efficient procedures** for performing Government contract quality assurance actions under the contract in accordance with the written direction of the contracting office;
- (b) Perform all actions necessary to verify whether the supplies or services conform to contract quality requirements;

FAR Part 46 – CAO Responsibilities (2 of 3)

FAR 46.104 - Contract Administration Office Responsibilities.

(c) Maintain, as part of the performance records of the contract, suitable records reflecting—

- (1) The **nature** of Government contract quality assurance actions, including, when appropriate, the **number** of observations made and the number and type of defects; and
- (2) Decisions regarding the acceptability of the products, the processes, and the requirements, as well as action to correct defects.

(d) Implement any specific written instructions from the contracting office;

FAR Part 46 – CAO Responsibilities (3 of 3)

FAR 46.104 - Contract Administration Office Responsibilities.

(e) Report to the contracting office any defects observed in design or technical requirements, including contract quality requirements; and

(f) Recommend any changes necessary to the contract, specifications, instructions, or other requirements that will provide more effective operations or eliminate unnecessary costs (see [46.103\(c\)](#)).

FAR Part 46 – Contractor Responsibility

FAR 46.105 - Contractor Responsibilities.

(a) The contractor is responsible for carrying out its obligations **under the contract by:**

- (1) Controlling the quality of supplies or services;
- (2) **Tendering for acceptance only** those supplies or services that conform to contract requirements;
- (3) **Ensuring that vendors** have an acceptable quality control system; and
- (4) **Maintaining substantiating evidence**, when required by the contract, and furnishing such information to the Government as required.

(b) The contractor **may** be required to provide and maintain an inspection system or program for the control of quality that is acceptable to the Government.

FAR Part 46 – Contractor Responsibility (cont.)

FAR 46.105 - Contractor Responsibilities.

(c) The control of quality by the contractor may relate to, but not limited to-

- (1) Manufacturing processes;
- (2) Drawings, specifications, and engineering changes;
- (3) Testing and examination;
- (4) Reliability and maintainability assessment;
- (5) Fabrication and delivery of products;
- (6) Technical documentation;
- (7) Preservation, packaging, packing, and marking; and
- (8) Procedures and processes for services to ensure that services meet contract performance requirements.

(d) The contractor is responsible for performing all inspections and test required by the contract except those specifically reserved for performance by the Government.

Topic 6: Criteria for QA Requirements

FAR Part 46 outlines QA requirements to include:

- Requirement types
- Criteria
- Standard inspection
- Higher-level quality
- Acceptance

Contract Quality Requirements

FAR 46.201 - General.

- (a) The contracting officer shall include the appropriate quality requirements.
- (b) Solicitations and contracts may provide for alternatives.
- (c) Generally contractors are responsible for performing inspections before tendering supplies to the Government, but there may be situations in which contracts provide for inspections to be performed solely by the Government.
 - (1) **Tests that require use of specialized test equipment or facilities (e.g., ballistic testing of ammunition, unusual environmental tests, and simulated service tests).**
 - (2) **First article approval.**
- (d) Unless otherwise specified, required contractor testing may be performed in the contractor's or subcontractor's lab or testing facility, or in any other lab or testing facility acceptable to the Government.

Contract Quality Requirement Criteria

[FAR 46.203](#) - Criteria for use of Contract Quality Requirements.

- **Technical Description** - Commercial or military
- **Complexity** - Complex items have quality characteristics, not wholly visible in the end item
- **Criticality** - A critical application of an item is one in which the failure of the item could injure personnel or jeopardize a vital agency mission

Contract Quality Requirement Types

FAR 46.202 - Contract Quality Requirement Types.

- FAR 46.202-1 Contracts For Commercial Items
- FAR 46.202-2 Government Reliance - Inspection by Contractor
- FAR 46.202-3 Standard Inspection Requirements
- FAR 46.202-4 Higher-Level Contract Quality Requirements

CO Guidance for Standard Inspection

FAR 46.202-3 – Standard Inspection Requirements.

Standard inspection requirements are contained in the clauses **prescribed** in [46.302](#) through [46.308](#). The clauses all do three things-

- (1) Require the contractor to provide and maintain an inspection system that is acceptable to the Government;
- (2) Give the Government the right to make inspections and tests while work is in process; and
- (3) Require the contractor to keep complete, and make available to the Government, records of its inspection work.

Standard Inspection Criteria Example

FAR 46.302 - Fixed-Price Supply Contracts.

The contracting officer shall insert the clause at [52.246-2](#), Inspection of Supplies - Fixed-Price, in solicitations and contracts for supplies, or services involving the furnishing of supplies, when a fixed-price contract is contemplated and the contract amount is expected to exceed the simplified acquisition threshold.

Standard Inspection Criteria Example (cont.)

FAR 46.302 - Fixed-Price Supply Contracts.

The contracting officer may insert the clause in solicitations and contracts when the contract amount is expected to be at or below the simplified acquisition threshold and inclusion of the clause is **in the Government's interest.**

CO Guidance for Higher-Level Quality

FAR 46.202-4 - Higher-Level Contract Quality Requirements.

(a) Requiring compliance with higher-level quality standards is appropriate in solicitations and contracts for **complex or critical** items or when the **technical** requirements of the contract require control of such things as work operations, in-process controls, and inspection; or attention to such factors as organization, planning, work instructions, documentation control, and advanced metrology.

CO Guidance for Higher-Level Quality (cont.)

FAR 46.202-4 - Higher-Level Contract Quality Requirements.

(b) When the contracting officer, finds it is in the Government's interest to require that higher-level quality standards be maintained, the contracting officer shall indicate in the clause which higher-level quality standards will satisfy the Government's requirement. Examples of higher-level quality standards are ISO 9001, 9002, or 9003; ANSI/ISO/ASQC Q9001-2000; ANSI/ASQC Q9001, Q9002, or Q9003; QS-9000; AS-9000; ANSI/ASQC E4; and ANSI/ASME NQA-1.

FAR Part 46 – Acceptance

FAR 46.501 - General

Acceptance constitutes acknowledgment that the supplies or services conform with applicable contract quality and quantity requirements.

FAR 46.502 - Responsibility for Acceptance

Acceptance of supplies or services is the responsibility of the contracting officer. When this responsibility is assigned to a cognizant CAO, acceptance by that office or agency is binding on the Government.

FAR Part 46 – Acceptance (cont.)

FAR 46.503 - Place of Acceptance

Each contract shall specify the place of acceptance.

FAR 46.504 - Certificate of Conformance

A certificate of conformance may be used in certain instances instead of source inspection at the discretion of the contracting officer if in the Government's interest, and...

- (1) Small losses would be incurred in the event of a defect; or
- (2) Because of the contractor's past performance, it is likely that the supplies or services will be acceptable and any defective work would be replaced, corrected, or repaired without contest.

Government Contract Quality Assurance (GCQA) Decision

FAR 46.407 - Nonconforming Supplies or Services

(a) The contracting officer **should reject supplies or services not conforming in all respects to contract requirements.**

In those instances where deviation from this policy is found to be in the Government's interest, such supplies or services may be accepted **only as authorized** in this section.

Title Transfer

FAR 46.505 - Transfer of Title and Risk of Loss.

Title to supplies shall pass to the Government upon formal acceptance, regardless of when or where the Government takes physical possession.

GCQA – General (1 of 3)

FAR 46.401 - General.

(a) ... shall be performed at such times (including any stage of manufacturing or performance of services) and places (including subcontractors' plants) as may be necessary to determine that the supplies/services conform to contract requirements. Quality assurance surveillance plans should be prepared in conjunction with the preparation of the statement of work.

Plans should specify –

- (1) **All work requiring surveillance; and**
- (2) **method of surveillance.**

GCQA – General (2 of 3)

FAR 46.401 - General.

(b) Each contract shall designate **the place or places** where the Government reserves the right to perform quality assurance.

(c) If the contract provides for performance of Government quality assurance at source, **the place or places of performance may not be changed** without the authorization of the contracting officer.

(d) If a contract provides delivery/acceptance at destination and the Government inspects the supplies at a place other than destination, the supplies **shall not ordinarily be reinspected at destination**, but should be examined for quantity, damage in transit, and possible substitution or fraud.

GCQA – General (3 of 3)

FAR 46.401 - General.

(e) Government inspection shall be performed by or under the direction or supervision of Government personnel.

(f) Government inspection shall be documented on an inspection or receiving report form or commercial shipping document/packing list, under agency procedures (see [Subpart 46.6](#)).

(g) Agencies may prescribe the use of inspection approval or disapproval stamps to identify and control supplies and material that have been inspected for conformance with contract quality requirements.

GCQA – At Source

FAR 46.402 - GCQA at Source.

Agencies shall perform contract quality assurance, including inspection, at source if -

- (a) Performance at another place would require uneconomical disassembly or destructive testing;
- (b) Considerable loss or delay in making necessary corrections;
- (c) Special required instruments, gauges, or facilities are available only at source;
- (d) Performance at any other place would destroy or require the replacement of costly special packing and packaging;
- (e) Government inspection during performance is essential; or
- (f) It is determined for other reasons to be in the Government's interest.

GCQA – At Destination

FAR 46.403 - GCQA at Destination

Inspection shall be performed at destination when:

- (1) Supplies are purchased **off-the-shelf; require no technical inspection;**
- (2) Necessary testing **equipment is located only at destination;**
- (3) **Perishable subsistence supplies** purchased within the United States, except those supplies destined for overseas shipment will normally be inspected for condition and quantity at points of embarkation;

GCQA – Subcontracts

FAR 46.405 - Subcontracts

GCQA on subcontracted supplies/services shall only be performed when required in the Government's interest.

Primary purpose to assist the **CAO cognizant of the prime contractor's plant** in determining the conformance of subcontracted supplies/services with contract requirements...

Does not relieve the prime contractor of any responsibilities under the contract. When appropriate, the prime contractor shall be requested to arrange for timely Government access to the subcontractor facility.

Contract QA Requirements

DFARS QA requirements include:

- Policy
- CO responsibility
- Deliverables
- NCM acceptance
- Additional costs
- Quality data
- Shipment authorization
- Inspection stamping
- Certificate of Conformance (CoC)



DFARS – Policy

DFARS 246.102 Policy.

Departments and agencies shall also—

- (1) **Develop and manage a systematic, cost-effective Government contract quality assurance program to ensure that contract performance conforms to specified requirements.** Apply Government quality assurance to all contracts for services and products designed, developed, purchased, produced, stored, distributed, operated, maintained, or disposed of by contractors.
- (2) Conduct quality audits.
- (3) Base the type and extent of GCQA on the particular acquisition.
- (4) Provide contractors the maximum flexibility in establishing efficient and effective quality programs to meet contractual requirements.

DFARS – CO Responsibility

DFARS 246.103 - Contracting Office Responsibilities.

(1) The contracting office must coordinate with the QA activity before changing any quality requirement.

(2) The activity responsible for technical requirements may prepare instructions covering the type and extent of Government inspections for acquisitions that are complex, have critical applications, or have unusual requirements.

Follow the procedures at PGI [246.103](#)(2) for preparation of instructions.

DFARS – Deliverables

DFARS 246.370 - Material Inspection and Receiving Report.

(a) Use the clause at 252.246-7000, Material Inspection and Receiving Report, in solicitations and contracts when there will be separate and distinct deliverables, even if the deliverables are not separately priced.

DFARS – NCM Acceptance

DFARS 246.407 - Nonconforming Supplies or Services.

(S-70) The head of the design control activity is the approval authority for acceptance of any nonconforming aviation or ship critical safety items or nonconforming modification, repair, or overhaul of such items (see 209.270).

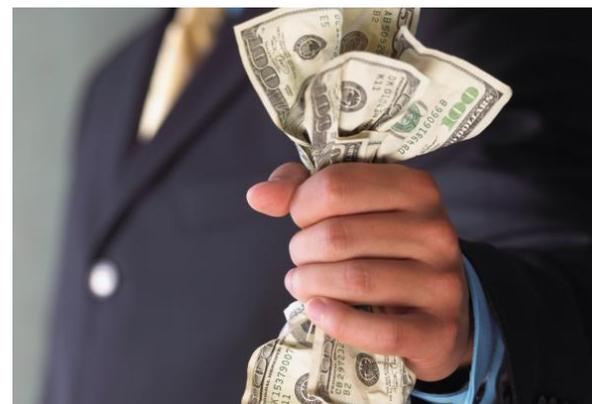
Authority for acceptance of minor nonconformances in aviation or ship critical safety items may be delegated as determined appropriate by the design control activity. See additional information at [PGI 246.407](#).

DFARS – Additional Costs

DFARS 246.470-1 - Assessment of Additional Costs.

(a) Under FAR 52.246-2, if the QAS believes that the assessment of additional costs is warranted, they shall recommend that the contracting officer take the necessary action and recommend the amount of additional costs.

(b) If the contracting officer agrees, the contracting officer shall notify the contractor in writing, and demand payment costs.



DFARS – Additional Costs (cont.)

DFARS 246.470-1 - Assessment of Additional Costs.

(c) In making a determination to assess additional costs, the contracting officer shall consider -

- (1) The frequency of delays, reinspection, or retest under both current and prior contracts;
- (2) The cause of such delay, reinspection, or retest; and
- (3) The expense of recovering the additional costs.



DFARS – Quality Data

DFARS 246.470-2 - Quality Evaluation Data.

The CAO shall establish a system for the collection, evaluation, and use of the types of quality evaluation data specified in [PGI 246.470-2](#).

DFARS PGI 246.470-2 - Quality Evaluation Data.

- (1) Quality data developed by the contractor during performance;
- (2) Data developed by the Government through contract quality assurance actions; and
- (3) Reports by users and customers.

DFARS – Shipment Authorization

DFARS 246.471 - Authorizing Shipment of Supplies.

(a) General. Ordinarily, a representative of the CAO signs or stamps the shipping papers to release Government source-inspected supplies for shipment.



DFARS – Shipment Authorization (cont.)

DFARS 246.471 - Authorizing Shipment of Supplies.

(b) Alternative Procedures - Contract Release for Shipment.

(1) The CAO may authorize, in writing, the contractor to release supplies for shipment when -

(i) The stamping or signing interferes with the GCQA program or takes too much of the QAS's time;

(ii) Sufficient continuity of production to permit the Government to establish a systematic and continuing evaluation of the contractor's control of quality; and

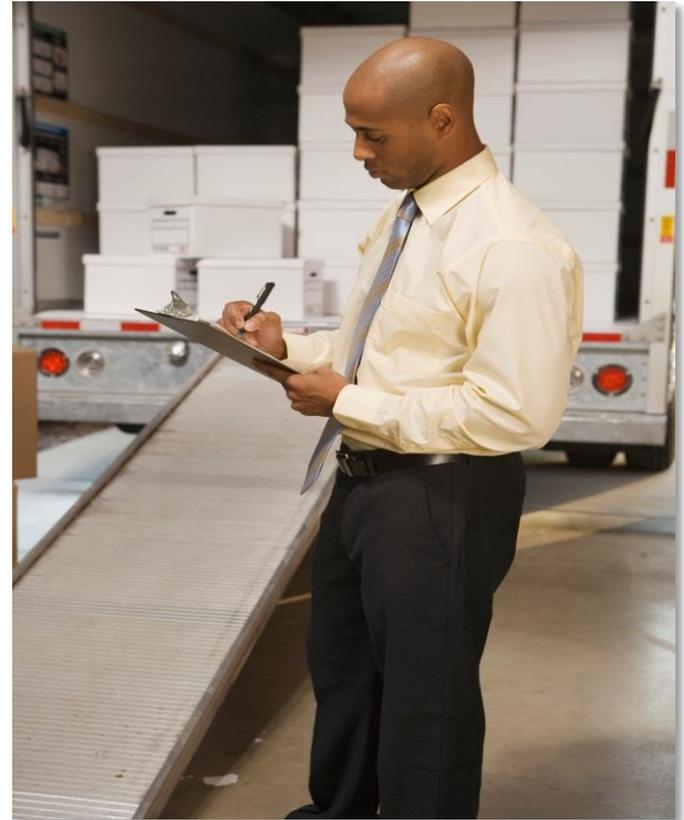
(iii) The contractor has a record of satisfactory quality.

DFARS – Inspection Stamping

DFARS 246.472 Inspection Stamping.

(a) DoD quality inspection approval marking designs (stamps) **may** be used for both prime contracts and subcontracts.

(b) Follow the procedures at [PGI 246.472\(a\)](#) for use of DoD inspection stamps.



DFARS – Inspection Stamp (cont.)

- Stamping material does not indicate acceptance by the Government.
- Evidence of acceptance is ordinarily achieved in WAWF or, on an exception basis, by a signed DD Form 250, Material Inspection and Receiving Report (MIRR).



DFARS - CoC

DFARS 246.504 Certificate of Conformance.

Before authorizing a certificate of conformance (CoC) for aviation or ship critical safety items, obtain the concurrence of the head of the design control activity.



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Standard Inspection Process

Authority

FAR 46.302 - Fixed-Price Supply Contracts.

The **contracting officer** shall insert the clause at [52.246-2](#), Inspection of Supplies - Fixed-Price, in solicitations and **contracts for supplies**, or services that involve the furnishing of supplies, when a **fixed-price** contract is contemplated and the contract amount is expected to exceed the simplified acquisition threshold.

- Contracting officer may insert clause when contract amount is expected to be at or below the simplified acquisition threshold and inclusion is in the Government's interest.
- If contemplating:
 - Fixed-price incentive contract - clause, Alternate I
 - Fixed-ceiling-price contract with retroactive price - clause, Alternate II

Interpret FAR Standard Inspection Requirements

FAR Part 52.246 -2 through -9 contain standard inspection clauses tailored to fit a contract's product or service.



FAR Part 52.246

- -2 Inspections of Supplies – Fixed Price
- -3 Inspection of Supplies – Cost Reimbursement
- -4 Inspection of Services – Fixed Price
- -5 Inspection of Services – Cost Reimbursement
- -6 Inspection – Time-and-Material and Labor-Hour
- -7 Inspection of Research and Development – Fixed-Price
- -8 Inspection of Research and Development – Cost-Reimbursable
- -9 Inspection of Research and Development (Short Form)

Standard Inspection

- Requires contractor to provide and maintain an **inspection system** acceptable to the Government
- Gives the **Government** the right to make **inspections and tests** while work is **in process**
- Requires **contractor** to keep **complete records of Inspections** and make them available to the **Government, upon request**



Government and Contractor Responsibility for Standard Inspection Requirement

FAR 52.246-2 – Inspection of Supplies

- Inspection System
 - Review
 - Documentation
- Inspecting Supplies
 - Accepting
 - Rejecting



Definition - Supplies

FAR 52.246-2 – Inspection of Supplies – Fixed-Price.

As prescribed in 46.302, insert the following clause:

Inspection of Supplies – Fixed-Price (Aug. 1996)

(a) *Definition.* "Supplies," as used in this clause, includes but is not limited to raw materials, components, intermediate assemblies, end products, and lots of supplies.



Inspection System

FAR 52.246-2 – Inspection of Supplies

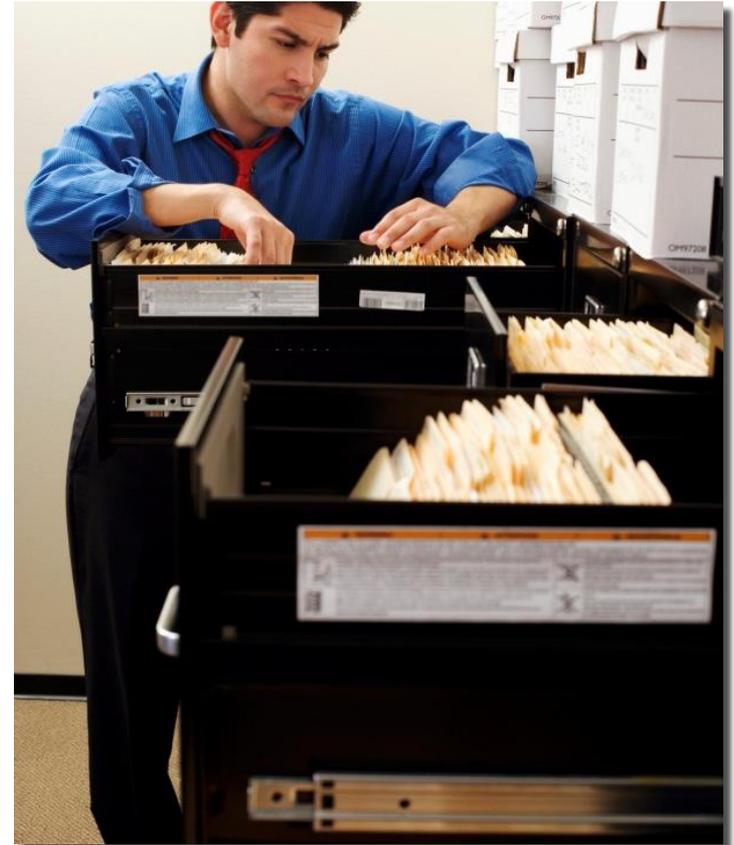
(b) The contractor shall provide and maintain an inspection system **acceptable to the Government** covering supplies under this contract and **shall tender to the Government for acceptance** only supplies that have been inspected in accordance with the inspection system and have been found by the contractor to be in conformity with contract requirements.



Inspection System Records

FAR 52.246-2 – Inspection of Supplies

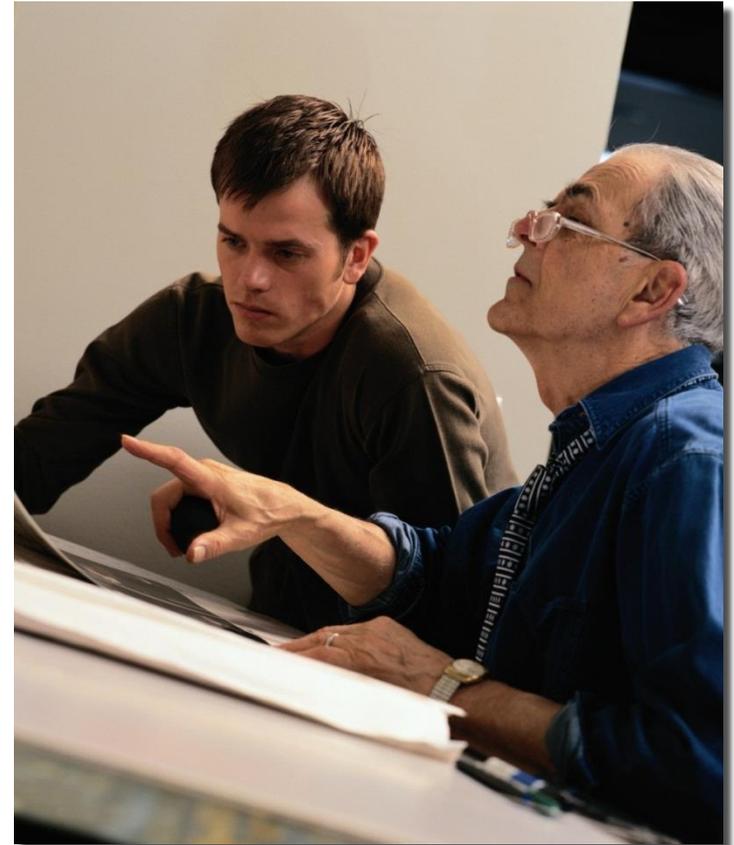
(b) (cont'd) As part of the system, the contractor shall prepare **records** evidencing all inspections made under the system and the outcome. These records shall be kept complete and **made available** to the Government during contract performance and for as long afterwards as the contract requires.



Inspection System Reviews

FAR 52.246-2 – Inspection of Supplies

(b) (cont'd) The Government **may perform reviews and evaluations** as reasonably necessary to ascertain compliance with this paragraph. These reviews and evaluations shall be conducted in a manner that **will not unduly delay the contract work**. The right of review, whether exercised or not, **does not relieve** the contractor of the obligations under the contract.

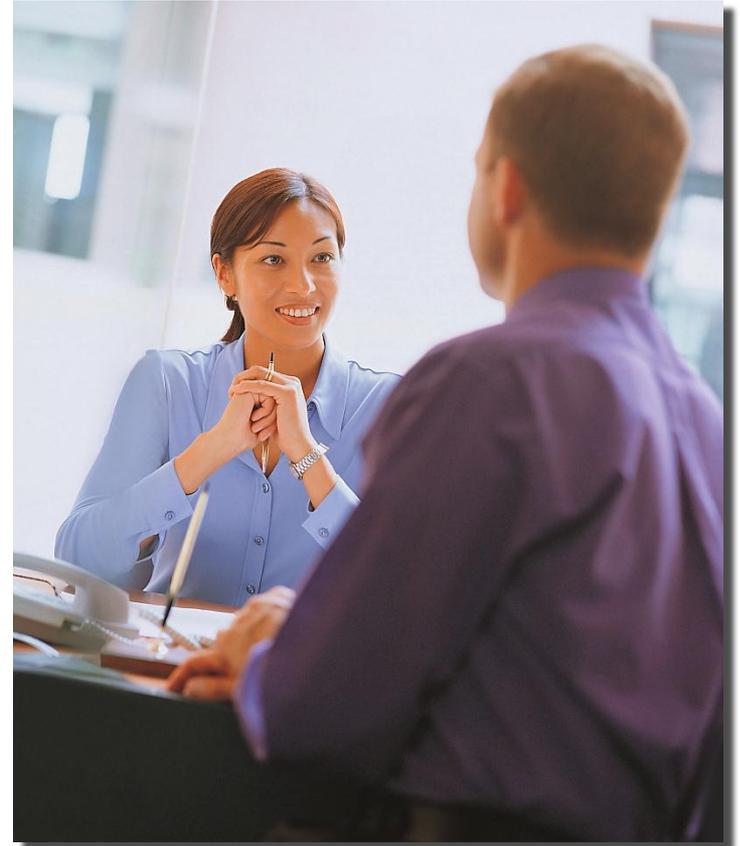


Inspecting Supplies (1 of 3)

FAR 52.246-2 – Inspection of Supplies

(c) The Government has the right to inspect and test all supplies called for by the contract, **to the extent practicable, at all places and times**, including the period of manufacture, and in any event before acceptance.

The Government shall perform inspections and tests in a manner that will **not unduly delay the work**.



Inspecting Supplies (2 of 3)

FAR 52.246-2 – Inspection of Supplies

(c) (cont'd) The Government assumes no contractual obligation to perform any inspection and test for the benefit of the contractor unless specifically set forth elsewhere in this contract.

(d) If the Government performs inspection/test on the premises of the contractor or a subcontractor, **the contractor shall furnish, and shall require subcontractors to furnish, at no increase in contract price, all reasonable facilities and assistance for the safe and convenient performance of these duties.**

Inspecting Supplies (3 of 3)

FAR 52.246-2 – Inspection of Supplies

(d) (cont'd) ... the Government shall bear the expense of Government inspections or tests made at other than the contractor's or subcontractor's premises; provided, that in case of rejection, the Government shall not be liable for any reduction in the value of inspection or test samples.

(e)(1) When supplies **are not ready** at the time specified by the contractor for inspection or test, the Contracting Officer **may charge** to the contractor the additional cost of inspection or test.

Rejected Supplies (1 of 3)

FAR 52.246-2 – Inspection of Supplies

(e)(2) The Contracting Officer may also charge the contractor for any additional cost of inspection or test when prior rejection makes reinspection or retest necessary.

(f) The **Government has the right either to reject or to require correction of nonconforming supplies**. Supplies are nonconforming when they are defective in material or workmanship or otherwise not in conformity with contract requirements. The Government **may reject nonconforming supplies** with or without disposition instructions.

Rejected Supplies (2 of 3)

FAR 52.246-2 – Inspection of Supplies

(g) The contractor shall **remove** supplies rejected or required to be corrected. However, the Contracting Officer may require or permit correction in place, promptly after notice, **by and at the expense of the contractor**. The contractor **shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection** or requirement for correction, and, when required, shall disclose the corrective action taken.

Rejected Supplies (3 of 3)

FAR 52.246-2 – Inspection of Supplies

(h) If the contractor fails to promptly remove, replace, or correct rejected supplies that are required to be removed or to be replaced or corrected, the Government may either:

- (1) by contract or otherwise, remove, replace, or correct the supplies and **charge the cost** to the contractor or
- (2) **terminate** the contract for default.

Unless the contractor corrects or replaces the supplies within the delivery schedule, the Contracting Officer may require their delivery and make an equitable price reduction. Failure to agree to a price reduction shall be a dispute.

Inspection at Source

FAR 52.246-2 – Inspection of Supplies

(h)(i)(1) **If** this contract provides for the performance of **Government QA at source, and if requested by the Government**, the contractor shall furnish advance notification of the time –

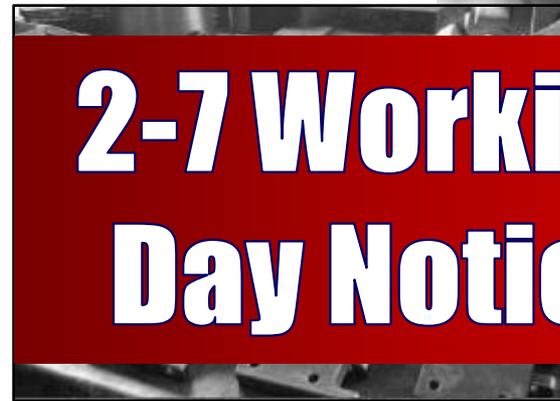
- (i) When **contractor inspection or tests will be performed** in accordance with the terms and conditions of the contract; and
- (ii) When the supplies will be ready for Government inspection.



Inspection at Source (cont.)

FAR 52.246-2 – Inspection of Supplies

(h)(i)(2) The Government's request shall specify the period and method of the advance notification and the Government representative to whom it shall be furnished. Requests shall not require more than **2 workdays** of advance notification if the Government representative is in residence in the contractor's plant, nor more than **7 workdays** in other instances.

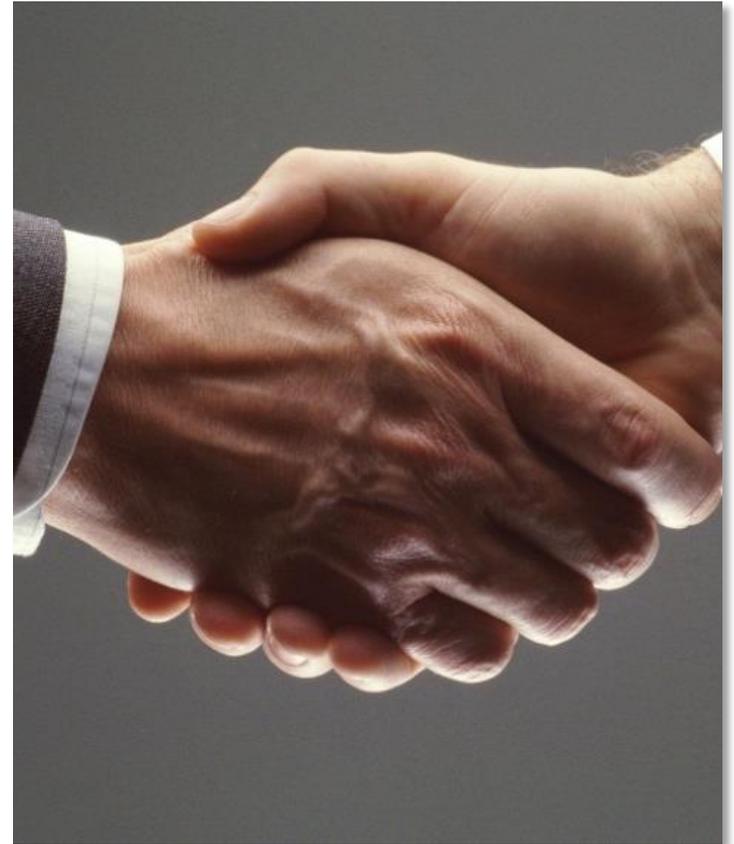


**2-7 Working
Day Notice**

Timely Inspection

FAR 52.246-2 – Inspection of Supplies

(j) The Government shall accept or reject supplies as **promptly as practicable** after delivery, unless otherwise provided in the contract. Government failure to inspect and accept or reject the supplies shall not relieve the contractor from responsibility, nor impose liability on the Government, for nonconforming supplies.



Inspection and Acceptance/Rejection (1 of 4)

FAR 52.246-2 – Inspection of Supplies

(k) Inspections and tests by the Government **do not relieve the contractor of responsibility for defects** or other failures to meet contract requirements discovered before acceptance. **Acceptance shall be conclusive**, except for latent defects, fraud, gross mistakes amounting to fraud, or as otherwise provided in the contract.



Inspection and Acceptance/Rejection (2 of 4)

FAR 52.246-2 – Inspection of Supplies

(l) If acceptance is not conclusive for any of the reasons in paragraph (k) hereof, the Government, in addition to any other rights and remedies provided by law, or under other provisions of this contract, shall have the right to require the contractor

(1) at no increase in contract price, **to correct or replace the defective or nonconforming supplies** at the original point of delivery or at the contractor's plant at the Contracting Officer's election, and IAW a reasonable delivery schedule the Contracting Officer may require a reduction in contract price if the contractor fails to meet such delivery schedule, ...

Inspection and Acceptance/Rejection (3 of 4)

FAR 52.246-2 – Inspection of Supplies

(l) (cont'd) If acceptance is not conclusive for any of the reasons in paragraph (k) hereof, ...

(2) within a reasonable time after receipt by the contractor of notice of defects or nonconformance, **to repay such portion of the contract** as is equitable under the circumstances if the Contracting Officer elects not to require correction or replacement.

When supplies are returned to the contractor, the contractor shall bear the transportation cost from the original point of delivery to the contractor's plant and return to the original point when that point is not the contractor's plant.

Inspection and Acceptance/Rejection (4 of 4)

FAR 52.246-2 – Inspection of Supplies

(l) (cont'd) If the contractor fails to perform or act as required in (1) or (2) above and does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure, the Government shall have the right by contract or otherwise to replace or correct such supplies and charge to the contractor the cost occasioned the Government thereby.

(End of Clause)

Common Contract QA Requirements

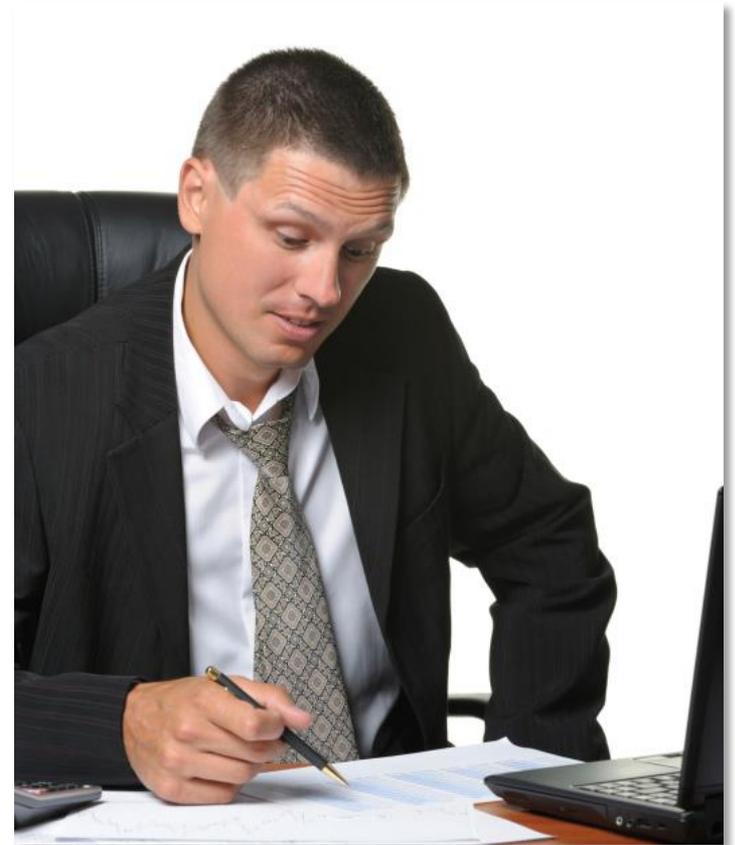
- FAR 52.246-1: Supplier Inspection Requirements (no GCQA)
- FAR 52.246-2 thru -9: Inspection of Supplies
 - 52.246-2 – Inspection of Supplies – Fixed Price
- FAR 52.212-4: Commercial Items **(FAR Part 12)**
- FAR 52.246-11: Higher-Level Contract Quality Requirements:
 - International Organization for Standardization (ISO) 9001 (full or with exclusions)
 - Aerospace Standard (AS) 9100 Quality Management System (QMS) for aerospace industry
 - Allied Quality Assurance Publications (AQAPs)
 - Other higher-level QMS requirements

GCQA Surveillance Responsibilities (1 of 3)

- Determine inspection system adequacy
 - Employ Standard Inspection Checklist in planning
- Perform surveillance as per schedule
 - Primary method is Product Examination
- Document acceptability determination results
- Include results in Data Collection and Analysis (DC&A)
- Adjust surveillance plan based on DC&A
 - Methods, frequency, and intensity?

GCQA Surveillance Responsibilities (3 of 3)

QA Personnel shall initiate an appropriate Corrective Action Request (CAR) in accordance with the CAO Corrective Action Policy whenever nonconformity with contractual inspection system requirements is discovered.



NCM Control

Corrective Action and control of nonconforming material (NCM) activities that verify the contractor:

- Has a system for identifying and segregating rejected or nonconforming material
- Understands the requirements for presenting nonconforming material to the Government for acceptance
- Maintains records of corrective action

Standard Inspection Surveillance Documentation Requirements

- Contractor responsibilities
 - Provide inspection system
 - Maintain complete records of inspections
 - Make records available to Government
- QAS responsibilities
 - Perform inspections, reviews, evaluations
 - Accept/reject supplies promptly
 - Request contractor correct/replace defective supplies

Contractor Responsibilities

- Provide/maintain an inspection system acceptable to the Government.
- Prepare **records evidencing all inspections** made under the system and the outcome.
- Records shall be kept **complete and made available** to the Government during contract performance and as long as the contract requires.



QAS Responsibilities

- When QAS requests, in writing, furnish advance notification of the time:
 - When inspection/tests will be performed
 - When supplies are ready for Government inspection
- May perform reviews/evaluations as **reasonably necessary** to ascertain compliance
- Has the right to inspect/test supplies to the extent practicable, **at all places/times**, including manufacturer and before acceptance
- Perform inspections/tests that **DO NOT** unduly delay the work
- **May charge** the cost of reinspection or retest



QAS Responsibilities (cont.)

- Reject/require correction of nonconforming supplies
- Accept/reject supplies promptly
- Request contractor correct/replace defective supplies

