

## **PART 46 - QUALITY ASSURANCE**

*(Revised August 10, 2018 through PROCLTR 2018-15)*

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#### **46.000 Scope of Part.**

The Military Departments provide Depot Level Repairable (DLR) quality requirements. The Military

Departments report and track item deficiencies for DLR supplies. Any associated provisions and clauses shall follow the Military Departments procedures for DLR supplies.

## **SUBPART 46.1 - GENERAL**

*(Revised November 9, 2016 through PROCLTR 2017-02)*

### **46.103 Contracting office responsibilities.**

(a) Requirements are provided on the purchase request in EBS.

### **46.105 Contractor responsibilities.**

(b) The contractor is required to maintain calibrated measuring and test equipment used for test and verification of products offered. The product specialist shall insert the TQ STO RT001 Measuring and Test Equipment in the PID.

## **SUBPART 46.2 - CONTRACT QUALITY REQUIREMENTS**

*(Revised August 10, 2018 through PROCLTR 2018-12)*

### **46.202 Types of contract quality requirements.**

#### **46.202-4 Higher-level contract quality requirements.**

(a) The product specialist determines when higher-level contract quality requirements are required based on a review of the technical data package, ESA requirement, criticality and complexity of the item, or history of quality deficiencies. The product specialist will enter the higher-level contract quality requirement into the Document Management System, if applicable. The higher-level contract quality requirement will be incorporated into the PID in solicitations and contract awards from the Material Master. The higher-level contract quality requirement will be pre-populated in the fill-in for FAR clause 52.246-11.

#### **46.290 Certificate of quality compliance (COQC).**

A COQC is a quality assurance requirement in the form of a Contract Data Requirements List (CDRL) (DD Form 1423-1) deliverable to provide objective quality evidence for materials submitted by the supplier. The DLA Logistics Operations Technical Programs and Quality Assurance Division maintains the CDRL in the Document Management System, and it is referenced in the Material Master. The CDRL is incorporated into the PID in solicitations and contract awards from the Material Master.

#### **46.291 Production lot testing.**

The purpose of production lot testing (PLT) is to validate quality conformance of products prior to lot acceptance. The requirement for PLT can be either at a contractor or Government facility as specified in the Product Master. The product specialist shall review the ESA testing requirements for completeness, accuracy, and applicability; and coordinate any changes with the ESA. The product

specialist shall place the testing requirements into the Material Master. PLT is required in all solicitations and contracts when indicated in the Product Master. PLT can be conducted by the contractor or the Government.

(a) PLT conducted by contractor. The contractor is responsible to produce the production lot(s) and conduct the test. The PLT shall be separately priced with a PLT CLIN to cover the cost of the approved samples that are consumed, destroyed, or otherwise rendered unusable during testing. The contracting officer shall insert the negotiated price for the PLT CLIN at time of award.

Solicitations and awards shall include procurement note E03 when PLT is required. For automated acquisitions, the fill-in information for the procurement note is completed in the solicitation. The contracting officer will obtain the fill-in information for manual acquisitions from the data field in the Product Master.

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#### E03 Production Lot Testing – Contractor (SEP 2016)

(1) The purpose of production lot testing (PLT) is to validate quality conformance of products. PLT is to be completed on the production lot(s) after first article approval, when a first article is required. The contractor shall price the PLT CLIN to cover the cost of the approved samples that are consumed, destroyed, or otherwise rendered unusable during testing.

(2) The contractor shall provide written notice to the contracting officer and the QAR of the time and location of the test at least fourteen (14) calendar days (or as otherwise specified in the contract) prior to the production lot test, so the Government may witness the test.

(3) The QAR will select [*contracting officer shall insert number of samples identified in Product Master*] samples at random from the production lot(s) produced.

(4) The contractor shall perform all tests on the PLT samples to verify/validate for the QAR that the items meet the contract technical/quality requirements.

(5) If a PLT sample fails, the entire production lot quantity produced fails. The contractor shall notify the contracting officer and propose corrective action, if appropriate.

(6) Prepare and disseminate the PLT report as follows:

(a) Prepare the test report in accordance with data item description DI-NDTI-80809B, and mark the test report, "Production Lot Test Report, Contract Number [*contractor insert*] and Lot/Item Number [*contractor insert*]."

(b) Present the contractor's PLT report to the QAR for review.

(c) Include the following documentation with all shipments of PLT Reports: DD Form 1222 and DD Form 250/iRAPT Receiving Report signed by the QAR; a copy of the contract/order; a copy of all applicable test reports, showing actual results and tolerances specified in the technical data package; material and process certifications; process operations and inspection method sheets; copies of drawings used to manufacture the PLT sample, with proper marking to restrict public disclosure (if desired) and from Government use other than for evaluation to the extent consistent with the Government's data rights under the contract, and documents required under a contract deliverables requirements list, if applicable.

(d) Submit all required documentation to the Government activity specified in the contract in time to allow for at least [*contracting officer shall insert number of days as shown in Product Master*] calendar day period for review of the PLT report, and for the contracting officer to provide written notification of approval/disapproval to the contractor.

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(b) PLT conducted by the Government. The contractor is responsible to produce the production lot(s), and the Government is responsible to conduct the test. The PLT shall be separately priced with a PLT CLIN to cover the cost of the approved samples that are consumed, destroyed, or otherwise rendered unusable during testing. The Government shall return any useable samples to the contractor upon completion of testing for delivery with the production quantity of the same lot. The contracting officer shall insert the negotiated price for the PLT CLIN at time of award.

Solicitations and awards shall include the procurement note E04 when PLT is required. For automated acquisitions, the fill-in information for the procurement note is completed in the solicitation. The contracting officer will obtain the fill-in information for manual acquisitions from the data field in the Product Master.

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#### E04 Production Lot Testing – Government (AUG 2017)

(1) The purpose of production lot testing (PLT) is to validate quality conformance of products. PLT is to be completed on the production lot(s) after first article approval, when a first article is required. The contractor shall price the PLT CLIN to cover the cost of the approved samples that are consumed, destroyed, or otherwise rendered unusable during testing.

(2) The contractor shall provide written notice to the contracting officer and the QAR at least fourteen (14) calendar days (or as otherwise specified in the contract) prior to the date when the contractor will present the production lot to the QAR for selection of PLT samples.

(3) The QAR will select [*contracting officer shall insert the number of samples identified in the Product Master*] samples, at random from the production lot(s) produced. If the quantity stated in the previous sentence equals “ZZ,” the contractor should use the appropriate sample size identified within the Technical Data Package or applicable Sample Plan provided by the Government. The contractor will seek approval of the sample size with the QAR.

(4) The contractor shall ship the PLT samples to [*contracting officer shall insert name and location of testing facility as identified in Product Master*] by traceable means. Shipment shall be marked “Production lot samples – do not post to stock,” contract and lot number. A copy of the DD250/iRAPT Receiving Report shall be placed on the exterior of the shipping container in accordance with MIL-STD-129. Include the following interior documentation: DD Form 1222 and DD250/iRAPT Receiving Report signed by the QAR; copy of contract/order; copies of test reports, showing actual results and tolerances specified in the technical data package; material and process certifications; process operations and inspection method sheets; copies of drawings used to manufacture the PLT sample (proper marking to assert proprietary or other rights to restrict public disclosure is the contractor’s responsibility); documents required under contract deliverables requirements list; and a prepaid shipping label or document with the information required to return the PLT samples to the contractor at no cost to the Government.

(5) At time of shipment, copies of the signed DD Form 1222, DD250/iRAPT Receiving Report, transportation tracking information, and information for return of the PLT samples shall be provided to

the contracting officer. The Government testing time will be [*contracting officer insert number of days for test, as shown in the Product Master*] calendar days for the test results to be provided to the contractor.

(6) If a PLT sample fails, the entire production lot quantity produced fails. The contractor shall propose corrective action, if appropriate.

(7) PLT samples will be returned to the contractor, with a copy of the test report, at contractor expense.

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#### **46.292 Product verification testing.**

The contracting officer or the product specialist can invoke product verification testing (PVT). Contracting officers may decide to invoke PVT, after coordination with the product specialist, at contract award or after contract award when the following conditions apply: high-risk item, offeror is on the DCRL, first time buy item, high risk supplier, high risk quote. Upon making the determination to invoke PVT, contracting officers shall contact the product specialist to take the appropriate technical actions. The product specialist may also decide to invoke PVT and will contact the contracting officer with the appropriate justification.

The product specialist will issue a quality assurance letter of instruction (QALI) to DCMA when quality concerns relating to the item or the supplier are identified, with a copy of the QALI to the contracting officer for inclusion in Records Management. The QALI invokes the PVT requirement. DCMA will notify the contractor and initiate the testing process. When PVT is invoked, contracting officers use the authority under FAR 52.246-2, Inspection of Supplies-Fixed-Price. Contracting officers shall include procurement note E05 in all solicitations and awards.

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#### **E05 Product Verification Testing (JUN 2018)**

(1) Product verification testing (PVT) may be invoked at contract award or after contract award. If PVT is invoked at contract award, the contract will explicitly state this testing requirement and a QALI will be generated. If PVT is invoked after contract award, a QALI will be created and the DCMA quality assurance representative (QAR) will notify the contractor that testing will be performed. The PVT testing will be performed at a Government-designated testing laboratory.

(a) The contractor shall not ship or deliver any material unless directed to do so in writing by the contracting officer or until notified of acceptable PVT results.

(b) PVT results will be provided in 20 working days after receipt at the Government testing facility, unless otherwise specified in writing by the Government.

(2) The QAR will select a random sample from the contractor's production lot. Selected PVT samples are to be shipped by the contractor with a copy of the Department of Defense DD Form 250 and the completed DD Form 1222. The packaging will be marked "Product Verification Test Samples, Contract number \_\_\_\_\_, lot/item number \_\_\_\_\_."

(3) Test results will indicate one of the following:

(a) Samples that pass testing and are not destroyed during evaluation will be returned to the contractor at the Government's expense and will be included as part of the total contract quantity. The contractor and Government may agree to dispose of samples not destroyed when the cost of the item does not justify the shipping expense. Samples that pass testing and are not returned to the contractor will be considered part of the contract quantity for payment and delivery. The contractor will deliver the remaining lot quantity minus sample units.

(b) If samples fail testing, such failure will result in rejection of the entire contract lot from which the samples were taken. At the Government's discretion, parts failing any test criteria may be retained and not be returned to the contractor.

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## SUBPART 46.4 - GOVERNMENT CONTRACT QUALITY ASSURANCE

*(Revised August 10, 2018 through PROCLTR 2018-15)*

### **46.401 General.**

(a) Product specialists determine the place of inspection and acceptance (I/A) based on the criteria in FAR Part 46 and the criticality of the item. Contracting officers shall award contracts identifying source or destination I/A as stated in the Material Master and abide by 46.402 when determining source I/A. If the Material Master states destination I/A and the contracting officer deviates from that requirement and 46.402(S-90)(x) applies the contracting officer shall execute an MFR, approved at one level above the contracting officer, to provide the rationale for that decision prior to contract award.

### **46.402 Government contract quality assurance at source.**

(S-90) Additional requirements that may preclude destination I/A are those associated with—

- (i) Critical safety items (CSIs);
- (ii) Complex assemblies;
- (iii) Items requiring first article testing (FAT);
- (iv) Hazardous material (HAZMAT);
- (v) Items acquired for foreign military sales (FMS);
- (vi) Higher level quality requirements;
- (vii) Arms, ammunition or explosives;
- (viii) Safety of Flight;
- (ix) Bulk fuel deliveries; or

(x) Suppliers with significant quality issues (e.g., Product Quality Deficiency Reports (PQDRs)). (Reference 42.202.) The product specialist will provide a quality assurance letter of instruction (QALI) to the DCMA contract administration office when a contractor has previous quality issues. If a

contracting officer deviates from the Material Master due to quality issues, they shall notify the product specialist to issue a QALI.

(S-91) Contracting officers shall include procurement note E06 in solicitations and contracts that require source inspection and acceptance.

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#### E06 Inspection and Acceptance at Source (JUN 2018)

Inspection and acceptance are at source. The place of acceptance is the location where the Government conducts the last inspection before shipment, unless the contractor indicated a different physical location for acceptance below.

The contractor shall indicate the location where supplies will be inspected, if different from the production location:

Commercial and Government Entity (CAGE) code: \_\_\_\_\_

Address: \_\_\_\_\_

Applicable to contract line item numbers(s) (CLIN(s)): \_\_\_\_\_

The contractor shall indicate the location where packaging will be inspected, if different from the production location:

( ) Same as for supplies OR

CAGE code: \_\_\_\_\_

Address: \_\_\_\_\_

Applicable to CLIN(s): \_\_\_\_\_

The contractor shall indicate the location where supplies will be accepted, if different from the inspection location:

Commercial and Government Entity (CAGE) code: \_\_\_\_\_

Address: \_\_\_\_\_

Applicable to contract line item numbers(s) (CLIN(s)): \_\_\_\_\_

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(S-92) Contracting officers shall solicit in accordance with the material master. Contracting officers shall include procurement note E07 in solicitations that require destination inspection.

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#### E07 Evaluation Factor for Origin Inspection (JAN 2018)

This solicitation contemplates an award based on destination inspection. If an offeror proposes inspection and acceptance at origin, the Government will add an evaluation factor of \$2,500 to the

offeror's quoted/offered price for each origin inspection required. If phased deliveries are required or offered, the Government will consider each phase of delivery to result in one inspection for evaluation purposes.

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#### **46.407 Nonconforming supplies or services.**

(b) DLA Distribution Centers may correct a nonconformance with packaging or labeling requirements if the estimated costs of correction are \$300 or less (\$500 for C&T items). For more information, see [DLAI 4145.4](#), Stock Readiness. The product specialist/packaging specialist will receive an informational SDR and will provide disposition instructions to the contracting officer. The contracting officer shall advise the contractor of the discrepancy and that the Government has completed the repackaging or relabeling. The contracting officer shall request reimbursement from the contractor for the costs incurred by the Government to correct the deficiencies.

If the estimated costs of repackaging or relabeling are more than \$300 (\$500 for C&T), the product specialist/packaging specialist will receive an SDR and will provide disposition instructions to the contracting officer. Contracting officers shall advise the contractor of the discrepancy and may return the material to the contractor for correction/resubmittal; or, if there are urgent requirements, have the Government remediate the discrepancy at the contractor's expense.

Contracting officers shall include procurement note C14 in solicitations and awards.

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#### **C14 Repackaging or Relabeling to Correct Deficiencies (AUG 2017)**

The Government may correct packaging or labeling deficiencies if the estimated costs of the corrections are \$300 or less (\$500 for C&T items). The contracting officer will advise the contractor of the discrepancy and that the Government has completed the repackaging or relabeling. Upon receipt of notice from the contracting officer, the contractor shall reimburse the Government for the costs incurred by the Government to correct the deficiencies.

If the estimated costs of repackaging or relabeling are more than \$300 (\$500 for C&T), the contracting officer may advise the contractor of the discrepancy and have the material returned to the contractor for correction/resubmittal; or, if there are urgent requirements, have the Government remediate the discrepancy at the contractor's expense. Upon receipt of notice from the contracting officer, the contractor shall reimburse the Government for the costs incurred by the Government to correct the deficiencies.

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If the Government corrects packaging or labeling discrepancies due to contractor noncompliance, the contracting officer shall request reimbursement of the associated corrective action costs. If a PQDR is due to contractor noncompliance, the contracting officer shall request repair, replacement, or a refund for the defective part, as determined most beneficial to the Government. If a contractor has repeated packaging or labeling discrepancies, contracting officers shall make appropriate determinations regarding whether the contractor should be considered for listing on the DCRL (see 9.100). The DLA Acquisition Operations Division will conduct a monthly data call on restitution status. On a quarterly basis, the DLA Acquisition Operations Division will give a compliance briefing to the Senior Procurement Executive.

(c) The contractor shall remedy supplies considered to be hazardous, as defined in FED-STD-313, that were damaged in transit or nonconforming to the preservation, packaging, packing, and marking. The product specialist/packaging specialist shall contact the contracting officer to have the contractor correct the damage or nonconforming packaging and, if appropriate, recoup the costs associated with the discrepancy, to include removal of hazardous material spills or leakage.

#### **46.490 Oversight of DoD supply chain integrity.**

Quality Notifications (QNs) for product quality deficiency reports (PQDRs), supply discrepancy reports (SDRs), Government Industry Data Exchange Program (GIDEP) documents, or testing requirements will be processed to the contracting officer in workflow. The QN coordinator may require the contracting officer to suspend the open procurement action(s) pending investigation and/or will require return of the material to the contractor.

QNs relating to suspect material shall be retained in the QN coordinator workflow for processing. If contracting officer support is required, a task will be submitted to them.

Any concern of suspect material entering the supply chain shall be referred to the Counterfeit Material/Unauthorized Product Substitution (CM/UPS) team.

#### SUBPART 46.7 - WARRANTIES

*(Revised August 3, 2017 through PROCLTR 2017-18)*

#### **46.704 Authority for use of warranties.**

Contracting officers may use additional FAR warranty clauses 52.246-17, 52.246-18, and 52.246-19, in manual or automated acquisitions, when the conditions in DFARS 246.704 are met.