

Welcome to

CME 103 Manufacturing and Delivery Surveillance



Introductions

Hello, I'm Maria, and this is George, my colleague in training. I will be discussing the processes and guidelines with you and George as we go through the lessons of CME103.

As you move through the CME103 course, you must select content to view, and upon doing so, it unlocks the page. If the next arrow remains gray, please select the items on the page to move forward.



Course Objectives

Upon successful completion of this course, you will be able to:

- Objective 1: Describe production surveillance requirements and responsibilities.
- Objective 2: Describe the Assess Risk Process.
- Objective 3: Describe the surveillance planning process.
- Objective 4: Describe executing surveillance with standard techniques.
- Objective 5: Describe documentation and closeout requirements.



Congratulations! You have completed this lesson.

If the **Next** button is active please proceed, if not close this window.

Getting Started

Welcome to Lesson 1.1—Regulatory Requirements Lesson Objectives

Upon successful completion of this lesson, you will be able to:

- Describe the Defense Contract Management Agency (DCMA) Capabilities Framework.
- Identify Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) regulatory requirements.
- Identify other applicable requirements.



Business Capabilities Framework

Select play to hear Maria explain the DCMA Business Capabilities, and then select each capability.



Closed Captioning

The DCMA Business Capabilities Framework is a set of high-level contract management functions of strategic plans which captures the results of the daily, multifunctional activities of personnel. This strategic plan provides an actionable insight to the Defense Acquisition Enterprise.



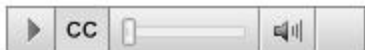
Primary

Integrating

Enabling

Business Capabilities Framework

Select play to hear Maria explain the DCMA Business Capabilities, and then select each capability.



Primary

Integrating

Enabling

Primary

Focuses on existing and future contracts to gather information related to contractor cost, quality, and performance.

Business Capabilities Framework

Select play to hear Maria explain the DCMA Business Capabilities, and then select each capability.



Primary

Integrating

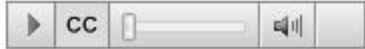
Enabling

Integrating

Gathers results from the primary capabilities to provide acquisition insight that is beneficial at the program, corporate, and industry level.

Business Capabilities Framework

Select play to hear Maria explain the DCMA Business Capabilities, and then select each capability.



Primary

Integrating

Enabling

Enabling

Provides administrative support to the individual and the DCMA. Portfolios of sub-capabilities are based on activities that directly affect individual employees and the DCMA as a whole.

FAR and DFARS Requirements



Regulatory Requirements refer to Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation Supplement (DFARS), and other DoD Directives. The DCMA responsibility is to develop policies that provide guidance and instruction to comply with regulatory standards and DCMA requirements.

This lesson covers a summarized version of the Manufacturing and Production FAR/DFARS regulatory requirements.

Let us look at the regulatory requirements mentioned in this lesson:

- FAR 42.302—Contract Administration (CA) Functions
- FAR 42.11—Production Surveillance and Reporting
- FAR 52.246-11—Higher-Level Contract Quality Requirement
- DFARS 242.11—Production Surveillance and Reporting

FAR and DFARS, Cont.

Select each tab to learn about specific FAR and DFARS clauses that apply to this training.

FAR 42.302

FAR 42.11

FAR 52.246-11

DFARS 242.11

[FAR 42.302 \(a\) Contract Administration Functions \(CAO\)](#)

The contracting officer normally delegates contract administration functions to a Contract Administration Office (CAO) to perform specific functions.

- (31) Perform production support, surveillance, and status reporting, including timely reporting of potential and actual slippages in contract delivery schedules.
- (40) Perform engineering surveillance to assess compliance with contractual terms for schedule, cost, and technical performance in the areas of design, development, and production.
- (41) Evaluate for adequacy and perform surveillance of contractor engineering efforts and management systems that relate to design, development, production, engineering changes, subcontractors, tests, management of engineering resources.
- (46) Review engineering change proposals for proper classification, and when required, for need, technical adequacy of design, producibility, and impact on quality, reliability, schedule, and cost; submit comments to the contracting office.
- (67) Support the program, product, and project offices regarding program reviews, program status, program performance and actual or anticipated program problems.



Select to review key FAR and DFARS references.

FAR and DFARS, Cont.

Select each tab to learn about specific FAR and DFARS clauses that apply to this training.

FAR 42.302

FAR 42.11

FAR 52.246-11

DFARS 242.11

[FAR 42.11 Production Surveillance and Reporting](#)

The Contract Administrative Office determines the extent of production surveillance on the basis of its criticality. Production Surveillance is used to determine contractor progress and to identify factors that may delay performance. It involves review and analysis of:

- a. Contractor performance plans, schedules, controls, and industrial processes.
- b. The contractor's actual performance under them.



Select to review key FAR and DFARS references.

FAR and DFARS, Cont.

Select each tab to learn about specific FAR and DFARS clauses that apply to this training.

FAR 42.302

FAR 42.11

FAR 52.246-11

DFARS 242.11

[52.246-11 Higher-Level Contract Quality Requirement. | Acquisition.GOV](#)

(a) The Contractor shall comply with the higher-level quality standard(s) listed below. _____
_____[Contracting Officer insert the title, number (if any), date, and tailoring (if any) of the higher-level quality standards.]

(b) The Contractor shall include applicable requirements of the higher-level quality standard(s) listed in paragraph (a) of this clause and the requirement to flow down such standards, as applicable, to lower-tier subcontracts, in-

- (1) Any subcontract for critical and complex items ([see 46.203 \(b\) and \(c\)](#)); or
- (2) When the technical requirements of a subcontract require-
 - (i) Control of such things as design, work operations, in-process control, testing, and inspection; or
 - (ii) Attention to such factors as organization, planning, work instructions, documentation control, and advanced metrology.



Select to review key FAR and DFARS references.

FAR and DFARS, Cont.

Select each tab to learn about specific FAR and DFARS clauses that apply to this training.

FAR 42.302

FAR 42.11

FAR 52.246-11

DFARS 242.11

DFARS 242.11 Production Surveillance and Reporting

The Contract Administrative Office (CAO) performs production surveillance on all contractors that have Criticality Designator A or B contracts. The CAO does not perform production surveillance on contractors that have only Criticality Designator C contracts, unless specifically requested by the Contracting Officer.

When production surveillance is required, the CAO performs the following tasks:

Conduct a periodic risk assessment of the contractor to determine the degree of production surveillance for all contracts awarded to that contractor.

Develop a production surveillance plan based on the risk level determined during a risk assessment. Modify the production surveillance plan to incorporate any special surveillance requirements for individual contracts.

Monitor contract progress and identify potential contract delinquencies in accordance with the surveillance plan.



Select to review key FAR and DFARS references.

FAR and DFARS, Cont.

Select each tab to learn about specific FAR and DFARS clauses that apply to this training.

Title	FAR	DFARS 
Estimating Systems	15.407-5	215.407-5
Contract Administration Services	42.2	242.202
Contract Administration Functions	42.3	242.302
Production Surveillance and Reporting	42.11	242.11
Contractor Performance Information	42.15	
Contractor Material Management and Accounting System		242.72
Material Management and Accounting System		252.215-7004
Cost Estimating System Requirements		252.215-7002
Inspection Clauses (1 through 9)	52.246	
Higher-Level Contract Quality Requirement	52.246-11	
Defense Priorities & Allocations System Program (DPAS)	52.211-14 (15 CFR 700)	
Assignment of Contract Administration (Prime Control of Subs)	42.202	

 Select to review key FAR and DFARS references.



Other Requirements

Now that you have some knowledge of FAR and DFARS requirements, let's get familiar with a standard that may be applicable throughout the phases of the system and or program acquisition life cycle.

Aerospace Standard (AS) AS6500 is a manufacturing management standard that covers contractor's practices that implements manufacturing, timely development, production, modification, fielding, and sustainment of affordable products, which is invoked contractually.

FAR 52.246-11 is the Higher-Level Contract Quality Requirement and when cited in the contract, includes the International Organization for Standardization (ISO) Standard 9001 and AS9100.

- ISO9000 is a family of standards. ISO9001 sets out the criteria for a quality management system and is the only standard that contractors can receive certification.
- Aerospace Standard AS9100 is an international standard containing requirements for establishing and maintaining a quality management system for the aerospace industry.



Knowledge Review

Now that we have covered the regulatory requirements, it is time to check what you have learned.

Question 1

Question 2

Question 3

Which subpart or section of the Federal Acquisition Regulation (FAR) includes production surveillance and reporting?

☐ 15.407-5

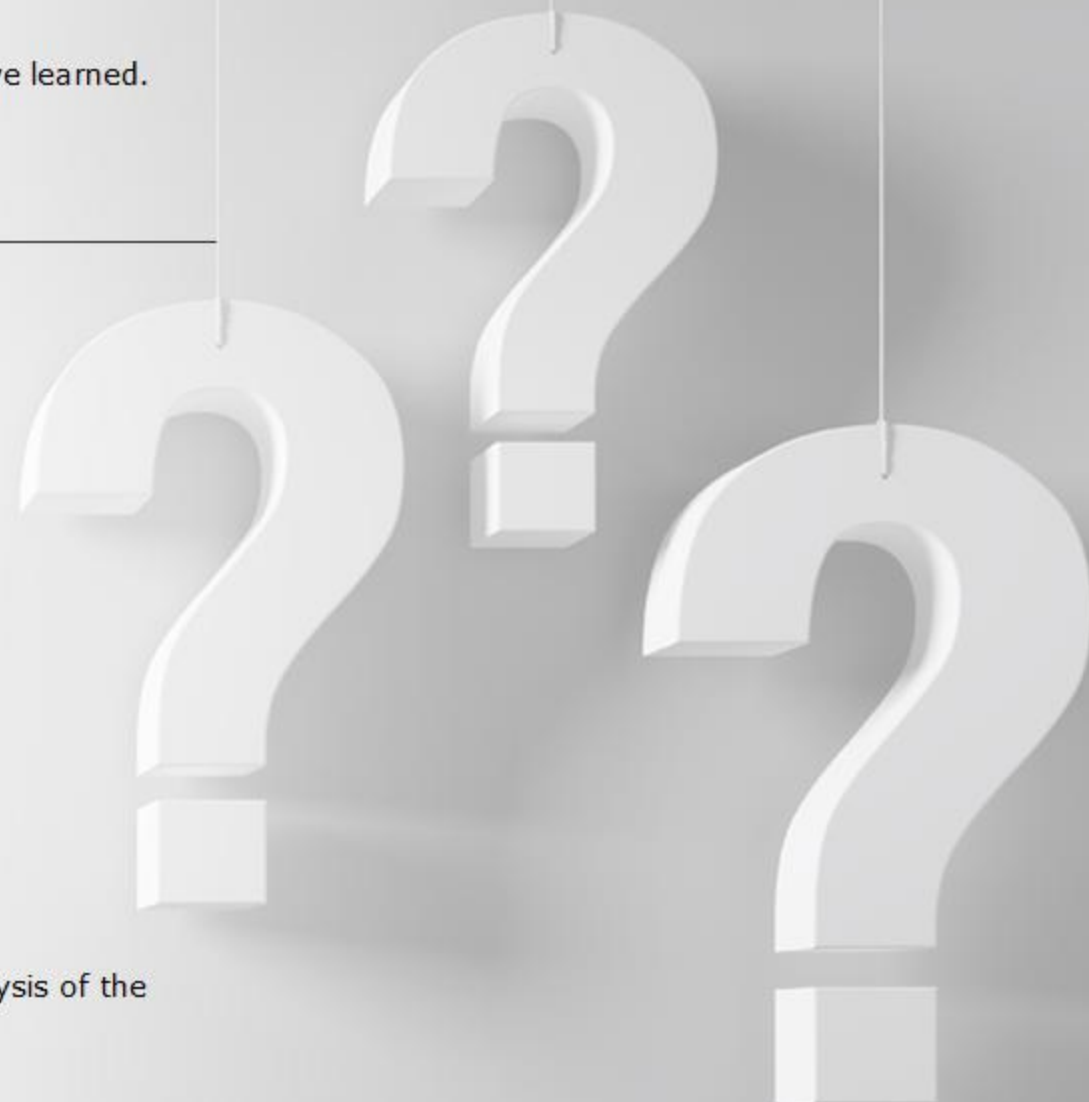
☐ 42.202

☒ 42.11

☐ 24.72

Check Answer

FAR 42.11 explains that production surveillance involves Government review and analysis of the contractor performance plans, schedules, controls, and industrial processes.



Knowledge Review

Now that we have covered the regulatory requirements, it is time to check what you have learned.

Question 1

Question 2

Question 3

Which subpart of the Federal Acquisition Regulation (FAR) involves the use of engineering surveillance to assess compliance with contractual terms for schedule, cost, and technical performance in the areas of design, development, and production?

☒ 42.302

☐ 42.101

☐ 42.702

☐ 42.501

Check Answer

FAR 42.302 (a)(40) delegates the function to perform engineering surveillance to assess compliance with contractual terms.

Knowledge Review

Now that we have covered the regulatory requirements, it is time to check what you have learned.

Question 1

Question 2

Question 3

Which standard is a manufacturing management standard and covers timely development, production, modification along with other practices and is invoked in the contract?

- ☐ International Organization for Standardization (ISO)
- ☐ Manufacturing Readiness Level (MRL)
- ☐ Manufacturing equivalent or supplement to AS9100 and ISO9000
- ☒ AS6500

Check Answer

AS6500 is required to be included in the contract and is applicable to all phases of the system acquisition life cycle.

Lesson Summary



Congratulations on completing Lesson 1.1.

Please select each topic to review the key takeaways.

-  Describe the DCMA Business Capabilities Framework.
-  Identify FAR and DFARS Regulatory requirements.
-  Identify Other Applicable Requirements.

Lesson Summary



Congratulations on completing Lesson 1.1.

Please select each topic to review the key takeaways.

-  Describe the DCMA Business Capabilities Framework.
-  Identify FAR and DFARS Regulatory requirements.
-  Identify Other Applicable Requirements.

Describe the DCMA Business Capabilities Framework—The Business Capabilities Framework is a set of high-level contract management functions of strategic plans which captures the results of the daily, multifunctional activities of personnel. This strategic plan provides an actionable insight to the Defense Acquisition Enterprise.

Lesson Summary



Congratulations on completing Lesson 1.1.

Please select each topic to review the key takeaways.

-  Describe the DCMA Business Capabilities Framework.
-  Identify FAR and DFARS Regulatory requirements.
-  Identify Other Applicable Requirements.

Identify FAR and DFARS Regulatory requirements—Regulatory Requirements refer to Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation Supplement (DFARS), and other DoD Directives. DCMA's responsibility is to develop policies that provide guidance and instruction to comply with regulatory standards and requirements.

Lesson Summary



Congratulations on completing Lesson 1.1.

Please select each topic to review the key takeaways.

- Describe the DCMA Business Capabilities Framework.
- Identify FAR and DFARS Regulatory requirements.
- Identify Other Applicable Requirements.

Now that you have some knowledge of FAR and DFARS requirements, let's get familiar with a standard that may be applicable throughout the phases of the system and or program acquisition life cycle.

Aerospace Standard (AS) AS6500 is a manufacturing management standard that covers contractor's practices that implements manufacturing, timely development, production, modification, fielding, and sustainment of affordable products, which is invoked contractually.

FAR 52.246-11 is the Higher-Level Contract Quality Requirement and when cited in the contract, includes the International Organization for Standardization (ISO) Standard 9001 and AS9100.

- ISO9000 is a family of standards. ISO9001 sets out the criteria for a quality management system and is the only standard that contractors can receive certification.
- Aerospace Standard AS9100 is an international standard containing requirements for establishing and maintaining a quality management system for the aerospace industry.

Lesson Completion

Congratulations! You have completed this lesson.

If the **Next** button is active please proceed, if not close this window.

Getting Started

Welcome to Lesson 1.2—Surveillance Overview Lesson Objectives

Upon completion of this lesson, you will be able to:

- Describe the purpose of Surveillance.
- Describe the six phases of Surveillance.



Surveillance Process

The primary purpose of surveillance is to identify and detect potential issues that may arise during contract performance. The contract management team (CMT) can use on-site surveillance techniques or assessment of data to determine contractor's progress.

The Manufacturing and Production CMT members typically perform Production Surveillance activities, which is an overarching function of a contractor's manufacturing operations. The surveillance process can be divided into phases: planning, execution, and analysis. Each phase includes specific steps.

Select each of the six reference steps to learn more.



Surveillance Process

The primary purpose of surveillance is to identify and detect potential issues that may arise during contract performance. The contract management team (CMT) can use on-site surveillance techniques or assessment of data to determine contractor's progress.

The Manufacturing and Production CMT members typically perform Production Surveillance activities, which is an overarching function of a contractor's manufacturing operations. The surveillance process can be divided into phases: planning, execution, and analysis. Each phase includes specific steps.

Select each of the six reference steps to learn more.



Knowledge Review

Now that we have covered Surveillance, it is time to test what you have learned.

Question 1

Question 2

What is the purpose of Surveillance? Fill in text.

Check Answer

- To identify and detect potential issues that may arise during contract performance.



Knowledge Review

Now that we have covered Surveillance, it is time to test what you have learned.

Question 1

Question 2

The surveillance process can be divided into phases. Arrange the following steps in the correct order.

Contract Receipt and Review

Assess Risk

Plan Surveillance

Execute with Standard Techniques

Document Results

Contract Closeout

Check Answer

That is correct.

The Surveillance process is: Contract Receipt and Review, Assess Risk, Plan Surveillance, Execute with Standard Techniques, Document Results, Contract Closeout.





Lesson Summary



Congratulations on completing Lesson 1.2.

Please select each topic to review the key takeaways.

-  Describe the purpose of Surveillance.
-  Describe the six steps of the Surveillance.

Lesson Summary



Congratulations on completing Lesson 1.2.

Please select each topic to review the key takeaways.

-  Describe the purpose of Surveillance.
-  Describe the six steps of the Surveillance.

Describe the purpose of Surveillance overview—The primary purpose of surveillance is to identify and detect potential issues that may arise during contract performance.

The contract management team (CMT) can use on-site surveillance techniques or assessment of data to determine contractor's progress. The Manufacturing and Production CMT members typically perform Production Surveillance activities, which is an overarching function of a contractor's manufacturing operations.

Lesson Summary



Congratulations on completing Lesson 1.2.

Please select each topic to review the key takeaways.

-  Describe the purpose of Surveillance.
-  Describe the six steps of the Surveillance.

Describe the six phases of the Surveillance overview—The surveillance process consists of six steps.

Contract Receipt & Review

- Identify the Key Contract Requirements (KCRs)
- Identify Contract Defects & Deficiencies (CDDs)
- Perform Data Integrity Screening (DIS)
- Provide a Post-Award Orientation (PAO) recommendation

Assess Risk

- Conduct Risk Assessment
- Assign Production Surveillance Category (PSC)

Plan Surveillance

- Prioritize surveillance requirements
- Align surveillance requirements with the activities and processes
- Schedule surveillance activities



Lesson Summary



Congratulations on completing Lesson 1.2.

Please select each topic to review the key takeaways.



Describe the purpose of Surveillance.



Describe the six steps of the Surveillance.

Describe the six phases of the Surveillance overview—The surveillance process consists of six steps.

Execute with Standard Techniques

- Review and update category
- Initiate activities
- Identify and apply appropriate techniques
- Perform Production Surveillance (includes Manufacturing Systems, Delivery and Special)
- Identify special requirements

Document Results/Address Contractor Performance Evaluate

- Document surveillance record(s)
- Perform multifunctional communication and reporting
- Analyze performance indicators: Defense Contract Management Agency (DCMA), Contractor, Customer

Contract Closeout

- Oversee that products were delivered in accordance with the terms of the contract
- Balance Line Item Schedule and Shipment Record (LISSR)
- Ensure that all shipments were accepted by the Government



Lesson Completion

Congratulations! You have completed this lesson.

If the **Next** button is active please proceed, if not close this window.