

MISSION AND INSTALLATION CONTRACTING COMMAND



GOVERNMENT CONTRACTOR SURVEILLANCE INSTRUCTION

July 3, 2013

**Mission and Installation Contracting Command
Government Contractor Surveillance Instruction
July 5, 2013**

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Mission and Installation Contracting Command
Government Contractor Surveillance Instruction
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1. **Purpose.** Planned and documented Government surveillance of contractor performance is required in accordance with the [Federal Acquisition Regulation](#) (FAR) Part 46. The objective of this MICC Government Contractor Surveillance Instruction is to assure an appropriate level of independent Government surveillance of contractors is accomplished and documented in the official Government contract file in the appropriate [Virtual Contracting Enterprise](#) (VCE) application. It is essential that contractor performance documentation be accomplished by Government personnel to verify the Army receives satisfactory services and supplies on time prior to contractor payment.
2. **Changes.** Changes and updates to this instruction are the responsibility of MICC HQ Quality Assurance (QA) team.
3. **References.**
 - a. FAR 1.602-2—Responsibilities
 - b. FAR Parts 36, 37, 42, 46 and 52.246
 - c. Army Regulation 702-11, Army Quality Program
 - d. Army Regulation 70-13, Management and Oversight of Service Acquisitions
 - e. Memorandum, USD, 21 March 2011, subject: Deployment of the Department of Defense (DoD) Contracting Officer Representative Tracking Tool (CORT Tool)
 - f. ASA (ALT) issued 15 June 2011, subject: US Army Deployment Plan for ACC VCE COR Module
 - g. Memorandum, SAAL-PP, 21 October 2010, subject: Post Award Oversight and Surveillance of Contracts.
 - h. Memorandum, SAAL-PP, 19 April 2012, subject: Material Weakness on Service Contract Oversight and Surveillance.
 - i. PARC Policy Alert # 11-45
 - j. Army Contracting Command Pamphlet 70-1, COR Management Policy Guide
 - k. MICC CPM 13-05 MICC Command Policy Memorandum – Quality Assurance Program
 - l. MICC COR Management Plan
 - m. MICC Instruction for Contractor Non-conforming Services and Supplies.
 - n. DOD COR Guide March 22, 2012

When a MICC QAS is unavailable to support the functions prescribed in this guidance, the affected contracting office shall contact the FDO office for QAS support. MICC HQ QA staff will assist in the event the local FDO is unable to accommodate the requested support function

4. **Policy.** It is MICC Policy that MICC Quality Assurance Specialists (QAS) executing duties in MICC contracting offices shall develop and manage a systematic, effective program for performing Government Contract Quality Assurance actions on administered contracts consistent with published MICC HQ Quality Assurance guidance and instruction. This locally developed Quality Assurance Program (QAP) shall be designed to assure contractor performance conforms to contractual requirements, and provide for the administration and maintenance of the documentation records produced from the program.

No contract precludes the Government from performing inspection. All MICC administered contracts, regardless of the dollar amount, require planned and documented Government Quality Assurance.

It is the responsibility of the MICC Contracting Officer (KO) to ensure an acceptable level of contractor surveillance is performed, whether oversight is retained and executed by the KO, or designated to a Contracting Officer Representative (COR), or Alternate Contracting Officer Representative (ACOR). Government Surveillance activity shall be documented for audit purposes.

When a MICC KO appoints a COR to conduct contractor oversight, the Quality Assurance Specialist (QAS) assigned for that MICC contracting activity shall assist the KO by performing tasks that verify a currently trained and properly appointed COR submit the required documented evidence that validates contractor performance conforms to specified requirements. This evidence shall be documented prior to Government acceptance and contractor payment.

The KO is ultimately responsible for conducting annual COR File reviews and performing physical audits of COR performance. However, oversight and surveillance is a core competency of the acquisition trained 1910 QAS. Pursuant to MICC [Command Policy Memorandum 13-05 Quality Assurance Program](#), QAS responsibilities shall include training, mentoring and monitoring COR performance. In addition to evaluating contractor quality control programs as outlined in the 1910 QAS Position Description, the QAS shall assist the KO in the COR file reviews and physical audits of COR performance. The MICC QAS shall develop a risk based schedule for management and oversight of assigned CORs. The schedule for conducting these checks shall be coordinated with the designating KO. Each COR shall receive no less than one performance assessment per year. The COR evaluation documentation shall be maintained in the official Government contract file.

When the QAS conducts file reviews, or sampling checks on an appointed COR's VCE File, any discrepancies noted shall be brought to the designating KO's attention for disposition. Documentation of efforts to assure the quality of products and services meet contractual requirements shall be maintained by the appointed COR, and be accessible in the official contract files for KO/QAS review. In accordance with reference e. in paragraph 3, VCE is the official Government Contract File. The QAS is encouraged to use the appropriate checklists provided in the VCE COR Module, or see the [MICC SharePoint](#) website under Forms and Templates [Quality](#)

[Assurance Folder](#) for a MICC standardized checklist. Additionally, a locally developed checklist that addresses the minimum requirements as indicated on the standardized checklists may be used.

Each MICC QAS should become proficient in the development of requirements documents in order to maintain the capability to guide and assist the requiring activities when executing their responsibilities pursuant to [AR 70-13](#). MICC QAS's are also encouraged to apply for and attend the DAU class "[ACQ 265 Mission-Focused Services Acquisition](#)" to improve their tradecraft in the development of requirements documents, such as the Quality Assurance Surveillance Plan (QASP). Additionally, each QAS is encouraged to download and examine the Acquisition Requirements Roadmap Tool ([ARRT Tool](#)) from the Service Acquisition Mall. The ARRT Tool may also be accessed from the MICC SharePoint, under "[Forms and Templates Links](#)".

The MICC QAS shall provide instruction to assure CORs appointed by a MICC KO understand the following minimum guidelines to create an effective surveillance program.

a. The level of surveillance should be commensurate with the level of risk to the Government. Limited Government resources make it impractical to execute surveillance on 100% of contractor tasks 100% of the time. Due to the quantity of existing contracts, it is the responsibility of each MICC QAS to advise the COR in the development of a risk-based, planned, and systematically prioritized contract surveillance strategy to mitigate the most significant risks identified. Risk level shall be based on acquisition dollar value, visibility, complexity, criticality, contractor past performance, and contractor procedures and processes. Risk determination is based on the likelihood of failure and the consequence of that failure. See Table 1 in this document.

b. Low risk acquisitions with low risk contractors and contracts for commercial items should rely predominately on the contractors' inspection system rather than Government inspection. In these instances, the contract file will be documented to justify the low risk rating. The contractor's inspection system will be utilized to justify acceptance until the KO, QAS or COR determines there is sufficient evidence to adjust/increase surveillance.

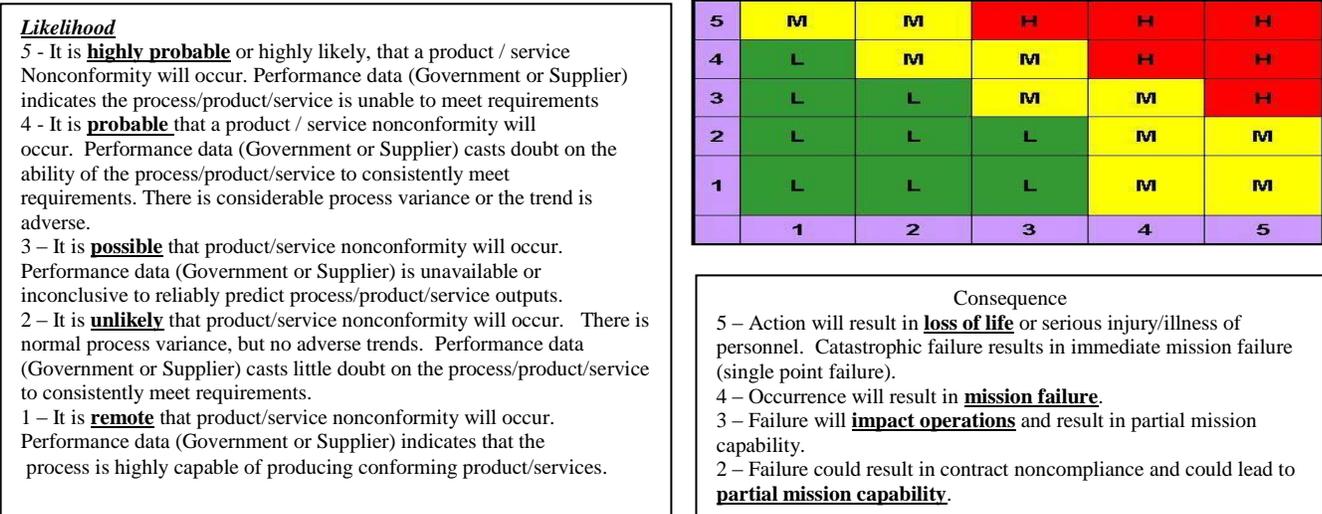
c. The Government has limited resources and will assume an acceptable level of risk in contractor surveillance. The degree to which surveillance is performed will be based on the determination of an acceptable level of risk for each acquisition, salient task, or process within that acquisition. The availability of Government resources shall be considered when making this determination.

Figure 1 is a tool which can be used to assist risk rating acquisitions. The tool may be applied to individual contractor tasks or processes. This tool can assist in prioritizing acquisitions, tasks and processes from highest risk to lowest risk to determine where the Government may elect to assume a reasonable risk and use available resources more efficiently. As an example, consider the contractor with a proven Quality Control Program (QCP) from a Government documentation perspective. Previously documented past performance on this particular contractor indicates there is very little risk of cost, schedule, or quality failure, the three primary interests in Government oversight. Although the consequence of a particular failure may be evaluated as high, the Government, in this example, may choose to assume some risk on this acquisition and reduce surveillance in order to concentrate limited resources on a higher risk (likelihood) contractor activity.

d. The risk rating of contractor tasks and processes shall be considered when developing the Government's QASP. Acquisition Regulation 70-13 specifies that the Requiring Activity is responsible for developing the QASP. High to moderate risk tasks and processes should be scheduled for more frequent detailed surveillance first, followed by lower risk tasks and processes to be performed as time and resources permit. When surveillance documentation of higher risk tasks/processes indicates the contractor is performing well, frequency of surveillance will be reduced. The resources made available will then be shifted to the next highest risk task or process. The MICC QAS assigned to manage each MICC contracting activity's COR program shall make themselves available to assist the requiring activity when developing their requirements documents.

The MICC QAS shall document their efforts of COR instruction in their local working files. KO's may request this information to assist in decisions regarding COR performance on individual acquisitions.

Figure 1



5. **Coordination.** In accordance with [DFAR 246.103](#), the contracting office must coordinate with the quality assurance activity before changing any quality requirement.

6. **Government Surveillance documentation.** Government surveillance (inspections/audits/observations) documentation shall include at a minimum:

- Contract and task order number
- Date and time of inspection/audit/observation
- Contract requirement
- What (task, process or procedure) was inspected
- What standard was used for inspection criteria
- Who performed the inspection/audit/observation
- The results of the surveillance
- Name of contractor representative who was notified of the results

Contract Surveillance inspections and observations shall be documented. Check the VCE COR Module for a Surveillance Checklist, or the [Tally Checklist DA Form 5481](#) may be tailored and

used for documenting day-to-day inspections and observations. Additionally, a standardized MICC Surveillance Checklist is posted on the MICC SharePoint under the [Forms and Templates Links](#). Although these sample reports are not mandatory for MICC use, each will capture minimum report elements, and are useful for creating quality metrics. Particular care shall be taken to record and preserve all possible data, exhibits and circumstances with respect to any matter which may become the basis for a claim.

A COR Monthly Activity Report shall be used to summarize the results of the day to day surveillance accomplished. These monthly COR activity report summaries shall represent the underlying documentation used to justify and write annual Contractor Performance Assessment Reporting System (CPARS) assessments.

See the VCE COR Module for the COR Monthly Activity Report, or a sample COR Monthly Activity Report is available on the MICC Sharepoint Forms and Templates under [Quality Assurance](#). Although this sample report is not mandatory for MICC use, it does capture minimum report elements.

Successful or exceptional performance, as well as deficiencies in contractor performance shall be documented. Surveillance documentation shall be maintained in the official contract file (VCE) as a record of contractor performance. Surveillance documentation shall be used to validate past performance evaluations.

Contractor past performance evaluations on eligible contracts and orders will be accomplished in CPARS annually, or at the end of a task order, whichever occurs first. Objective, detailed surveillance data IAW this Surveillance Instruction shall provide validation for the narrative in CPARS, and the narrative shall support the CPARS ratings assigned. For additional CPARS information, including rating definitions, see [AFARS 5142.15](#), and the Federal CPARS Guide, <http://www.cpars.gov/main/refmatl.htm>.

7. **Low Risk Contracts**. For low dollar, low risk, non-complex, non-critical acquisitions (contracts below the simplified acquisition threshold), an official e-mail or a memorandum for record from the customer, indicating satisfactory contractor performance, will suffice for acceptable documentation of contractor performance. The e-mail or the memorandum for record must specify the contract number and what contract requirements were met or exceeded by the contractor. The documentation shall be retained and made available for audit purposes, based on locally developed contract document filing procedures. This method of contract surveillance documentation may also be used when oversight is retained by the KO and filed in the applicable VCE-PCF folder.

8. **Contract Discrepancy Report Log**. MICC Contracting offices' QAS, where assigned, shall maintain a local Contract Discrepancy Report (CDR) Log. The initiator shall forward the CDR information to the MICC Headquarters QA CDR point of contact within 3 business days when a CDR is issued. Non-conforming services or supplies reports (CDRs) shall be reconciled with the locally maintained CDR Log, and provided to the MICC Headquarters QA point of contact NLT the 15th of each month as outlined in the [MICC Instruction for Contractor Non-conforming Services and Supplies](#). This instruction can be found on the [MICC SharePoint](#) website under Acquisition Processes in the Quality Assurance Folder.

9. **Contract Administration and Oversight.** Contractor surveillance/oversight on MICC administered contracts shall be accomplished by a properly trained and designated COR, or ACOR, unless the KO retains and executes the surveillance/oversight duties. The KO decision to personally conduct oversight, in lieu of a COR appointment, shall be documented in the official contract file. It is the responsibility of the MICC contracting team to ensure contracts that do require a COR have a properly trained and designated COR. It is the responsibility of the MICC QAS to notify the KO with regard to COR designations by determining if nominated CORs meet existing requirements to qualify as a COR. The DoD minimum requirements for designation and training of CORs prior to appointment are found at FAR 1.602-2, DFARS 201.602-2 and PGI 201.602-2. The PGI 201.602-2 references DoD standards as established in the OUSD (AT&L) memorandum dated [March 29, 2010, DOD Standard for Certification of Contracting Officer's Representatives \(COR\) for Service Acquisitions](#). All ACORs shall be qualified to the same standards as those of a COR.

10. **MICC Enhanced/ DCO COR Training.** In addition to the minimum DoD COR training requirements outlined in paragraph 9 above, the 16 to 24 hour face to face MICC Enhanced COR Training course is required prior to COR appointment to a MICC administered contract. This training is conducted by MICC 1910 journeymen instructors certified through MICC Headquarters (See the MICC COR Management Plan). Supplemental training requirements may be required by future DoD and local requirements.

Additionally, a Defense Connect Online (DCO) version of the MICC Enhanced COR Training has been developed and is available for MICC COR trainers to use to train CORs who would otherwise have to travel TDY to attend the course. The DCO version will “**ONLY**” be used to train CORs working from locations where there are no MICC certified instructors available to teach the resident, face to face course.

Contact the MICC Headquarters COR Manager, for all questions regarding current COR training requirements and opportunities.

11. **Contract Administration Responsibility.** The issuing contract administration office shall be responsible for contractor surveillance and oversight. A COR or ACOR appointment/designation letter shall be required for anyone who performs contractor surveillance and oversight on MICC administered contracts, if other than the contract administration office personnel. More specifically, the authority for surveillance of contractors resides with the KO IAW [FAR 1.602-2](#). For MICC issued contracts, the KO shall be responsible to designate/ delegate surveillance authority to a COR trained in accordance with MICC policy when surveillance is performed by anyone other than the contract administration office, regardless of whether the contract is for services, supplies, goods or construction.

12. **MICC QAS FAR Quality Clauses.** FAR Part 46.102 requires Government agencies include in contracts, contractor inspection clauses such as 52.246-2 Inspection of Supplies-Fixed Price, 52.246-4 Inspection of Services-Fixed Price, 52.246-5 Inspection of Services-Cost-Reimbursement, 52.246-11 Higher-Level Contract Quality Requirement or 52.246-12 Inspection of Construction, as well as other quality requirements.

It is the responsibility of each MICC QAS to assist the KO to determine the appropriate quality clauses for all acquisitions, and assist the KO and customer in identifying requirements for a contractor QC Plan (QCP). MICC QAS's shall evaluate and review Contractor Quality Control

Plans for acceptability, and document such evaluations in their local Quality Records files for audit purposes.

Pursuant to FAR Part 46.105, when conducting the evaluation, the MICC QAS shall ensure the contractor's Quality Control Plans address the following issues:

- Control of the quality of supplies or services
- Tender to the Government supplies or services that conform to contract requirements
- Ensure the quality of their vendors or suppliers
- Maintain evidence that the supplies or services conform to contract requirements
- Furnish such documentation to the Government.

See the sample PWS paragraph below for suggested verbiage regarding Contractor QCP requirements.

PWS Sample Quality Paragraph

QUALITY CONTROL. Quality Control is the responsibility of the contractor. The contractor is responsible for the delivery of quality services/supplies to the Government (see FAR 52.246-1 Contractor Inspection Requirements).

The Contractor shall develop, implement and maintain an effective Quality Control System which includes a written Quality Control Plan (QCP). The QCP shall implement standardized procedures and methodologies for monitoring and documenting contract performance to ensure all contract requirements are met. The Contractors' QCP shall contain a systematic approach to monitor operations to ensure acceptable services/products are provided to the Government. The QCP as a minimum shall address:

- Continuous process improvement
- Procedures for scheduling, conducting and documentation of inspection
- Discrepancy identification and correction
- Corrective action procedures to include procedures for addressing Government discovered non-conformances
- Procedures for root cause analysis to identify the root cause
- Root cause corrective action to prevent re-occurrence of discrepancies
- Procedures for trend analysis
- Procedures for collecting and addressing customer feedback/complaints.

The contractor shall upon request provide to the Government their QC documentation. [*Insert when and how the QCP is to be delivered, i.e., within 30 days after contract award or with the contractors proposal if it is an evaluation factor, three copies of a comprehensive written QCP shall be submitted to the KO and COR within 5 working days when changes are made thereafter.*] After acceptance of the QC plan the contractor shall receive the Contracting Officer's acceptance in writing of any proposed change to their QC system.

13. **QASP Requirements.** FAR Part 46 and DFARS Part 246 outline the requirement for a QASP. The Deputy Assistant Secretary of the Army for Procurement ([Memorandum, SAAL-PP, 21 October 2010, subject: Post Award Oversight and Surveillance of Contracts](#), paragraph 7) mandated a QASP be prepared and implemented on contracts whenever a COR is appointed,

unless specifically exempted by the KO in writing. The QAS and COR should follow the standards listed below when developing the QASP:

a. The QASP is the Government's documented risk-based, planned, and systematic approach to contract surveillance and quality assurance. The QASP documents how the Government will perform and document independent assessments of contractor performance to ensure receipt of quality services. The QASP should not be shared with the contractor, nor incorporated into the contract. When the QASP is included in the contract, the Government forfeits the ability to make unilateral changes to surveillance, and consequently, any future changes in the Government's QASP (i.e., surveillance adjustment based on risk assessment) will drive an unnecessary contract modification.

b. The contractor is responsible for QC of all requirements of the contract. Their QCP may be included in the evaluation factors for award of the contract. Sharing the QASP will likely influence how the contractor prioritizes their QC processes. If the QASP is shared with the contractor, it is likely the contractor would concentrate on just those items identified in the QASP, rather than a QC plan designed to ensure all contract requirements are satisfactorily met.

c. The QASP should be a dynamic, working level document that is continuously updated as circumstances and performance risks change. The Performance Requirements Summary (PRS) should be the foundation of the QASP, but all requirements specified in the contract are subject to surveillance based on risk. The QASPs shall be program, contract and task order specific. The base contract QASP may be used as the origin for task order/delivery order (TO/DO) QASPs. However, surveillance schedules, inspection instructions, inspection checklists, and procedures shall be tailored specifically to the requirements of the TO/DO.

d. The QASP is based on the principle that the contractor, and not the Government, is responsible for management and quality control actions that meet the terms of the contract. Use the QASP to verify and validate the contractor's QCP implementation. A [Sample QASP](#) can be found on the [MICC SharePoint Home page](#) in the Quality Assurance Folder under the Forms and Templates Section.

e. The QASP should never put the Government in a position of performing inspections for the contractor. By the time the Government performs an assessment, the contractor's system should have already verified the services/products are compliant with the contract. If the contractor has failed to do this, the QAS, or COR shall initiate a Corrective Action Request and provide the circumstances to the KO for a potential CDR issue. In the event the KO has formally delegated this authority to a QAS, or the COR in the designation letter, the Initiator shall prepare the CDR and forward to the contractor, with a copy to the designating KO. Any issuance of a CDR for contractor non-compliance shall be documented on the MICC CDR Log as outlined in the [MICC Instruction for Contractor Non-conforming Services and Supplies](#).

f. DFARS 246.470-2 requires the contract administration office establish a system for the collection, evaluation, and use of quality evaluation data. The [PGI 246.470-2](#) describes data as:

- (1) Quality data developed by the contractor during performance
- (2) Data developed by the Government through contract quality assurance actions

(3) Reports by users and customers.

g. When evaluating a contractor's performance, it is essential to use input from Government QA actions, reports from users and customers, as well as the contractor's documented inspections. For example;

- Contractor inspection data shows the contractor has never identified a non-conformance. However, Government inspection data shows multiple non-conformances for the same area of inspection and time period.

This situation suggests a systemic problem with the contractors' QC system, requiring further investigation by the Government and the potential of issuing a Contract Discrepancy Report (CDR). The QASP should identify what quality data will be used to validate the non-conformance, how the non-conformance will be evaluated, and how the evaluation will be documented. Government personnel responsible for oversight and surveillance should provide an analysis and synopsis of quality data evaluations in the COR Monthly Activity Report to the KO.

h. When preparing the QASP, it is important to select the most appropriate surveillance method for each contractor task identified for surveillance. The QASP should consider:

- Task criticality
- Task lot size
- Surveillance period
- Performance requirements and standards
- Surveillance value in relation to task cost/criticality
- Available Government resources to conduct surveillance

Conscientious selection of appropriate surveillance methods enables the Government to determine the amount of resources and associated costs needed to perform surveillance tasks. Accepted methods for Government surveillance include:

(1) Customer Input/Feedback. Although not a primary method, customer input is a valuable supplement to more systematic methods. For example, in a case where random sampling indicates unsatisfactory service, customer complaints can be used as substantiating evidence, if documented. In certain situations where customers can be relied upon to consistently object when the quality of performance is poor (e.g., dining facilities, building services, etc.), customer surveys and customer complaints may be used as a primary surveillance method. Therefore, customer satisfaction is an appropriate surveillance method in similar circumstances. All customer complaints received shall be validated and verified by documenting QAS/COR efforts prior to initiating corrective action. Check the VCE COR Module for a Customer Complaint form, or use the [Customer Complaint form A5477](#), or a locally generated form to document customer feedback and validation efforts.

(2) One hundred percent (100%) Inspection. This is the most appropriate method for tasks where safety, health and/or unacceptable risk performance requirements are a concern. With this method, performance is inspected/evaluated at each occurrence. Use of 100% inspection is

the most resource intensive surveillance method and should only be applied when warranted by risk.

(3) Random Sampling. This is the most appropriate method for recurring tasks. With random sampling, services are sampled to determine if the level of performance is acceptable in accordance with contract requirements. Random sampling works best when the number of instances of the services being performed is very large and a statistically valid sample can be obtained. Computer programs may be available to assist in establishing sampling procedures. See <http://www.sqconline.com/mil-std-105.html> for an example of a statistical sampling plan.

(4) Periodic Inspection. This method, sometimes called "planned sampling," consists of the evaluation of tasks selected on other than a 100 percent or random basis. A predetermined plan for inspecting part of the work is established using subjective judgment and analysis of agency resources to decide what work to inspect and how frequently to inspect it. It may be appropriate for tasks that occur infrequently, and where 100 % inspection is neither required nor practicable.

i. QASPs developed and executed on MICC contracts should address, at a minimum, the basic elements listed below:

- (1) Overview
- (2) Description of Services
- (3) Roles and Responsibilities (both Government and Contractor)
- (4) Contract Quality Requirements
- (5) Government Surveillance
- (6) Documenting Surveillance
- (7) Non-Conforming Services
- (8) Data Analysis (Analysis of Quality Evaluation Data)
- (9) Acceptance of Services
- (10) Monthly COR Activity Report
- (11) Contractor Manpower Reporting (CMR)
- (12) COR Surveillance File
- (13) Contractor Performance Assessment Reporting System (CPARS)
- (14) QASP Changes

j. QASP Changes. The QASP is a living document and as such may be changed as required. The COR should initiate all planned changes and coordinate through the KO and the responsible MICC QAS.

14. **FAR Part 12, Acquisition of Commercial Items**. Contracts for commercial items pursuant to FAR Part 12, Acquisition of Commercial Items, shall rely on contractors' existing quality systems as a substitute for Government inspection and testing before tender for acceptance unless customary market practices for the commercial item being acquired include in-process inspection. In-process inspections by the Government shall be conducted in a manner consistent with commercial practice. With this in mind, it is MICC policy that:

a. Government quality assurance shall be performed after the contractor has tendered supplies or services for acceptance.

b. In-process QA only when it is customary market practice and in-process inspections will be conducted consistent with commercial practice.

c. Because the Government relies on the contractors' existing QC system, it is reasonable to use the contractor's quality inspection system as an evaluation factor for source selection.

15. **Construction Contract Surveillance.** This instruction provides the MICC policy and guidance for establishing quality management procedures in the execution of construction contracts. It defines the related responsibilities and roles of both the contractor and the Government in the management of quality with regard to construction activities.

Construction contracts from a QA perspective are no different than any other Government contract. The Contractor shall be subject to the general oversight, supervision, direction, control, and approval of the Contracting Officer. The KO must delegate that responsibility when not performing the oversight themselves. Oversight of MICC construction contracts is required to ensure that contractors deliver acceptable products and services required for mission success.

MICC Construction contracts shall require documented contractor oversight IAW with the DoD COR Guide, ACC PAM 70-1, and the MICC COR Management Plan. MICC contracting officers shall either retain and execute the oversight responsibilities themselves, or appoint/designate an individual IAW [FAR 1.602-2](#) for each construction contract of \$550,000 or more, and for each construction contract terminated for default regardless of contract value. A COR may also be appointed/designated for construction contracts below \$550,000, at the discretion of the KO. All work on construction contracts shall be conducted under the general direction of the KO and is subject to Government inspection and test before acceptance to ensure compliance with the terms of the contract. All contractually required surveys conducted by the Contractor shall be conducted under the direction of a representative of the Contracting Officer, unless the KO waives this requirement in a specific instance. The KO or the designated COR shall prepare past performance evaluations for each construction contract that the Government conducts surveillance on.

For each construction contract issued from the MICC, the KO shall specify in writing a Government employee to be responsible for performing surveillance of construction contracts. The KO may either perform the oversight themselves, or delegate that oversight responsibility. The Virtual Contracting Enterprise (VCE) COR Module shall be used when a COR is appointed on any MICC contract. Individuals conducting oversight on construction activities on MICC issued contracts shall have a signed COR designation letter from the responsible KO, a COR profile established in the VCE and submit reports in the VCE in accordance with the KO directions, as specified in the COR Designation letter issued to the COR.

a. Construction contracts require a Government QASP be developed to document the Government independent approach to oversight of contractor performance. The surveillance plan shall as a minimum, address the following:

- 1) Government's systemic planned approach to surveillance of contractor performance
- 2) Surveillance methods to be used
- 3) Planned surveillance checklist based on risk, with description and location of work

- 4) Schedule for surveillance based on the project milestones and risk
- 5) Method for documenting surveillance
- 6) Method for documenting non-conforming contractor performance and requesting corrective action from the contractor
- 7) Data Analysis for adjusting surveillance (Should be documented in COR monthly activity report)
- 8) Acceptance of Services (Acceptance of Services should always be based on documented objective quality evidence)
- 9) Monthly COR Activity Report to KO based on daily, weekly, monthly and random objective observations which have been documented by the COR.

b. In construction, the tools used for planning surveillance, conducting surveillance, and documenting surveillance may differ from services or supplies. However, a risk-based, planned, and systematic approach to contractor surveillance and QA is still required. Without planning, key attributes within the critical path, such as electrical, plumbing, structural integrity, etc. could be covered up before the Government has an opportunity to perform and document surveillance.

c. Tools used in planning Government surveillance of construction include, but are not limited to, contractor construction planning documents, construction schedule (FAR 52.236-15), QCP (FAR 52.246-12), blueprints, specifications and building codes.

d. The Government shall identify hold points (construction points within the critical path the contractor is not to proceed beyond without Government approval) to allow the Government an opportunity to perform inspections before work is covered up. In some cases, these points have been identified in the contract specification, which means the Government has performed the surveillance planning before contract award.

e. Construction contract Government surveillance documentation shall be maintained in the official contract file (VCE PCF Module). As a minimum, the [DD Form 2626, Performance Evaluation](#) (Construction), or locally generated equivalent form shall be prepared. Simply placing a check in the blocks on the selected form will be considered insufficient documentation and returned to the COR for completion. Comments must contain sufficient detail to assist the KO in determining the character of the contractors' performance. It is imperative that a comprehensive, responsible narrative be documented on the oversight form in order to provide empirical evidence the contractor is performing IAW contractual requirements. See paragraph 6 above for surveillance documentation requirements which can be incorporated into the form selected for use to document the surveillance.

f. Contractor progress payment requests shall rely on performance data to justify payments. There must also be independent Government surveillance data to corroborate construction progress, as well as the verification of the quality of the workmanship and conformance to specifications prior to authorizing a progress payment. There are times contractors will base their progress payment request on percentage of the project budget spent rather than actual progress. This practice could put the Government at risk if there is no independent Government evaluation of progress.

g. Past performance evaluations shall be prepared in CCASS for each construction contract of \$550,000 or more, and for each construction contract terminated for default

regardless of contract value. Documentation of surveillance shall be maintained in the official contract file (VCE PCF module).

16. **Past Performance Documentation.** Contractor past performance evaluations on eligible contracts and orders will be accomplished in CPARS annually or at the end of a task order, whichever occurs first. Objective, detailed surveillance data IAW this Surveillance Instruction provides documentation for the narrative in CPARS, and the narrative supports the CPARS ratings. For additional CPARS information, including rating definitions, see [AFARS 5142.15](#), and the Federal CPARS Guide, <http://www.cpars.gov/main/refmatl.htm>