

MANAGING QUALITY ASSURANCE IN FEDERAL SERVICES CONTRACTS

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COR AND CONTRACTOR PM ROLES AND RESPONSIBILITIES

1. FAR 46 – Quality Assurance prescribes policies and procedures to ensure supplies and services conform to the contract's quality and quantity requirements by specifying: The Contractor's inspection system or program for quality control; and, the Government's quality assurance inspection and acceptance procedures
2. FAR establishes the COR as a legal representative of the Government
3. CO's delegation memo specifies the COR's roles and responsibilities
4. Primary Quality Assurance contract clause in a Services Contract:
 - FAR 52.246-4: Inspection of Services - Fixed Price; or,
 - FAR 52.246-5: Inspection of Services – Cost Reimbursement
- A. COR Quality Assurance Tasks:
 - a) Monitor contract performance (services, tasks, schedules, deliverables)
 - b) Provide technical direction to the Contractor on Government's needs and priorities
 - c) Inspect and accept the contractor's work and deliverables, or reject non-conforming work and direct the contractor to re-perform or correct the work
 - d) Costs for correcting rejected non-conforming work, tasks or deliverables:
 - Fixed Priced Contracts – Contractor responsible
 - Cost Reimbursable Contracts – Government responsible
 - e) Clarify the SOW's technical performance requirements to the Contractor
 - f) Conduct periodic inspections of the Contractor's work using the Government's QASP
 - g) Review and certify to the CO that the Contractor's invoices are correct for payment
 - h) Keep CO apprised of Contractor performance issues
 - i) Assist the CO with contract actions (modifications, equitable adjustments, claims, disputes)
 - j) Prepare annual CPARS evaluation reports on Contractor's performance
- B. Contractor PM Quality Assurance Tasks:
 - a) Establish an Inspection System or Quality Control Program acceptable to the Government
 - b) Manage contract operations and the Inspection/Quality System: All work, tasks and deliverables are inspected for contract compliance prior to delivery to the Government
 - c) Report performance issues and results of periodic quality reviews to the COR and CO

KEY DESIGN COMPONENTS OF SERVICES CONTRACTS

1. FAR 37.102 Policy: Contracts for Services shall be Fixed – Price and Performance-based to the maximum practical extent
2. COR prepares SOW (PWS), Performance Standards, Deliverables Schedule, QASP, IGCE
3. Large, complex services contract SOWs (e.g., IT systems) should contain the following requirements:
 - A. Contract Project Manager's responsibilities and authority
 - B. Project Manager position designated as contract Key Position with PMP certification required
 - C. Project Management Plan
 - D. Quality Control Plan
 - E. Risk Management Plan

- F. Development of Contractor Standard Operating Procedures (SOPs)
 - G. Contract Travel Requirements and Procedures
 - H. Monthly Contract Status Reports
 - I. Monthly Contract Program Status Briefings
4. Optional FAR Clause for critical and complex services contracts: 52.246-11 Higher-level Contract Quality Requirement (e.g., contractor compliance with ISO 9000 or CMMI)
 5. Government RFPs for Services Contracts should include:
 - A. Section C – SOW with Performance Standards/Metrics and a Deliverables Listing
 - B. Section L Proposal Instructions – Submit a Quality Control Plan and/or Risk Management Plan
 - C. Section M Evaluation Factors – Government will evaluate the Quality Control Plan and/or Risk Management Plan in source selection evaluation and contract award
 - D. The Government’s QASP – Recommended but not required

APPLYING BEST PRACTICES IN CONTRACT MANAGEMENT

1. Contract kick-off meeting between the Government and Contractor management teams:
 - A. Clarify Government - Contractor roles & responsibilities
 - B. Review key contract requirements – SOW, Deliverables, Quality Assurance, Cost Control, etc
 - C. Establish operating and reporting ground rules
 - D. Foster two-way communication, collaboration and teamwork
2. COR – Contractor PM hold weekly one-on-one “how goes it” meetings
3. Contractor PM to notify COR of critical performance issues/service failures
4. COR integrates the Contractor PM into Government’s operating structure – Project Team meetings
5. COR monitors Contractor’s monthly status reports
6. COR requires Project Plans for important projects/tasks and monitors Contractor progress
7. Contractor PM provides monthly Contract Program Status briefings to the Government
8. Cost reimbursement Contracts: Both COR and Contractor PM monitor the contract workload and costs (burn rate) to prevent “cost overruns”

CONCLUSIONS

1. Government and Contractor personnel must understand the FAR requirements and respective roles and responsibilities to effectively manage the contract and quality assurance requirements
2. CORs are responsible for planning and designing the contract management elements and quality assurance approach requirements into the RFP and Contract
3. Proactive contract management and quality assurance execution are joint Government – Contractor responsibilities for achieving the contract’s performance objectives

QUESTIONS & ANSWERS

ACRONYMS: CO: Contracting Officer; COR: Contracting Officer’s Representative; CPARS: Contract Performance Assessment Reporting System; FAR: Federal Acquisition Regulations; IGCE: Independent Government Cost Estimate; PM: Project Manager; PWS: Performance Work Statement; QASP: Quality Assurance Surveillance Plan; RFP: Request for Proposal; SOW: Statement of Work

FAR 52.246-4 Inspection of Services -- Fixed-Price (Aug. 1996)

(a) *Definition:* "Services," as used in this clause, includes services performed, workmanship, and material furnished or utilized in the performance of services.

(b) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Government during contract performance and for as long afterwards as the contract requires.

(c) The Government has the right to inspect and test all services called for by the contract, to the extent practicable at all times and places during the term of the contract. The Government shall perform inspections and tests in a manner that will not unduly delay the work.

(d) If the Government performs inspections or tests 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.

(e) If any of the services do not conform with contract requirements, the Government may require the Contractor to perform the services again in conformity with contract requirements, at no increase in contract amount. When the defects in services cannot be corrected by re-performance, the Government may –

(1) Require the Contractor to take necessary action to ensure that future performance conforms to contract requirements; and

(2) Reduce the contract price to reflect the reduced value of the services performed.

(f) If the Contractor fails to promptly perform the services again or to take the necessary action to ensure future performance in conformity with contract requirements, the Government may –

(1) By contract or otherwise, perform the services and charge to the Contractor any cost incurred by the Government that is directly related to the performance of such service; or

(2) Terminate the contract for default.