

## Defense Federal Acquisition Regulation Supplement

### Part 242--Contract Administration and Audit Services

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#### **SUBPART 242.11--PRODUCTION SURVEILLANCE AND REPORTING**

*(Revised October 01, 2002)*

##### **242.1104 Surveillance requirements.**

(a) The cognizant contract administration office (CAO) must—

(i) Conduct a periodic risk assessment of each contractor to determine the degree of production surveillance needed for contracts awarded to that contractor. The risk assessment must consider information provided by the contractor and the contracting officer;

(ii) Develop a production surveillance plan based on the risk level determined during the risk assessment;

(iii) Modify the production surveillance plan to incorporate any special surveillance requirements for individual contracts, including any requirements identified by the contracting officer; and

(iv) Monitor contract progress and identify potential contract delinquencies in accordance with the production surveillance plan.

##### **242.1105 Assignment of criticality designator.**

(1) Contracting officers shall—

(i) Assign criticality designator A to items with a priority 01, 02, 03, or 06 (if emergency supply of clothing) under DoD 4140.1-R, DoD Materiel Management Regulation; and

(ii) Ordinarily assign criticality designator C to unilateral purchase orders.

(2) Only the contracting officer shall change the assigned designator.

##### **242.1106 Reporting requirements.**

(a) See DoD 5000.2-R, Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs.

(b)(i) Within four working days after receipt of the contractor's report, the CAO must provide the report and any required comments to the contracting officer and, unless otherwise specified in the contract, the inventory control manager.

(ii) If the contractor's report indicates that the contract is on schedule and the CAO agrees, the CAO does not need to add further comments. In all other cases, the CAO must add comments and recommend a course of action.

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#### **242.1107 Contract clause.**

(b) When using the clause at FAR 52.242-2, include the following instructions in the contract schedule—

(i) Frequency and timing of reporting (normally five working days after each reporting period);

(ii) Contract line items, exhibits, or exhibit line items requiring reports;

(iii) Offices (with addressees/codes) where reports should be sent (always include the contracting office and contract administration office); and

(iv) The following requirements for report content—

(A) The problem, actual or potential, and its cause;

(B) Items and quantities affected;

(C) When the delinquency started or will start;

(D) Actions taken to overcome the delinquency;

(E) Estimated recovery date; and/or

(F) Proposed schedule revision.

#### **242.1107-70 Solicitation provision and contract clause.**

(a) Use the clause at 252.242-7005, Cost/Schedule Status Report, in solicitations and contracts for other than major systems that require cost/schedule status reports (i.e., when the Contract Data Requirements List includes DI-MGMT-81467 in accordance with DoD 5000.2-R).

(b) Use the provision at 252.242-7006, Cost/Schedule Status Report Plans, in solicitations for other than major systems that require cost/schedule status reports.