

### C3. CHAPTER 3

#### CONTRACT QUALITY ASSURANCE (CQA)

C3.1. GENERAL. This chapter provides general guidance and references used in support of CQA (contract administration function).

C3.1.1. Purpose. CQA is designed to ensure that contractors fulfill their contractual obligations in respect to product quality (specifications), quantity, and related services. The objective is to ensure that the Government obtains contracted product.

C3.1.2. Assignment of CQA. The contracting officer designates CQA responsibilities within the contract. The Defense Contract Management Agency (DCMA) is normally assigned responsibility for the Bulk Program, Into-plane Program, and occasionally PC&S items. The contracting officer may assign other offices for CQA to include the Defense Energy Support Center's field activities, especially for distribution system and related services contracts.

C3.1.3. DoD Directory of Contract Administration Offices (CAO). DCMA publishes a handbook that lists their CAOs, their locations, addresses, etc. Deviations from DCMA's CQA assignments in the handbook will be coordinated with all DoD Components involved.

#### C3.2. QUALITY RESPONSIBILITY

C3.2.1. Contractor. It is the contractors' responsibility to control the quality and quantity of fuel and to provide product and services that conform to contract requirements.

C3.2.2. Contracting Agency. The contracting agency shall ensure appropriate contractor inspection responsibilities and acceptance criteria are included in the solicitation and contract. The agency shall perform oversight function of CQA efforts by the contractor and the Government.

C3.2.3. Defense Contract Management Agency (DCMA). DCMA shall perform CAO functions when requested by the contracting agency. DCMA shall perform CQA at contractors' facilities when assigned inspection responsibilities are at origin. DCMA CQA functional responsibility is fulfilled at origin when product or into-plane services are inspected and/or accepted in accordance with contract requirements. DCMA's CQA is assigned to quality representatives (QRs). QRs shall perform CQA functions in accordance with DCMAI 5000.4, Contract Management (see reference index) and guidance provided from the contracting agency. The CQA program identifies key processes used to control product quality throughout the production, loading, and shipping processes. These processes are proofed and assigned a risk level, which is the basis for the contractor's surveillance planning. A facility surveillance plan for CQA is developed. This surveillance plan becomes the baseline surveillance plan that is adjusted after a contractor's performance is assessed throughout the contract delivery period.

C3.2.4. Quality Representative (QR). QRs shall oversee contractors' quality control operations (at the contractors' facilities) and ensure product meets contract quality specifications. The QRs ensure services are performed in accordance with contract requirements. CQA functional responsibility is fulfilled when product and/or services are inspected (for destination acceptance items) or accepted (for origin acceptance items). For destination acceptance items, the receiving activity shall designate personnel to perform inspection and acceptance CQA functions.

C3.2.5. Military Services and DESC Fuel Laboratories. When available and cost effective, the Military Services and DESC fuel laboratories may be used to test samples of petroleum products submitted by QRs. Laboratory services provided by the Military Services on samples submitted by the QRs for testing, as required by contract or at the Government's request, will be tested on a nonreimbursable basis. Only transportation charges for sending product samples are authorized for reimbursement if authorized in the contract.

C3.2.6. DESC Field Activities (Regions/Field Offices). DESC field activities shall keep the QRs apprised of product shipping schedules to facilitate quality assurance efforts. This does not negate a QR's responsibility to maintain communication with a contractor(s) to ensure performance of the quality assurance efforts.

### C3.3. GOVERNMENT CQA AND ACCEPTANCE

C3.3.1. FOB Origin Bulk Fuels Program. CQA is performed at origin when the contract so indicates. Government inspection is performed to ensure product and services conform to contract requirements. DCMA's guidance is contained in DCMAI 5000.4. Acceptance shall be conclusive, except for latent defects, fraud, gross mistakes amounting to fraud, or as otherwise provided in the contract. Receiving locations will perform testing in accordance with MIL-STD-3004 when the quality of the product appears to be questionable prior to and after receipt into their storage facility. As the product is Government owned upon arrival at the receiving activity, off specification fuel reports shall be promptly submitted in accordance with chapter 7 of this volume, the Quality Surveillance Off-Specification section.

C3.3.2. FOB Destination Bulk Fuels Program. Title passes to the Government at the receiving location when the product is accepted, or at such other point stated in the contract. The contractor is responsible for product quality from the manufacturing/shipping point all the way through the distribution system to the customer. Where CQA at origin has been assigned to DCMA, Government, quality inspection is performed at origin. Where CQA will be performed at destination or at a mutually agreed intermediate location, Government quality inspection will be assigned. To ensure product has remained on-specification during transit, inspection or check test shall be performed at the destination by the receiving activity. Rejection of the product back to the contractor shall be made promptly upon discovery of nonconformance. The contracting officer shall be promptly notified when product is rejected prior to delivery into facility or when it is determined to be off-specification after receipt into Government storage.

C3.3.3. Posts, Camps, and Stations (PC&S) Program. Products such as motor gasoline, diesel, burner oils, etc., purchased under the PC&S Program are usually FOB destination with Government inspection and acceptance by the receiving activity at destination.

C3.3.3.1. Unless otherwise specified in the contract, Government inspection may be limited to determining that product received conforms to contract terms such as type, is not contaminated using the limited testing capability available at the receiving activity, and the quantity is correct. Product may be accepted on this basis. However, further inspection may be required prior to acceptance if the product appears to be other than ordered, or samples from past deliveries have not met specifications, or fuel in the past caused engines to operate unsatisfactorily.

C3.3.3.2. Receiving locations shall report delivery and quality problems promptly to the contracting agency, and to the appropriate SCP. These components may conduct their own investigation at the receiving activity to determine the validity of the reported problem. If the complaint is determined to be valid, the complaint shall be forwarded to the contracting agency. Delivery or quality problems reported to the contracting agency will be investigated to determine whether a claim against the contractor is warranted. The DESC managing field activity or DCMA shall assist the contracting agency when requested in resolving PC&S problems.

C3.3.3.3. The method of inspection and acceptance outlined above does not preclude periodic sampling of deliveries by the ordering officer and submission of such samples to a laboratory for tests.

C3.3.4. Into-Plane Program. The Into-plane program provides aviation fuels at commercial locations. DCMA shall provide support by reviewing contractor performance semi-annually or as requested by the contracting officer. This inspection provides assurance to the customer that the contractor has and will most likely maintain acceptable performance should a Government aircraft require servicing. If the contractor's sample fails into-plane testing standards, the contract is put on "quality hold" status. The quality status of an into-plane facility can be found on the DESC web page (DESC Organizations, Commodity Business Units, Direct Delivery Into-Plane Link). **Additionally, DESC shall publish a "Notice to Airmen" whenever a contract location is put on quality hold.**

#### C3.3.5. Bunker Fuels Program.

C3.3.5.1. The receiving activity or vessel is responsible for Government inspection and acceptance under the Bunker Fuels Program. Government inspection shall include validating the product quality by reviewing the contractor's paperwork provided at the time of delivery and ensuring it is the product ordered and contracted. The vessel may perform tests to confirm quality based on the capability to perform these tests on board the vessel. Quantity validation must be performed to preclude disputes and as a method to combat fraud. These methods include reading the bunker barge meter, when provided, before and after delivery; or witnessing shore tank/bunker gauges before and after delivery.

#### C3.3.5.2. Product Assurance Programs.

C3.3.5.2.1. In-Line Testing Program. **One of the services that DESC has implemented is the in-line testing program. Vessels participating in this program are required to have the ability to take a**

continuous drip sample from the custody transfer point (typically the bunker manifold). This method provides the best protection to the U. S. Government as it samples product being delivered (sold) to the vessel. The sample is submitted to the DESC contract laboratory for analysis with the results due back within specific timeframes after receipt of the sample in the laboratory.

C3.3.5.2.2. Random Surveillance. Another service available, but less the desirable, is random surveillance of a contractor's capability. DESC will request samples of commercial stocks from bunker contracts as a means of increasing surveillance at locations where vessels have a history of utilizing the port or are operating for an extended period of time, as might be the case for certain exercises. At these locations, DESC will request the contractor to submit samples. Samples will be submitted to either a contract laboratory or at DESC's option to a Military Service-operated laboratory. All requests for random surveillance samples shall be submitted to DESC-BQ.

C.3.3.6. Inspection Stamps. Bulk petroleum products are shipped in tankers, barges, tank cars, tank trucks, and pipelines. Therefore, it is not practical to affix DoD procurement inspection approval stamps to such deliveries.

C3.4. REPORTS. Requests for QR data will include specific information requested as well as the DESC point of contact for information requests. QRs performing CQA on petroleum products shall report data and actions taken to DESC upon request; reports will indicate the point of contact, telephone number, address, and other pertinent data.

C3.5. FUEL QUALITY LIMITS. Product failing contractual quality requirements will not be shipped unless approved by the contracting agency. The Product Technology and Standardization Division (DESC-BP) and Quality Operations Division (DESC-BQ) are responsible for the quality of products purchased by DESC in accordance with prescribed product specifications and standards required by the Military Services. The contracting authority shall coordinate all waivers of non-conforming product prior to product shipment to military activities. This coordination will be accomplished with the technical office listed in section C3.7., below. See section C3.6., below, for guidance on contract waivers. For end user policy, see chapter 7 of this volume.

C3.6. CONTRACT WAIVERS. Product and services supplied on DESC contracts will conform to all of the contract terms and requirements. However, DESC's clause E35.02 Request for Waivers and Deviations implements FAR clause 52.246-9 which allows contract exceptions as follows:

C3.6.1. Contract waivers may be granted in support of urgent requirements or economy subject to equitable adjustment of contract price or other consideration; specification waivers will be coordinated with the appropriate SCP and the organization responsible for the product technical requirements.

C3.6.2. Contractor waiver requests to contract terms/product specifications may only be approved by the contracting officer; such requests will be direct to the contracting officer with an information copy to the ordering officer. When contractors request waivers:

C3.6.2.1. Contracting officers shall request DESC-BP/BQ review of waivers for technical and quality evaluation.

C3.6.2.2. DESC-BP/BQ shall review waivers and coordinate with DESC field activities and/or the Military Services' technical offices as necessary. DESC may accept a nonconformance without the Military Services technical offices' coordination if the characteristic(s) can be rehabilitated back to the specification requirement prior to delivery to the customer. Military Services' technical offices shall review waiver requests and provide recommendations on whether they should be accepted or rejected. [Every effort will be made to contact the appropriate military technical office for off-duty hours waiver coordination prior to the contracting officer representative's decision.](#)

C3.6.2.3. The contracting officer shall grant or deny a waiver after consideration of DESC-BP/BQ's recommendations. During non-duty hours, the contracting officer or the contracting officer's representative (COR) at DESC-BQ/BP may grant deviations to support urgent requirements only after attempting to contact the respective SCP. If the SCP cannot be contacted and a deviation is granted, the respective SCP shall be notified the next duty day. Procedures for contacting DESC during nonduty hours are contained in the contract. (The staff duty officer can be reached by calling 703-767-8420.) Acceptance of the contractor's nonduty hour waiver request will be documented on the shipping document, to include the name, office symbol, and telephone number of the COR permitting shipment prior to formal waiver acceptance. The DD Form 250 will be annotated and signed by the contractor as follows: "In consideration for the waiver approval, the contractor shall formally request a contract modification through the contracting officer on the next business day. The contract modification shall provide for an equitable price adjustment." The COR shall advise the military technical quality office and the contracting office of the waiver and circumstances the next working day. Acceptance of a waiver will result in a contract modification.

C3.7. MILITARY TECHNICAL QUALITY OFFICES as follows:

Army: U.S. Army Petroleum Center /AMSTA-LC-CJPL  
54 M Avenue, STE 9  
New Cumberland, PA 17070-5008  
DSN 977-6511/4392  
COM 717-770-6511/4392

Navy: Navy Petroleum Office  
8725 John J. Kingman Road, STE 0119  
Ft. Belvoir, VA 22060-6220  
DSN 427-7328  
COM 703-767-7328

Air Force: [Air Force Petroleum Office](#)  
[Det 3, WR-ALC/AFT](#)  
[8725 John J. Kingman Road](#)  
[Ft. Belvoir, Virginia 22060-6232](#)  
[DSN 427-8288](#)  
[COM 703-767-8288](#)

