

## **Surveillance Activity Checklist for AIR-4.1 Systems Specialty Engineering Services**

### **1. Purpose**

This Surveillance Activity Checklist (SAC) is a Government developed and applied document used to ensure that systematic quality assurance methods are used in the administration of the Statement of Work (SOW). The intent is to ensure that the Contractor performs in accordance with the performance metrics and the Government receives the quality of services called for in the contract and task orders.

The contract requirement is for systems engineering, analysis, development, integration, testing, and fleet introduction and support of warfare systems into Naval Aircraft. This includes direct systems engineering support throughout the full life cycle of a weapon system from concept development through disposal, and is applied to all Naval Aircraft (Tactical, Vertical Lift, Maritime, UAV's, Targets, and advanced weapons), Foreign Military Sales (FMS), and support systems. The resultant contract will be a non-performance based Indefinite Delivery Indefinite Quantity (IDIQ) contract with Cost-Plus-Fixed-Fee (CPFF) Contract Line Item Numbers (CLINs); with a five (5) year ordering period. A properly executed SAC will assist the Government in achieving the objectives of this procurement and provide the Contractor with clearly defined performance expectations.

### **2. Authority**

Authority for issuance of this SAC is provided in the contract under Section E, Inspection and Acceptance, which provides for inspection and acceptance of the services and documentation required to be executed by the Contracting Officer or a duly authorized representative.

### **3. Scope**

To fully understand the roles and responsibilities of the parties, it is important to first define the distinction in terminology between quality control and the SAC. The Contractor, and not the Government, is responsible for management and quality control actions necessary to meet the quality standards set forth by the contract and task orders. The SAC is executed to provide Government *surveillance* and oversight of the Contractor's quality control efforts to ensure that they are timely, effective, and are delivering the results as specified in the contract and task orders.

### **4. Government Resources**

The following definitions for Government resources are applicable to this plan:

**Contracting Officer** – The person duly appointed with the authority to enter into (Procuring Contracting Officer (PCO)) or administer (Administrative Contracting Officer (ACO)) contracts and make related determinations and findings on behalf of the Government. The PCO for this contract is Ms. Melinda K. Stann, AIR-2.5.1.5. The ACO will be designated in the resulting contract. Contracting Officers are designated via a written warrant, which sets forth limitations of authority.

**Contracting Officer's Representative (COR)** – The individual appointed in writing by the PCO to act as their authorized representative to assist in administering the contract. The COR will be designated in the resulting contract and individual task orders. The limitations of authority are contained in a written letter of designation.

## 5. Responsibilities

The following Government resources shall have responsibility for the implementation of this SAC:

**Contracting Officer** – The Contracting Officer ensures performance of all necessary actions for effective contracting, ensures compliance with the terms of the contract, and safeguards the interests of the United States in the contractual relationship. It is the Contracting Officer that assures the Contractor receives impartial, fair, and equitable treatment under the contract. The Contracting Officer is ultimately responsible for the final determination of the adequacy of the Contractor's performance.

**COR** – The COR is responsible for technical administration of the contract and assures proper Government surveillance of the Contractor's performance. The COR is not empowered to make any contractual commitments or to authorize any changes on the Government's behalf. Any changes that the Contractor deems may affect contract and task order price, terms, or conditions shall be referred to the Contracting Officer for action.

## 6. Methods of Surveillance

**a. Contractor Performance Assessment Reporting System (CPARS)** – The marketplace for contractor support services is very competitive. As such, the successful offeror has a vested interest in the Government-generated CPARS ratings for this contract and task orders, as a substandard rating could have an adverse impact on future proposal evaluations. Additionally, the CPARS ratings will be the determinant in awarding follow-on task orders. For this procurement, the Government will address the quality of product or service, schedule, cost control, and management responsiveness. As this information may affect future source selections throughout the Department of Defense (DoD), as well as the continuation of this contract, the annual Government assessment will be used appropriately as an additional performance oversight and communication tool along with the SAC.

**b. SAC** - The below listed methods of surveillance will be used by the COR in the technical administration of this SAC. In addition to the below instructions, the form to be used for documentation of quality assurance surveillance is the SAC provided as Enclosure (3) herein.

## 7. Identified QA Surveillance Tasks

Enclosures (1) and (2) set forth the performance standards and incentives for the Contractor and COR while Enclosure (3) provides the checklist and means for the COR to document the results of the surveillance.

## 8. Documentation

In addition to providing annual reports to the Contracting Officer, the COR shall maintain a complete quality assurance file. The file will contain copies of all reports, evaluations, recommendations, and any actions related to the Government's performance of the quality assurance function, including the original copies of the SACs. All such records will be maintained for the life of the contract. The COR shall forward these records to the Contracting Officer at termination or completion of the contract and all task orders.

## 9. Enclosures

Enclosure (1) – Data Reporting Standards

Enclosure (2) – Incentives

Enclosure (3) – Surveillance Activity Checklist - Quarterly/Annual

## DATA REPORTING STANDARDS

Description	Performance Standard and Acceptable Quality Level (AQL)	Surveillance Method / Measure	Incentives
Systems Specialty Engineering Services, SOW paragraphs 3.2.1 through 3.2.10. Refer to SOW for applicable CDRLs.	Requirements and objectives met on time and within budget 95% of the time.	Surveillance by COR and/or subject matter expert feedback.	See Enclosure 2.
Technical Reports / Submission is in accordance with the DID cited in the CDRLs. Refer to SOW for applicable CDRLs.	95% acceptable on first submission to Government; 100% acceptable on the second submission to Government	Surveillance by COR and/or subject matter expert feedback.	See Enclosure 2.
Status Reports – Technical and Cost / Submission is in accordance with the DID cited in the CDRLs. Refer to SOW paragraphs 3.2.11 and 3.2.12.	95% acceptable on first submission to Government; 100% acceptable on the second submission to Government	Surveillance by COR and/or subject matter expert feedback.	See Enclosure 2.
Operations Security (OPSEC) Plan / Submission in accordance with the DID cited in the CDRLs. Refer to SOW paragraph 5.2.	95% acceptable on first submission to Government; 100% acceptable on the second submission to Government	Surveillance by COR and/or subject matter expert feedback.	See Enclosure 2.

## INCENTIVES

The following incentives shall apply to performance under this contract:

Assessment Period	Acceptable Performance Definition	How Measured	Incentives
Evaluation Period 1	All measurement areas rated "Satisfactory" or above. See Enclosure (3).	Annual assessment period (12 <sup>th</sup> month) evaluation using the quarterly surveillance checklists and the CPARs format covering the previous 12 months.	(+) Meet the acceptable performance definition as a condition for award of future task orders. Receives a positive assessment (CPAR), appropriate for the quality of service provided. (-) Does not meet the acceptable performance definition as a condition for award of future task orders.* Receives a negative assessment (CPAR), appropriate for the quality of service provided.
Evaluation Period 2	All measurement areas rated "Satisfactory" or above. See Enclosure (3).	Annual assessment period (24 <sup>th</sup> month) evaluation using the quarterly surveillance checklists and the CPARs format covering the previous 12 months.	(+) Meet the acceptable performance definition as a condition for award of future task orders. Receives a positive assessment (CPAR), appropriate for the quality of service provided. (-) Does not meet the acceptable performance definition as a condition for award of future task orders.* Receives a negative assessment (CPAR), appropriate for the quality of service provided.
Evaluation Period 3	All measurement areas rated "Satisfactory" or above. See Enclosure (3).	Annual assessment period (36 <sup>th</sup> month) evaluation using the quarterly surveillance checklists and the CPARs format covering the previous 12 months.	(+) Meet the acceptable performance definition as a condition for award of future task orders. Receives a positive assessment (CPAR), appropriate for the quality of service provided. (-) Does not meet the acceptable performance definition as a condition for award of future task orders.* Receives a negative assessment (CPAR), appropriate for the quality of service provided.
Evaluation Period 4	All measurement areas rated at least "Satisfactory". Three or more measurement areas rated either "Very Good" or "Exceptional". See Enclosure (3).	Annual assessment period (48 <sup>th</sup> month) evaluation using the quarterly surveillance checklists and the CPARs format covering the previous 12 months.	(+) Meet the acceptable performance definition as a condition for award of future task orders. Receives a positive assessment (CPAR), appropriate for the quality of service provided. (-) Does not meet the acceptable performance definition as a condition for award of future task orders.* Receives a negative assessment (CPAR), appropriate for the quality of service provided.
Evaluation Period 5	All measurement areas rated at least "Satisfactory". Three or more measurement areas rated either "Very Good" or "Exceptional". See Enclosure (3).	Annual assessment period (60 <sup>th</sup> month) evaluation using the quarterly surveillance checklists and the CPARs format covering the previous 12 months.	(+) Meet the acceptable performance definition as a condition for award of future task orders. Receives a positive assessment (CPAR), appropriate for the quality of service provided. (-) Does not meet the acceptable performance definition as a condition for award of future task orders.* Receives a negative assessment (CPAR), appropriate for the quality of service provided.

\* The Government may not award future task orders unless all regulatory requirements are met and the Contractor meets the acceptable performance definition.

**SURVEILLANCE ACTIVITY CHECKLIST**

All SOW/CDRL tasks, including SOW/CDRL sub-tasks, will be assessed focusing on the following:

Quality of Product or Service – Assess the Contractor’s effort to transform operational needs and requirements into an integrated solution. Areas of focus may include the planning and management of program tasks, the quality of support provided throughout all phases of task order execution, the integration of program management specialties, management of interfaces, and the management of a totally integrated effort of all program management concerns to meet cost, performance, and schedule objectives. Include, as applicable, a discussion of the accuracy of reports/data; and the degree of Government technical direction required to solve problems that arise during performance. Assess how successfully the Contractor meets program quality.

Schedule – Assess the Contractor’s adherence to the required delivery schedule by assessing the Contractor’s efforts during the assessment period that contribute to or effect the schedule variance. Also address significance of scheduled events, discuss causes, and assess the effectiveness of Contractor corrective actions.

Cost Control – Assess the Contractor’s effectiveness in forecasting, managing, and controlling task order costs. Include, as applicable, a discussion of the Contractor’s ability to perform within the total estimated cost (what is the relationship of the negotiated costs and budgeted costs to actuals); innovative approaches implemented by the Contractor that resulted in cost savings; the timeliness, accuracy, and completeness of invoices; and the adequacy of the Contractor’s budgetary internal controls.

Management Responsiveness – Assess the Contractor’s success with timely award and management of subcontracts, including whether the Contractor met small/small disadvantage and women-owned business participation goals. Assess the timelines, completeness and quality of problem identification, corrective action plans, proposal submittals, the Contractor’s reasonable and cooperative behavior, effective business relations, and customer satisfaction. Discuss the extent to which the Contractor discharges its responsibility for integration and coordination of all activity needed to execute the contract and task orders, identifies and applies resources required to meet schedule requirements, assigns responsibility for tasks/actions required by the task orders, and communicates appropriate information to affected program elements in a timely manner. Assess the Contractor’s risk mitigation plans. If applicable, identify any other management areas that are unique to the contract.

The evaluation ratings for all areas are as follows:

Exceptional - Performance meets contractual requirements and exceeds many to the Government’s benefit. The contractual performance of the task/sub-task being assessed was accomplished with few minor problems for which corrective actions taken by the Contractor were highly effective.

Very Good - Performance meets contractual requirements and exceeds some to the Government’s benefit. The contractual performance of the task/sub-task being assessed was accomplished with some minor problems for which corrective actions taken by the Contractor were effective.

Satisfactory - Performance meets contractual requirements. The contractual performance of the task/sub-task contains some minor problems for which corrective actions taken by the Contractor appear or were satisfactory.

Marginal - Performance does not meet some contractual requirements. The contractual performance of the task/sub-task being assessed reflects a serious problem for which the Contractor has not yet identified corrective actions. The Contractor's proposed actions appear only marginally effective or were not fully implemented.

Unsatisfactory - Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the task/sub-task contains a serious problem(s) for which the Contractor's actions appear or were ineffective.

### Quarterly Summary of Ratings

#### *Quality of Product or Service*

Number of Exceptional \_\_\_\_\_  
 Number of Very Good \_\_\_\_\_  
 Number of Satisfactory \_\_\_\_\_  
 Number of Marginal \_\_\_\_\_  
 Number of Unsatisfactory \_\_\_\_\_

#### *Schedule*

Number of Exceptional \_\_\_\_\_  
 Number of Very Good \_\_\_\_\_  
 Number of Satisfactory \_\_\_\_\_  
 Number of Marginal \_\_\_\_\_  
 Number of Unsatisfactory \_\_\_\_\_

#### *Cost Control*

Number of Exceptional \_\_\_\_\_  
 Number of Very Good \_\_\_\_\_  
 Number of Satisfactory \_\_\_\_\_  
 Number of Marginal \_\_\_\_\_  
 Number of Unsatisfactory \_\_\_\_\_

#### *Management Responsiveness*

Number of Exceptional \_\_\_\_\_  
 Number of Very Good \_\_\_\_\_  
 Number of Satisfactory \_\_\_\_\_  
 Number of Marginal \_\_\_\_\_  
 Number of Unsatisfactory \_\_\_\_\_

## SURVEILLANCE ACTIVITY CHECKLIST - QUARTERLY

### Quarterly Surveillance:

The COR will perform a quarterly assessment of Quality, Schedule, Cost Control, and Management Responsiveness utilizing the CPARS evaluation rating definitions listed in Enclosure (2). The assessments will be performed and reported for each active task order by the applicable Technical Points of Contact (TPOC) for that task order.

If a rating description or a rating category are not applicable during a given evaluation period, then a grade of “n/a” should be recorded.

Description	Surveillance Method / Measure	Date Planned	Date Completed	Quality	Schedule	Cost Control	Mgmt Response
Systems Specialty Engineering Services, SOW paragraphs 3.2.1 through 3.2.10. Refer to SOW for applicable CDRLs.	Surveillance by COR and/or subject matter expert feedback.	TBD					
Technical Reports / Submission is in accordance with the DID cited in the CDRLs. Refer to SOW for applicable CDRLs.	Surveillance by COR and/or subject matter expert feedback.	TBD					
Status Reports – Technical and Cost / Submission is in accordance with the DID cited in the CDRLs. Refer to SOW paragraphs 3.2.11 and 3.2.12.	Surveillance by COR and/or subject matter expert feedback.	TBD					
Operations Security (OPSEC) Plan / Submission in accordance with the DID cited in the CDRLs. Refer to SOW paragraph 5.2.	Surveillance by COR and/or subject matter expert feedback.	TBD					

## **SURVEILLANCE ACTIVITY CHECKLIST - ANNUAL**

### **Annual Surveillance:**

The COR will perform an annual assessment of overall contract performance utilizing the CPARS evaluation rating definitions listed in Enclosure (2) and the quarterly SAC summary of ratings.

<b>Description</b>	<b>Surveillance Method / Measure</b>	<b>Date Planned</b>	<b>Date Completed</b>	<b>Summary Rating / Results</b>
Quality	Review of Quarterly Ratings	TBD		
Schedule	Review of Quarterly Ratings	TBD		
Cost Control	Review of Quarterly Ratings	TBD		
Management	Review of Quarterly Ratings	TBD		