



DEPARTMENT OF THE ARMY
US ARMY MEDICAL RESEARCH AND MATERIEL COMMAND
504 SCOTT STREET
FORT DETRICK MD 21702-5014

MCMR-AAZ

19 March 2010

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Procurement Advisory Notice (PAN) 07-02*
Principal Assistant Responsible for Contracting Plan for Administration and Surveillance
of Service Contracts

1. Introduction. The Deputy Assistant Secretary of the Army (Policy) has required each Principal Assistant Responsible for Contracting (PARC) to develop a plan demonstrating compliance with the mandate that all service contracts in excess of \$2,500 appoint a certified Contracting Officer's Representative (COR) and contain a Quality Assurance Surveillance Plan (QASP). This PAN serves that purpose.

2. Background.

a. In the past four years, The Government Accounting Office (GAO) and the Department of Defense (DoD) Inspector General have reported that contracts have been subjected to insufficient surveillance. The reports indicate the DoD may be accepting substandard performance, paying for services not received, and awarding contracts to contractors with a history of substandard performance.

b. A recent GAO report linked the following four key factors to inadequate surveillance: (1) training personnel in how to conduct surveillance; (2) assigning qualified personnel at or prior to contract award; (3) holding personnel accountable for their surveillance duties; and (4) performing and accurately documenting surveillance throughout the period of the contract.

3. Plan of Action.

a. Every U.S. Army Medical Research Acquisition Activity (USAMRAA) customer, both within and outside the U.S. Army Medical Research and Materiel Command (USAMRMC) when submitting a procurement package for services with a value of \$2,500 or more shall include the nomination of a certified individual to serve in the appointment as a COR. Effective 01 April 2010, each COR candidate must have completed Defense Acquisition University (DAU) on-line Continuous Learning Center

*This Procurement Advisory Notice (PAN) supersedes PAN 07-02, 01 November 2009, subject: Principal Assistant Responsible for Contracting Plan for Administration and Surveillance of Service Contracts

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(CLC) Module 106, Contracting Officer Representative with a Mission Focus, available in the DAU continuous learning center found at <http://learn.dau.mil/>. A certificate of completion of CLC 106 must be provided for inclusion in the service contract file prior to award and must be simultaneously placed in the COR's personal file. This module must be completed at least every three years from the date of completion of the previously taken module in order to remain eligible for appointment as a COR to a USAMRAA awarded contract. Additionally, it is highly recommended each appointed COR also complete the USAMRMC COR course presented by USAMRAA. This currently resident two-day COR course will be converted to an on-line internet course in the near future.

b. In accordance with Under Secretary of Defense (Acquisition, Logistics, and Technology) guidance, a COR's contributions must be addressed in their annual performance appraisals. Therefore, USAMRAA Contracting Officers shall, when approached by rating officials of CORs for input into that individual's appraisal, provide information.

c. Government contract quality assurance shall be performed at such times and places as may be necessary to determine that services conform to contract requirements. The QASPs ensure the Government receives and pays for the acceptable quality level of services stated in the performance-based work statement of the contract. Effective immediately, QASPs shall be developed and appear in every service contract awarded by USAMRAA in excess of \$2,500. The QASPs signify all work requiring surveillance, the method and frequency of surveillance, and designate the location or locations of surveillance. The level of surveillance in each QASP shall be commensurate with the dollar value, risk, complexity, and criticality of the acquisition. It is essential that contractor provided services be inspected in accordance with the QASP and that this be accomplished by qualified, trained CORs. Instruction on writing a QASP can be found at <https://learn.dau.mil/html/clc/Register.jsp>, which is a link to the DAU continuous learning module CLC 013, "Performance-Based Service Acquisition". Subpart 46.4 of the Federal Acquisition Regulation also furnishes guidance on the development of QASPs. Additionally, USAMRAA Contracting Officers stand ready to provide guidance to customers pertaining to QASP development whenever approached.

d. The method of how the COR will communicate surveillance information to the Contracting Officer/Contract Specialist shall be spelled out within the award document.

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e. The requirement to take CLC 106 and its refresher requirement is also applicable to appointments of Grant Officer's Representatives for USAMRAA executed assistance agreements.

4. Point of Contact. Raegon B. Clutz, Chief, Policy Branch, USAMRAA.
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