

**BY ORDER OF THE COMMANDER  
AIR FORCE SPACE COMMAND**



**AIR FORCE INSTRUCTION 63-501**

**AIR FORCE SPACE COMMAND**

**Supplement 1**

**1 MAY 1998**

**Acquisition**

**AIR FORCE ACQUISITION  
QUALITY PROGRAM**

---

**NOTICE:** This publication is available digitally on the SAF/AAD WWW site at: <http://afpubs.hq.af.mil>

---

OPR: LGCM (Mr. Robert D. Wenger)  
Supersedes AFSPCI63-50101, 30 Nov 94.

Certified by: LGC (Col Bradley R. Busch)

Pages: 9

Distribution: F

---

This supplement implements and extends the guidance of Air Force Instruction (AFI) 63-501, Air Force Acquisition Quality Program. The AFI is published word-for-word without editorial review. Air Force Space Command (AFSPC) supplemental material is indicated in bold face. This supplement describes AFSPC's procedures for use in conjunction with the basic AFI. It applies to AFSPC, subordinate units and all functional areas involved in performing insight of contractor performance. It does not apply to the Air Force Reserve Command nor Air National Guard units. It establishes procedures and responsibilities for performing quality assurance evaluation on major service contracts (other than operational service contracts) and launch service contracts, written or administered by AFSPC. Base operational service contracts are evaluated using AFMAN64-108, *Service Contracts*. Subordinate units are encouraged to provide recommendations to this supplement. Upon receipt of this integrated supplement discard the Air Force basic publication.

### **SUMMARY OF REVISIONS**

Added duties of the Wing Quality Assurance Director (QAD) and Program/Project Manager (PM). Clarified duties of the Contracting Officer (CO), Functional Area Chief (FAC), Quality Assurance Specialists (QAS) and Quality Assurance Evaluator (QAE). Eliminated operational contract surveillance, covered in AFMAN64-108. Included delegated launch service contracts. A bar (|) indicates a revision from the previous edition.

#### **| 4.5.1.1. (Added) AFSPC Quality Management:**

4.5.1.1.1. HQ AFSPC Directorate of Logistics, Contracting Division (LGC), is the office of primary responsibility for AFSPC. The Quality Assurance Manager (QAM) assigned to HQ AFSPC/LGCM is the command focal point for all contract quality matters. The QAM assigns responsibilities, provides management guidance and monitors the effectiveness of wing and field activities concerning the contract quality program.

4.5.1.1.2. AFSPC QAM (HQ AFSPC/LGCM) reviews acquisition documentation and contracts to ensure proper consideration and inclusion of quality assurance (QA) strategies and program guidance. QAM

conducts functional reviews and program management reviews as necessary to ensure compliance with AFSPC guidance and higher level prescribing documents.

4.5.1.1.3. AFSPC QAM establishes, plans and manages the QA mandatory training and the professional development career program in accordance with AFI36-601, *Air Force Civilian Career Program Management*.

4.5.1.1.4. Wing Quality Assurance Director (QAD) is the wing QA focal point and is responsible for the establishment and enforcement of local implementing instructions to assure the compliance with AFI63-501, this instruction and the referenced quality documents. The Wing QAD assists the contracting organization to plan, establish and manage quality requirements throughout the acquisition process. Wing QAD is the Chief of the Quality Assurance Office.

4.5.1.1.5. An AFSPC Contract Quality Council will be formed to discuss contract quality issues and exchange information between HQ AFSPC and the AFSPC field activities. AFSPC QAM chairs the council. The council may develop and staff initiatives to address quality issues. Wing QADs are the council members. The council establishes its charter within the scope of this instruction and annual meetings are desirable when necessary.

4.5.1.1.6. Quality organization utilizes contractor quality programs, to the maximum extent possible, as the primary method for determining product and service acceptability.

**4.5.3. 1. (Added) Contracting Officers (CO):** Determine, in consultation with the Quality Assurance Director (QAD) and the customer, whether responsibility for FAR 42.302(a)(38), *Contractor Compliance with Contractual Quality Assurance Requirements*, should be retained by the CO or delegated to Defense Contract Management Command (DCMC). Prior to delegating this responsibility the CO must determine that DCMC has the resources to accomplish surveillance at a level that gives adequate confidence of performance. Determinations will have QAD coordination and be approved by the Contracting Squadron Commander. When responsibility is retained COs will:

4.5.3.1.2. Pursuant to FAR 42.302(a)(38), delegate to the QAD specific tasks and authorities under the terms of the contract by formal letter of delegation.

4.5.3.1.3. Ensure a surveillance team, consisting of the FAC(s), PM and appropriate quality personnel (may be QAE or mix of QAE and QAS), is established to ascertain if the contractor is delivering contract-compliant services. Notify the FAC in writing of their contract quality assurance duties. After nomination by the FAC, appoint QAEs in writing and inform them of their contract quality assurance duties. Provide a copy of these letters to the QAD. Sample Appointment Letters are at Attachment 2(Added) and Attachment 3(Added).

4.5.3.1.4. Ensure that a MSP is developed by the FAC and QAD. Approve the MSP.

4.5.3.1.5. When new or changed contract requirements are established, provide orientation to the FAC(s) on appropriate aspects of contract requirements, past or present problems, and nature of authorities delegated.

4.5.3.1.6. Approve alternate surveillance approaches when the contractor has a commercial surveillance system regardless of whether the contract meets FAR Part 12.

**4.5.4.1. (Added) Quality System.** Major service contracts (as defined in Attachment 1) and launch service contracts used by the AFSPC are unique, complex and demanding instruments. It is important that

an effective system of quality assurance evaluation be established to ensure that the Government receives the services for which it has contracted.

4.5.4.1.2. These contracts are administered and monitored, according to Federal Acquisition Regulation (FAR) Parts 42 and 46, by a team of qualified personnel.

**4.5.4.5. (Added) Wing Quality Assurance Director (QAD):** Manage all aspects of the Wing Quality Assurance Program.. Provide advice to contracting officers and their customers on appropriate methods of surveillance for contracted services. Keep abreast of changing philosophies, techniques and procedures for quality assurance and instruct contracting officers, FACs, Quality Assurance Evaluators (QAE) and Quality Assurance Specialists (QAS) in the changes. Participate in market research conducted by the contracting officer and his/her customers to ascertain what the commercial or industry segment approach is to quality assurance of the particular service being purchased. Lead the wings migration from traditional “over-the-shoulder” inspection of contractor performance of services to evaluation of contractor’s quality systems and the effectiveness of the contractor’s quality system to deliver contract-compliant services. Quality Assurance Specialists should play a key role in training and mentoring QAEs in this migration. Evaluate contractor quality systems or plans when that is part of the approach to contract quality assurance as described in the MSP.

4.5.4.5.1.2. Provide management of the Master Surveillance Plan (MSP) development, implementation and surveillance performance on Major Service or delegated launch service contracts. Assist the CO in obtaining nominations for QAEs from FACs. Prepare the MSP for the CO approval. Maintain the MSP contract surveillance file. Assist the FACs in documenting their functional area surveillance plan if required by the MSP and assist in obtaining the CO approval. Provide summary of surveillance results to the CO per the MSP on a periodic basis.

4.5.4.5.1.3. Ensure designated FACs, QAEs and QAS’ are sufficiently trained in their quality duties.

4.5.4.5.1.4. Ensure QAE or QAS personnel participate in acquisition planning to ensure proper consideration and inclusion of quality assurance strategies.

4.5.4.5.1.5. Designate a QAS to work with the QAE when a portion of the surveillance approach in the MSP is to evaluate a contractor’s quality system.

4.5.4.5.1.6. Ensure QASs do not have additional duties that interfere or conflict with their contract surveillance responsibilities.

4.5.4.5.1.7. Periodically audit each functional area’s surveillance to assure that surveillance is being performed and documented in accordance with this instruction and the MSP.

4.5.4.5.1.8. Manage the QA stamp program if one exists.

**4.5.4.6. (Added) The QAEs and QAS’:** Are knowledgeable of the contract terms and conditions, SOW requirements, technical and management proposals, surveillance plan requirements, and any contractor operating procedures for their assigned surveillance areas.

4.5.4.6.2. Evaluate and document the contractor’s performance in accordance with the approved surveillance plan. QAS’ evaluate contractor quality systems.

4.5.4.6.3. Promptly notify the CO, QAD, PM and FAC of any significant performance deficiencies. Documentation of deficiencies are important in selection of future contractors.

4.5.4.6.4. Develop an area surveillance plan for assigned portions of the contract when the CO, QAD, PM or FAC determine that one is necessary.

4.5.4.6.5. Maintain a surveillance file as defined in Attachment 1.

**4.5.4.7. (Added) Master Surveillance Plan Development:** A Master Surveillance Plan (MSP) is required for every major service contract, and every launch services contract delegated to an AFSPC wing for QA in accordance with FAR Part 42.

4.5.4.7.1.2. Development of the MSP starts as early as possible, preferably at the time of requirements definition. MSPs are revised as circumstances and requirements change.

4.5.4.7.1.3. Development of the master surveillance plan (MSP) is the responsibility of the QAD or his/her representative, with assistance from the PM, FAC and CO. Consideration must be given to the contract's performance requirements, the risks of contractor non-performance and the CO's and customer's need to assure various areas of contract performance results are monitored, evaluated and reported. Just as contract quality requirements are tailored to meet the needs of each acquisition, the MSP (and area surveillance plans) should be constructed to ensure that the correct balance of contractor quality control and Government insight is obtained. This requires detailed analysis of the performance and cost risks of the contract, taking into consideration any repeat performance requirements or special warranties. The MSP and area surveillance plans should indicate that the degrees of government surveillance will change in reaction to any change in quality of the contractor's performance.

**4.5.4.7.2. MSP Development Point.** The MSP and supporting area surveillance plans should be developed concurrently with the SOW, Acquisition Plan and Source Selection Plan, preferably by the same individuals. Any changes in the SOW or contractor's quality control system resulting from negotiations are reflected by revising the surveillance plan(s) prior to contract start. At any time following contract award, the CO may revise the surveillance plan to reflect changes in the contractor's performance.

**4.5.4.7.3. MSP Contents.** As a minimum, each MSP should contain the following:

4.5.4.7.3.1. Description of the contract services to be evaluated.

4.5.4.7.3.2. Identification of contract performance and quality requirements (e.g., standard inspection clauses; ISO; contractor submitted, government approved quality plans; statement of work standards; etc.).

4.5.4.7.3.3. An organizational chart showing the program surveillance team structure. (QAD, PM, FACs, QAEs and QAS', etc.).

4.5.4.7.3.4. Description of the surveillance approach to be used. Include a description of specific surveillance techniques to be employed (e.g., sampling, process evaluation, management reviews, final acceptance). If there are area surveillance plans, list and attach them to the master surveillance plan. When multiple functional areas are involved in surveillance, indicate which functional area will do what surveillance. Example: If a Space Launch Squadron, the Quality Assurance Flight and Safety are to monitor contractor launch services, the MSP would delineate which office will do each aspect of surveillance.

4.5.4.7.3.5. Description of the documentation required to report the contractor's performance. This section details the requirements for QAEs and QAS' to maintain records, prescribes form(s) to use for reporting purposes, establishes whether a checklist is required and prescribes the format and frequency for the Certificate of Services if one is required by the CO. This section would also describe any special record keeping for input to the award fee process.

4.5.4.7.3.6. If the contract has an award fee provision, the MSP should include or reference the award fee evaluation criteria and the documentation gathering and reporting needs of the Award Review Board. An award fee plan is not a substitute for the MSP. It should however be built on contract performance standards which are the objective of our quality assurance efforts. Quality assurance documentation should form the foundation of award fee documentation to avoid unnecessary duplication of effort and ensure consistency in contractor evaluation.

**4.5.4.8. (Added) Surveillance Team Composition.** The composition of the surveillance team is dependent upon the size and complexity of the contract, as well as the number of functional areas represented in the SOW. If the contract has only one major functional area to be evaluated, a FAC and a minimal number of QAEs and/or QAS' may be adequate to provide surveillance.

4.5.4.8.1. Contract Quality Assurance Organization. Figures 1 and 2 depict the lines of contract QA authority described by this instruction.

**6.1.1. (Added) HQ AFSPC/LGCM QAM:** Is the Major Command (MAJCOM) focal point for the quality assurance program.

6.1.1.2. Provides guidance for the AFSPC quality assurance/evaluation program.

6.1.1.3. Assesses field activities' compliance with the direction set forth in this instruction.

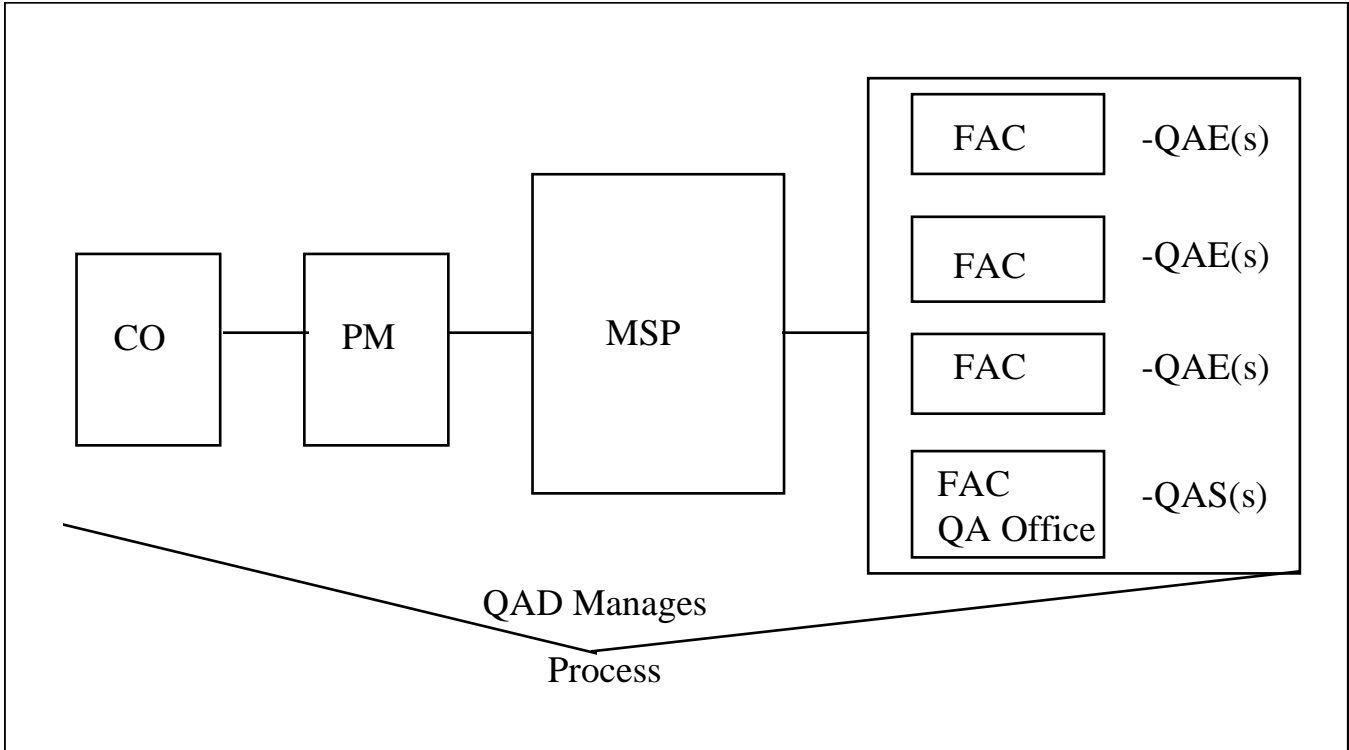
**6.2. 1. (Added) Wing Commanders:** Ensure their quality personnel have the appropriate authority, responsibility, proficiency and organizational freedom to pursue resolution of quality issues.

6.2.1.2. Ensure a quality assurance program is established and enforced to effectively evaluate the contractor's performance for each contract issued or administered by their contracting activity.

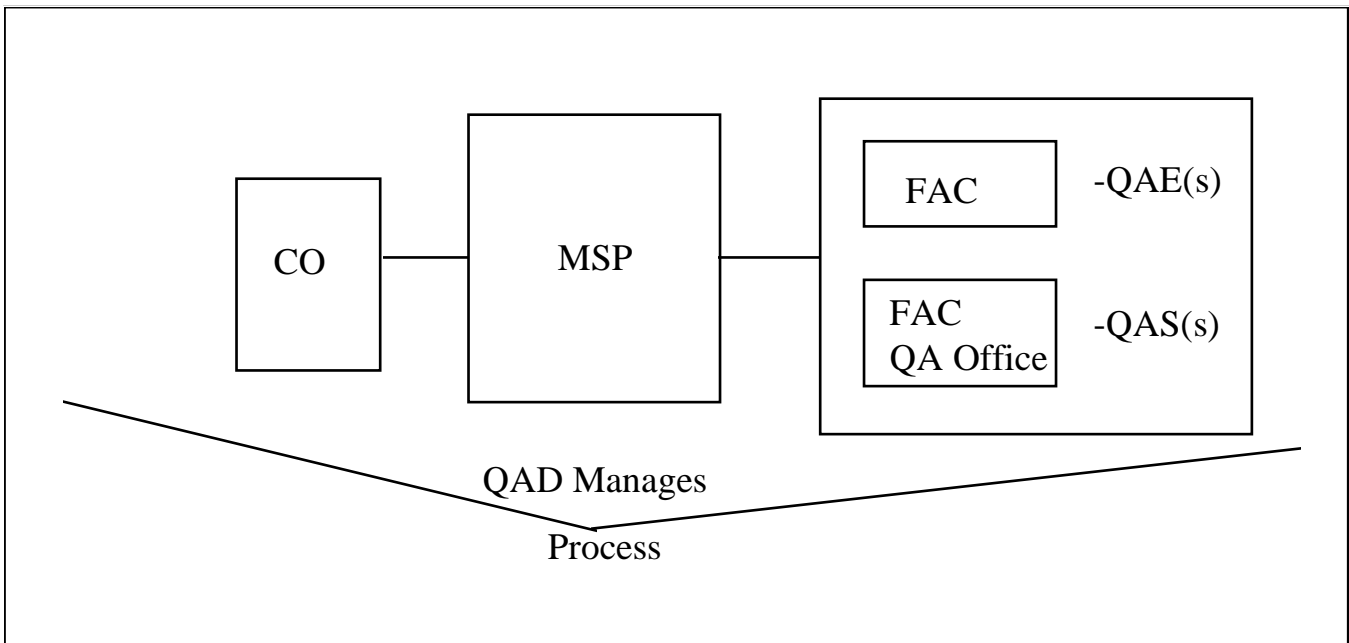
6.2.1.3. Designate a Quality Assurance Director (QAD) to manage all aspects of the Wing Quality Assurance Program as shown in Figures 1 and 2.

6.2.1.4. Designate a Program/Project Manager (PM) when a major service contract provides support to two or more independent Functional Area Chiefs (FAC). For purposes of this supplement, the role of the PM is to coordinate and pull together contract quality assurance, both in preaward planning and post award execution and surveillance. PMs may reside in one of the FAC's organizations or may be independent of the FACs. The existence of a PM does not relieve the FAC of responsibility for contractor surveillance of their portion of the major service contract. The flow of contract quality assurance authority, when there is a PM, is shown in Figure 1.

**Figure 1. Surveillance Team Organization (With PM).**



**Figure 2. Surveillance Team Organization (Without PM).**



**6.2.2. Functional Area Chiefs (FAC):** Are responsible for the surveillance of contractor's in their functional area. In consultation with the QAD, develop an area surveillance plan for assigned portions of the

contract (if the CO, QAD or PM determines that one is necessary). The QAD reviews the area surveillance plan and the CO approves the area surveillance plan. Area surveillance plans should be used when: (1) multiple functions are performed under one contract or (2) multiple geographic locations are covered by one contract.

6.2.2.2. Nominate (in writing to the CO) as many QAEs as necessary to perform surveillance of the contractor consistent with the MSP.

6.2.2.3. Ensure each QAE and QAS develops an area surveillance plan (ASP) (if one is determined to be required by the FAC, QAD or PM).

6.2.2.4. Ensure the QAE maintains a surveillance file as defined in Attachment 1.

6.2.2.5. Ensure QAEs do not have additional duties that interfere or conflict with their contract surveillance responsibilities.

## Attachment 2

### SAMPLE FAC DESIGNATION LETTER (ADDED)

#### Figure A2.1. Sample FAC Designation Letter.

MEMORANDUM FOR (Individual)

FROM: (Contracting Officer)

SUBJECT: Functional Area Chief (FAC), (Program name)

1. IAW with AFI63-501AFSPC1, you are the FAC for this contract and as such are responsible to provide the Contracting Officer (CO) with surveillance of contractor performance, to assist with the development of Master and Area Surveillance Plans, and to nominate quality assurance evaluators (QAEs), as required, to assist in your surveillance of the contractor's performance.

2. The FAC is not authorized to:

- a. Offer legal interpretations about the contract or its provisions.
- b. Direct changes to the statement of work.
- c. Incur an increase or decrease in the scope, price, terms, or conditions of the contract.
- d. Direct the disposition of any Government property accountable under the contract.
- e. Direct or authorize the contractor to acquire any property.
- f. Sign any contractual document, including letters, which require the signature of a contracting officer.
- g. Send letters of commendation, appreciation, or thanks to contractor personnel, as a result of contract performance.
- h. Be involved in supervision, selection, or rating of contractor employees.

3. Annually the FAC shall ensure that all Government personnel concerned understand that only contracting officers can legally commit the Government.

4. The undersigned CO may be contacted at (phone) for additional information.

(Signature)  
Contracting Officer

(Attachments)

cc:

(Contractor)

(Wing QA Director)



## Attachment 3

### SAMPLE QAE APPOINTMENT LETTER (ADDED)

Figure A3.1. QAE Appointment Letter.

MEMORANDUM FOR (Individual)

FROM: (Contracting Officer)

SUBJECT: Quality Assurance Evaluator (QAE)

1. In accordance with AFI63-501AFSPC 1, you are appointed the Quality Assurance Evaluator (QAE) for (contract number) effective (date). Your Functional Area Chief is (name).
2. Specific QAE duties are found in AFI63-501AFSPC 1, (local QA supplements), this QAE delegation letter, and the applicable master surveillance plans (inclusive of any are surveillance plans), contracting officer (CO) instructions, and information furnished by the wing training function.
3. General QAE duties include:
  - a. Monitoring and reporting the contractor's performance through the FAC to the contracting officer.
  - b. Maintenance of surveillance records.
  - c. Acceptance of contract specified services.
  - d. Maintain current knowledge of the contract.
4. The QAE does not have the authority to:
  - a. Offer legal interpretations about the contract or its provisions.
  - b. Direct changes to the statement of work.
  - c. Incur an increase or decrease in the scope, price, terms or conditions of the contract.
  - d. Direct the disposition of any Government property accountable under the contract.
  - e. Direct or authorize the contractor to acquire any property.
  - f. Sign any contractual document, including letters, which require the signature of a contracting officer.
  - g. Send letters of commendation, appreciation or thanks to contractor personnel as a result of contract performance.
  - h. Be involved in supervision, selection rating of contractor employee.
5. The appointment of (the previous QAE) is hereby rescinded (if applicable).
6. For additional information contact your FAC: (name, org) at (phone) or the undersigned.

(Attachments)  
cc:  
(Supervisor)  
(Contractor)  
(Wing QA Director)

(Signature)

JOHN D. LADIEU, Col, USAF  
Director of Logistics