

Army Regulation 702-14
AFR 74-8
NAVMATINST 4355.75A
DLAR 8200.8

Defense Quality Excellence Award Program (DQEAP)

Headquarters
Departments of the Army, Air Force, Navy,
and Defense Logistics Agency
Washington, DC
20 September 1984

UNCLASSIFIED

SUMMARY of CHANGE

AR 702-14/AFR 74-8/NAVMATINST 4355.75A/DLAR 8200.8
Defense Quality Excellence Award Program (DQEAP)

Not applicable.

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Effective 20 September 1984

Defense Quality Excellence Award Program (DQEAP)

BY ORDER OF THE DIRECTOR, DEFENSE LOGISTICS AGENCY:


GEORGE A. WHITE
Colonel, USAF
Staff Director, Administration


History. This publication has been reorganized to make it compatible with the Army electronic publishing database. No content has been changed.

Summary. This regulation provides guidance and procedures, and assigns responsibilities for the administration of DQEAP. This regulation implements DoD Instruction 4155.20, Defense Quality Excellence Award Program (DQEAP), and is applicable to the Military Services and DLA (hereinafter referred to collectively as DoD Components). DQEAP is a voluntary DoD quality performance-based motivational award program available to DoD contractors who have a contractual requirement for quality (FAR 46.202-2 and 46.202-3).

Applicability. This publication is applicable to the Military Services and DLA (hereinafter referred to collectively as DoD Components). The term Military Services, as used herein, refers to the Army, Navy, and Air Force.

Proponent and exception authority. The proponent of this regulation is the Staff Director, Administration, Defense Logistics Agency.

Army management control process. Not applicable.

Supplementation. Supplementation is permitted with approval of the DoD Component Headquarters.

Suggested Improvements. Not applicable.

Distribution.
Defense Logistics Agency: 62
Army: Active Army, ARNG, and USAR: To be distributed in accordance with DA Form 12-9A requirements for Product Assurance - D.
Navy: Defense Printing Service, Distribution Section, Rm BD 831, The Pentagon, Washington, DC 20350 (1,000 copies)
DPS distribute to: SNDL A2A (ONR only) (5 copies); A4A (25 copies); C4K (PMI only, Code 2014) (20 copies); E3A (5 copies each); FKA1A (Codes 518 &

519) (200 copies); FKA1B (5 copies); FKA1C (5 copies); FKA1F (Code 0311) (5 copies); FKA1G (Code 902) (100 copies); FKP (less FKP3A & FKP8) (5 copies each); FKP3A (20 copies); FKP8 (20 copies); FKR1B (20 copies); FKR2 (20 copies each); FKR4A (20 copies)
Stocked: Co, NAVPUBFORMCEN, 5801 Tabor Avenue, Philadelphia, 19120
Air Force: F
Marine Corps: 7000156, 160 (10) 6025002, 003 (5) Copy to: 8145

COORDINATION: DLA-AC, DLA-G, DLA-KS, DLA-PR, DLA-LP, DLA-LR, Army (AMCQA-P), Navy (MAT063), Air Force (AF/RDCM), Marine Corps (LMA-2-QA)

*This regulation supercedes DLAR 8200.8/AR 702-14/NAVMATINST 4355.75/AFR 74-8, 1 Jun 83.

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I. REFERENCES

- a. DoD Directive 4155.1, Quality Program.
- b. FAR 46, Contract Quality Assurance.

II. PURPOSE AND SCOPE

To provide guidance and procedures, and assign responsibilities for the administration of DQEAP. This regulation implements DoD Instruction 4155.20, Defense Quality Excellence Award Program (DQEAP), and is applicable to the Military Services and DLA (hereinafter referred to collectively as DoD Components). DQEAP is a voluntary DoD quality performance-based motivational award program available to DoD contractors who have a contractual requirement for quality (FAR 46.202-2 and 46.202-3). The term Military Services, as used herein, refers to the Army, Navy, and Air Force.

III. POLICY

The current policy of DoD is to:

- a. Place responsibility for the quality of products or services on the contractor.
- b. Encourage full contractor acceptance of that responsibility through contractual means.
- c. Enhance contractor performance through noncontractual motivational techniques.
- d. Promote DQEAP as a DoD-wide voluntary noncontractual, motivational program equally available to all defense prime contractors who receive continuing in-plant surveillance by Government contract administration office (CAO) quality assurance (QA) personnel.

IV. DEFINITIONS

a. *Contract Administration Office (CAO)*. An office that performs assigned postaward functions related to the administration of contracts and assigned preaward functions (FAR 2.1). The CAOs within DoD are listed in DoD 4105.59-H, DoD Directory of Contract Administration Services (CAS) Components.

b. *Contracting Offices/Program Management Offices (CO/PM)*. The office(s) responsible for implementing the policies and procedures in DoD FAR Supplement 46.170 and FAR 46.103, e.g., offices within: DLA Supply Centers, such as Defense Personnel Support Center (DPSC); Army Materiel Command (AMC) program manager offices and major subordinate commands, such as Tank Automotive Command (TACOM); Naval Material (NAVMAT) subordinate purchasing commands, such as Naval Air Systems Command (NAVAIR); Air Force Systems Command (AFSC) subordinate product divisions/ offices, such as Aeronautical Systems Division (ASD); Air Force Logistics Command (AFLC) subordinate Air Logistics Centers, such as Warner Robins Air Logistics Center (WR-ALC), etc.

c. *Critical/Significant Corrective Action Requests*. Reports or letters to the contractor's top management requesting corrective action on observed deficiencies and their causes for serious quality problems. These reports or letters often involve: identification of a significant quality system deficiency that has immediate impact on Government programs; sustained/repetitive quality deficiencies; and/or the discontinuance of in-plant Government Contract Quality Assurance (CQA) due to seriously discrepant conditions involving corrective action requests processed through the Administrative Contracting Officer (ACO) because all other efforts with the contractor have failed and the contractor has demonstrated the inability or unwillingness to comply with contract requirements. Examples of Critical/Significant Corrective Action Requests are: Method C and Method D Corrective Action in accordance with DLAM 8200.1, Procurement Quality Assurance; AFCMD Forms 47 color-coded "Red" in accordance with AFCMDR 178-1, etc.

d. *Defense Quality Excellence Advisory Board (DQEAB)*. Representatives of the DoD Components responsible for the development and management of DQEAP and advising on matters pertaining to DQEAP.

e. *Defense Quality Excellence Award Program (DQEAP)*. A noncontractual voluntary motivational program through which qualified contractors are awarded DoD recognition based upon an assessment of quality performance during a selected interval.

f. *Defense Quality Excellence Award Program (DQEAP) Award*. A dated DoD plaque and a DQEAP flag presented to a contractor by a DoD Component for office of the Secretary of Defense (OSD). A DQEAP Award represents the contractor's quality performance during the specified 12-month period (the DQEAP Review Period).

g. *Defense Quality Excellence Award Program (DQEAP) Review*. An assessment of a contractor's quality performance by the Government to determine if a contractor meets the eligibility criteria for the DQEAP Award. A DQEAP Review is only conducted when a contractor volunteers for the review.

h. *Defense Quality Excellence Award Program (DQEAP) Review Period*. A lookback period of 12 consecutive months preceding the DQEAP Review which ends with the date the contractor volunteers to undergo the DQEAP Review. For example, if the contractor volunteers to undergo the DQEAP Review on 22 Sep 82, the DQEAP Review Period for which the in-plant CAO QA personnel will apply the eligibility criteria in enclosure 1 would be the period of 23 Sep 81 to 22 Sep 82.

i. *Manufacturer*. A factory or establishment that produces on the premises the materials, supplies, articles, or equipment required under the contract and of the general character described by the specifications (FAR 22.606-1).

Contractors who merely distribute off-the-shelf items or only perform simple assembly of off-the-shelf items are not manufacturers. Contractors who engage in maintenance and overhaul type contracts are considered as manufacturers.

j. Materiel Deficiency Reports (MDRs). MDRs, as used in this regulation, are quality related deficiency reports issued in writing by receiving or using activities during the DQEAP Review Period which have been determined through CAO investigation to be the contractor's responsibility. MDRs are issued in writing by several vehicles such as: message; SF 368, Quality Deficiency Report (QDR), etc.

k. Nomination Package. Consists of the DD Form 1232, Quality Assurance Representative's Correspondence, and applicable attachments completed in accordance with enclosure 2; written positions from other CAO functional elements; written positions from applicable Contracting Offices/Program Management Offices (COs/PMs); and the CAO Commander's cover letter.

l. Percentage of QDR Responses On Time and Acceptable. A measurement of the timeliness and acceptability of contractor responses to QDRs during the DQEAP Review Period. A QDR response is *timely* when the contractor: meets established suspense date with action that corrects the deficiency and its cause; provides an interim response acceptable to the Government QAR; or requests and is granted an extension to the existing suspense date, and responds within that extended suspense date. A QDR response is *unacceptable* if it is returned/rejected in writing by the Government QAR because of inadequate contractor investigation and/or corrective action. This percentage is determined by dividing the number of contractor QDR responses which were both acceptable and timely by the total number of QDRs issued and then multiplying this result by 100.

m. Primary Level Field Activity (PLFA). The major organizational component of a Military Service or DLA to whom the CAO directly reports, e.g., Defense Contract Administration Services Region (DCASR), Air Force Contract Management Division (AFCMD), Air Force Contract Maintenance Center (AFCMC), NAVAIR, Naval Sea Systems Command (NAVSEA), Aviation Systems Command (AVSCOM), Armament, Munitions, and Chemical Command (AMCCOM), and TACOM.

n. Quality Assurance Man-hours (QAMs). QAMs are the total number of productive hours expended during the DQEAP Review Period by all CAO personnel performing in-plant CQA at the contractor's facility. Each DoD Component has its own system for collecting QAMs.

o. Quality Deficiency Records (QDRs). QDRs are those requests for corrective action issued to contractors during the DQEAP Review Period by in-plant Government QA personnel for product or system deficiencies where corrective action as to the deficiency and its cause is appropriate. Minor defects, where Government followup action is unnecessary, will not be counted as QDRs for the purpose of this regulation. In Defense Contract Administration Services Management Areas (DCASMA), Defense Contract Administration Services Plant Representative Offices (DCASPROs), Army Plant Representative Offices, and NAVAIR Navy Plant Representative Offices (NAVPROs), QDRs are normally issued on DD Form 1715, Quality Deficiency Record (Method B Corrective Action in DLAM 8200.1/AR 702-4/NAVMATINST 4355.69A/ AFR 74-15/MCO P4855.4A). In Air Force Plant Representative Offices (AFPROs), QDRs are normally issued on AFMCD Form 21 or AFCMD Form 47 (all those not color-coded "Red") in accordance with AFCMDR 74-1 and/or AFCMDR 178-1.

p. Timely and Acceptable MDR Responses. An MDR response is *timely* when the contractor: meets established suspense date with action that corrects the deficiency and its cause; investigates and provides an interim response acceptable to the Government QAR; or requests and is granted an extension to the existing suspense date and responds within that extended suspense date. An MDR response is *acceptable* if it is not returned/rejected by the Government because of inadequate contractor investigation and/or corrective action.

V. SIGNIFICANT CHANGES

The eligibility criteria in enclosure 1 of this regulation have been changed to make consideration for award more equitable for small contractors. The result is a change throughout the regulation. Also, all Defense Acquisition Regulation (DAR) references have been eliminated and replaced with the appropriate Federal Acquisition Regulation (FAR) references.

VI. RESPONSIBILITIES

a. DoD Components will:

(1) Provide a member to the DQEAB (Army member from AMC (AMCQA); Navy member from NAVMAT 06; Air Force member from AF/RDCM; Chair and Secretariat from DLA-Q).

(2) Administer policy and procedures in support of the nomination and approval of qualified contractors under their plant cognizance for the DQEAP award.

(3) Provide the necessary support, liaison, and participation for the presentation of awards.

(4) Ensure wide publicity for DQEAP and promote DQEAP within industry and Government in order to enhance the motivational aspects of the DQEAP Award.

b. The Executive Director, Quality Assurance, HQ DLA (DLA-Q) will:

(1) Provide the Chair to the DQEAB as well as the Secretariat.

(2) Maintain a central DoD file of DQEAP documents and DQEAP-related correspondence.

- (3) Fund for and purchase DQEAP flags and plaques.
- (4) Semiannually furnish copies of the list of DQEAP award recipients to Office of Under Secretary of Defense, Research and Engineering (OUSDR&E) and the Secretaries of the Military Services.
- c. The Commanders, U.S. Army Materiel Command, Naval Material Command, Air Force Systems Command, and Air Force Logistics Command, and the Director, DLA, will assure that the commanders of their PLFAs implement the provisions of this regulation.*
- d. The Commanders, PLFAs will:*
 - (1) Implement the provisions of this regulation and manage the program.
 - (2) Assure that qualified contractors volunteering for the program are considered for a DQEAP Award.
 - (3) Provide the necessary support, liaison, and participation for the presentation of awards.
 - (4) Appoint a DQEAP manager to serve as the focal point responsible for program administration and record retention.
- e. The Commanders, CAOs will:*
 - (1) Implement the provisions of this regulation and manage the program.
 - (2) Assure application of the eligibility criteria in enclosure 1 when contractors volunteer for a DQEAP Review.
 - (3) Assure that all contractors under their cognizance are made aware of the DQEAP on an annual basis.
 - (4) Assure that contractors meeting the eligibility criteria are nominated for a DQEAP Award.
 - (5) Ensure written positions from COs/PMs are obtained regarding suitability of nominations.
 - (6) Arrange for the presentation of DQEAP Awards at appropriate ceremonies.
- f. The Commanders of Contracting offices and Program Managers will ensure the prompt transmittal of written positions (to include written coordination with their QA elements) regarding suitability of contractors for DQEAP Awards when requested by CAOs in accordance with the procedures in this regulation.*
- g. Contractors will volunteer to undergo a DQEAP Review by CAO QA personnel when they desire to be considered for a DQEAP Award.*

VII. PROCEDURES

- a. CAO QA Personnel Responsible for Planning and Performing In-Plant CQA Actions in Accordance with FAR 46.4 will:*
 - (1) Inform all contractors under their cognizance of the DQEAP on an annual basis. This action must be documented. (Contractors with less than 450 Government QAMs or contractors supplying materiel for the Navy Nuclear Propulsion Program are ineligible for a DQEAP Award; therefore, it is not mandatory that they be informed of the DQEAP.)
 - (2) Review assigned contractors who volunteer to undergo a DQEAP Review by applying the DQEAP Award Eligibility Criteria in paragraphs 1 through 4 of enclosure 1. (Contractors who request a DQEAP Review and subsequently fail to meet the enclosure 1 criteria, must be told to wait 12 months before volunteering for another DQEAP Review. Contractors who withdraw their requests, must wait 12 months before they can reapply. Contractors who receive a DQEAP Award must volunteer to undergo another DQEAP Review in 12 months if they desire to receive another award.)
 - (3) Prepare DD Form 1232, Quality Assurance Representative's Correspondence, in accordance with the instructions in enclosure 2, to record the results of all DQEAP Reviews.
 - (4) Forward the DD Form 1232 to the Commander of the CAO or his/her designated representative.
 - (5) Place a copy of the forwarded DD Form 1232 in the QA files for the facility.
- b. The CAO Commander or his/her designated representative will:*
 - (1) Review DD Forms 1232 submitted by QA personnel for contractors who have failed to meet all the DQEAP Award Eligibility Criteria in paragraphs 1 through 4 of enclosure 1 for completeness and accuracy. Return complete and accurate DD Forms 1232 to QA personnel for their QA facility files. Return incomplete or inaccurate DD Forms 1232 to QA personnel for correction and resubmission if necessary.
 - (2) Review DD Forms 1232 submitted by QA personnel for contractors who met all the DQEAP Award Eligibility Criteria in paragraphs 1 through 4 of enclosure I for completeness and accuracy. Return incomplete or inaccurate DD Forms 1232 to QA personnel for correction and resubmission. For complete and accurate DD Forms 1232, take the following actions:
 - (a)* Determine whether or not the contractor has created any significant defense-wide quality problem(s) resulting in adverse publicity, degradation of defense readiness, or significant costs to the Government during the past 5 years. An affirmative determination makes the contractor ineligible for a DQEAP Award in accordance with paragraph 5 of enclosure 1, and the DD Form 1232 should be sent back to the QA originator with a cover letter summarizing this determination.
 - (b)* Request written positions from the other functional elements in the CAO regarding the contractor's suitability for the DQEAP Award. If the contractor is seriously delinquent in meeting delivery schedules, has serious financial problems, or has any other serious contractual compliance problems regarding cost, security, Government property,

etc., the contractor should not receive a DQEAP Award. Under these circumstances, the DD Form 1232 should be sent back to the QA originator with a cover letter summarizing the circumstances and the written positions of the other CAO functional elements.

(c) Request written positions from each contracting office/program manager (CO/PM) who had at least one active contract with the contractor and whose total contract dollar value was at least \$100,000 during the DQEAP Review Period. (A list of COs/PMs should be attached to the DD Form 1232 submitted by the QA originator to facilitate this process. See paragraph 7j of enclosure 2.) The request(s) should specifically ask that the QA/product assurance element supporting the CO/PM be contacted for a written position regarding the suitability of the contractor to receive a DQEAP Award. Furthermore, the request should ask that the written position of the CO/PM be forwarded within 30 days. These written positions should be carefully reviewed when making the determination required in subparagraph B2a above.

(d) For contractors who are still eligible for the DQEAP Award after the actions required in subparagraphs B2a through c above have been performed, submit a complete nomination package (consisting of the DD Form 1232 and attachment(s), written positions of other CAO functional elements, written positions of all applicable COs/PMs, and CAO Commander cover letter) to the Commander of the PLFA within 45 days after receipt of the DD Form 1232 from the QA originator.

c. The PLFA Commander or his designated representative will:

(1) Review the complete nomination package and approve/disapprove the award. The QA element within the PLFA must be consulted during this process to ensure that a DQEAP Award is not presented to a contractor who has created a significant defense-wide quality problem resulting in adverse publicity, degradation of defense readiness, or significant costs to the Government in the past 5 years (see paragraph 5 of enclosure 1).

(2) Notify in writing the CAO (and the QA originator through the CAO), and the COs/PMs of a disapproval decision within a 15-day time frame. (Notification of PLFA approval decisions will not be made until a DQEAP Award plaque and flag have been received from the Chief, Program and Systems Management Division, Executive Directorate, Quality Assurance (DLA-QR). This prevents notifying the contractor of an approval decision that is subsequently vetoed by the DQEAB under subparagraph D.)

(3) When an approval decision is made, requisition the DQEAP plaque (see enclosure 3) and flag from DLA-QR within a 15-day time frame. Requisitions, along with a copy of the complete nomination package, will be submitted to HQ DLA, ATTN: DLA-QR, Cameron Station, Alexandria, Virginia 22304-6100.

(4) Upon receipt of the DQEAP Award plaque and flag from DLA-QR, notify in writing the CAO (and the QA originator through the CAO) and applicable COs/PMs of the approval decision within a 15-day time frame.

(5) Upon receipt of notification from DLA-QR that the DQEAB has vetoed the approval decision, notify in writing the CAO (and the QA originator through the CAO) and applicable COs/PMs of the disapproval decision within a 15-day time frame.

d. DQEAB Veto Authority. DLA-QR will notify DQEAB members and the Chief, Quality and Production Division, Executive Directorate, Contracting (DLA-PR) of all PLFA approval decisions within 7 days of receipt of the plaque and flag requisition. The cognizant DoD Component DQEAB member (the one who has CAO cognizance) or a majority of the full DQEAB membership may exercise a veto over any DQEAP Award approved by a PLFA. This veto will normally be exercised to prevent recognizing a contractor who has created a significant defense-wide quality problem in the past 5 years (see paragraph 5 of enclosure 1). This veto authority should be exercised within 21 days of the receipt of the PLFA plaque and flag requisition in DLA-QR.

e. Award Presentation

(1) After receipt of the approval decision, plaque, and flag from the PLFA, the CAO will advise the contractor's top management that they will receive the DQEAP Award and will arrange for a joint DoD/contractor DQEAP ceremony at the contractor's plant.

(2) Prior to the award presentation, the CAO will advise the contractor, in writing, of the conditions for the use of the DQEAP flag and plaque (e.g., period of time, display, follow-on awards, and advertisement). (See enclosure 4.)

(3) Once the DQEAP Award Ceremony details have been finalized, the date of the ceremony should be provided by the PLFA to DLA-QR. Also, the PLFA shall provide the OUSDR&E, The Pentagon, Washington, D.C. 20301, with the following information regarding the DQEAP Award Ceremony: Contractor name and mailing address; date, time, and location of the DQEAP Ceremony; Government point-of-contact (name and telephone number); and contractor point-of-contact (name and telephone number).

f. CAOs will discuss rationale for disapproval of DQEAP Awards if requested by contractor top management. Normally, the CAO QA Division Chief or Commander should discuss the rationale for disapproval.

VIII. FORMS AND REPORTS

DD Form 1232 will be completed as required by paragraph VII and instructions for completing DD Form 1232 (enclosure 2) of this regulation.

Appendix A

Encl 1—DQEAP AWARD ELIGIBILITY CRITERIA

1. The contractor must be a manufacturer as defined in paragraph IVI.
2. Contractors supplying materiel for the Navy Nuclear Propulsion Program are ineligible.
3. The contractor must have at least one prime contract (includes manufacturing locations cited in the prime contract which receive complete in-plant CQA surveillance by the Government under automatic delegations) from a DoD purchasing office which contains a quality requirement of the level specified in FAR 46.202-2 or 46.202-3, i.e., Standard Inspection Requirements, or Higher-Level Contract Quality Requirements and, a requirement for Government CQA at Source. The contractor must have performed continuously as a manufacturer under such a contract or contracts for at least 12 consecutive months preceding the DQEAP Review (this is known as the DQEAP Review Period which is defined in paragraph IVH).
4. The contractor must meet every one of the following criteria for a 12 consecutive months DQEAP Review Period (see paragraph 3 above) for the appropriate category:
 - (a) Category 1 - Contractor Facilities with 10,000 or more Government QAMs during the DQEAP Review Period:
 - (1) Not more than 2.50 QDRs per 1,000 Government QAMs.
 - (2) Not less than 94 percent of the QDR responses on time and acceptable.
 - (3) Not more than 1.00 MDRs per 1,000 Government QAMs. In addition, all MDR responses must be timely and acceptable (see paragraph IVP).
 - (4) Zero Critical/Significant Corrective Action Requests allowed.
 - (b) Category 2 - Contractor Facilities with 1,000 to 9,999 Government QAMs during the DQEAP Review Period:
 - (1) Not more than one QDR per 1,000 Government QAMs.
 - (2) All QDRs on time and acceptable.
 - (3) Zero MDRs allowed.
 - (4) Zero Critical/Significant Corrective Action Requests allowed.
 - (c) Category 3 - Contractor facilities with 450 to 999 Government QAMs during the DQEAP Review Period:
 - (1) Zero QDRs.
 - (2) Zero MDRs.
 - (3) Zero Critical/Significant Corrective Action Requests.
 - (4) Must have at least 450 QAMs with at least one QAM recorded for each month in the 12-month DQEAP Review Period.
5. Contractors who have created significant defense-wide quality problems resulting in adverse publicity, degradation of defense readiness, or significant costs to the Government are ineligible for a DQEAP Award for 5 years following Government corrective action approval and closeout. This particular ineligibility judgment must be made at the CAO Commander level or above.

Appendix B

Encl 2—INSTRUCTIONS FOR PREPARATION OF DD FORM 1232 TO RECORD THE RESULTS OF DQEAP REVIEWS

1. Enter the CAO Commander's complete mailing address in the "TO:" block.
2. Block 2, FROM: Enter the name, complete mailing address, and telephone number of the individual responsible for the complete Government in-plant CQA program at the contractor's facility in this block. For example, this individual is the Quality Assurance Representative assigned to a facility under DCASMA/DCASPRO cognizance, the QA Division Chief in an AFPRO, etc.
3. Leave Blocks 3 and 4 blank.
4. Block 5, PRIME, CONTRACTOR NAME, ADDRESS AND ZIP CODE: Enter the name of the prime contractor which underwent the DQEAP review and its complete mailing address in this block.
5. Block 6, PLANT NAME, ADDRESS AND ZIP CODE: Enter the name and complete mailing address of a manufacturing location listed in a prime contract which receives complete in-plant Government CQA surveillance under automatic delegations (CAO cognizant at the manufacturing location automatically receives copies of the prime contract) in this block, if such a facility underwent the DQEAP review. Otherwise, leave block 6 blank.
6. Enter "DQEAP Review" next to "SUBJECT:".
7. In the space provided below "SUBJECT:" make the following entries when required:

- (a) Always enter the DQEAP Review Period of 12 consecutive months by including the beginning and ending dates, e.g., "DQEAP Review Period: 1 Sep 82 - 31 Aug 83."
- (b) Always enter the highest level contract quality requirement which was in effect for all 12 months. For example, if the Standard Inspection Requirements and MIL-1-45208A were in effect for 6 months and Standard Inspection Requirements and MIL-Q-9858A were in effect for the other 6 months, enter MIL-1-45208A. (MIL-Q-9858A requires everything which MIL-1-45208A does plus additional controls; therefore, if MIL-Q-9858A was in effect, MIL-1-45208A controls were, in essence, also in effect at the same time. Thus, MIL-1-45208A was, in essence, in effect during all 12 months of the DQEAP Review Period.)
- (c) Always enter the number of Government QAMs applicable at the contractor's facility during the DQEAP Review Period.
- (d) Always enter whether the contractor falls into Category 1, Category 2, or Category 3 based on the number of Government QAMs in accordance with paragraph 4 of enclosure 1.
- (e) Based upon the results of the DQEAP Review conducted in accordance with paragraph VIIA2, enter whether or not the contractor meets all of the DQEAP Award Eligibility Criteria in paragraphs 1 through 4 (4a, 4b, or 4c as applicable) of enclosure 1.
- (f) If the contractor fails to meet any single criterion, the contractor is ineligible to receive the DQEAP Award. If this is the case, enter the reason or reasons for the ineligibility, e.g.: contractor was not a manufacturer as defined in this regulation; contractor supplies materiel for the Navy Nuclear Propulsion Program; contractor did not have at least one prime contract from a DoD purchasing office which contained a quality requirement of the level specified in FAR 46.202-2 or 46.202-3 with CQA specified for performance at source, for each month of the DQEAP Review Period; Category 1 Contractor with more than 2.50 QDRs per 1,000 QAMs; Category 1 Contractor with less than 94 percent of QDR responses on time and acceptable; Category 1 Contractor with more than 1.00 MDRs per 1,000 QAMs; Category 1 Contractor with one or more MDR responses which was/ were not timely or acceptable; Category 1, Category 2, or Category 3 Contractor with one or more Critical/Significant Corrective Action Requests; Category 2 Contractor with more than one QDR per 1,000 Government QAMs; Category 2 Contractor with one or more MDRs; Category 2 Contractor not having at least one Government QAM recorded for each month of the DQEAP Review Period; Category 3 Contractor with one or more QDRs; Category 3 Contractor with one or more MDRs; Category 3 Contractor with one or more months of no Government QAMs. For contractors failing enclosure 1, paragraph 4 criterion, the exact number of Critical/Significant Corrective Action Requests, QDRs, and MDRs (for both Category 1, Category 2, and Category 3 Contractors) must be entered, as well as the specific percentage of QDR responses on time and acceptable (for Category 1 and Category 2 Contractors) and the exact number of MDR responses which were not timely or acceptable (for Category 1 Contractors). Also, the calculations of paragraphs 4a and 4b of enclosure 1 must be entered for Category 1 and 2 Contractors. These calculations are performed as follows:
- (1) The Number of QDRs per 1,000 Government QAMs is determined by dividing the total number of QDRs issued during the DQEAP Review Period by the total number of QAMs during the DQEAP Review Period and then multiplying this result by 1,000. Round to two decimal places.
- (2) The Percentage of QDR Responses On Time and Acceptable is determined by dividing the number of contractor QDR responses during the DQEAP Review Period which were both acceptable and timely by the total number of QDRs issued during the DQEAP Review Period and then multiplying this result by 100. Round to two decimal places.
- (3) The Number of MDRs per 1,000 Government QAMs is determined by dividing the number of MDRs judged to be the contractor's responsibility by the CAO during the DQEAP Review Period by the total number of QAMs during the DQEAP Review Period and then multiplying this result by 1,000. Round to two decimal places.
- (g) If the contractor meets all the criteria in paragraphs 1 through 4 (4a, 4b, or 4c as applicable) of enclosure 1, the contractor is eligible to be considered further for a DQEAP Award Approval by the PLFA Commander through the CAO Commander. When this is the case, the exact number of Critical/Significant Corrective Action Requests, QDRs, and MDRs (for both Category 1 and Category 2 Contractors) must be entered, as well as the specific percentage of QDR responses on time and acceptable (for Category 1 and Category 2 Contractors) and the exact number of MDR responses which were not timely or acceptable (for Category 1 Contractors). Also, the calculations of paragraphs 4a and 4b of enclosure I must be entered for Category 1 and 2 Contractors. These calculations are performed in the same manner outlined in subparagraphs 7f(1), (2), and (3) of this enclosure.
- (h) For contractors who meet all the criteria in paragraphs 1 through 4 (4a, 4b, or 4c, as applicable) of enclosure 1, the individual identified in block 2 of the DD Form 1232 (see paragraph 2 of this enclosure) must enter whether or not any evidence is available to his/her knowledge that would render the contractor ineligible for a DQEAP Award based on the criteria outlined in paragraph 5 of enclosure 1. If such evidence is available, it must be summarized or attached to the DD Form 1232.
- (i) Enter a request for the CAO Commander (or his/her designated representative) to review and return the DD Form 1232 to the QAR/QA element cognizant at the facility in accordance with paragraph VIIB1 of this regulation when the contractor is ineligible for a DQEAP Award.
- (j) Enter a request for the CAO Commander (or his/her designated representative) to obtain written positions from other CAO functional elements and all applicable COs/PMs in accordance with paragraph VIIB2 of this regulation. A

list of all COs/PMs having active contracts with Standard inspection Requirements, MIL-I-45208A, and/or MIL-Q-9858A quality requirements at the facility during the DQEAP Review Period will be attached to the DD Form 1232 to aid in this process. A statement referring to this list will be entered on the face of the DD Form 1232.

(k) If additional space is needed to enter all the information required by subparagraphs 7a through 7j of this enclosure, the information must be included on plain bond paper attached to the DD Form 1232 and cross-referenced to the "SUBJECT" block subparagraph of the DD Form 1232.

8. *Block 7, SIGNATURE OF QAR:* The individual identified in block 2 of the DD Form 1232 must sign his/her name in this block.

9. *Block 8, DATE:* The individual who signed block 7 of the DD Form 1232 must enter the date he/she signed his/her name.

10. Examples of properly executed DD Forms 1232 for various conditions are contained as enclosures 5, 6, 7, 8, and 9 of this regulation as follows:

(a) Enclosure 5 is an example of a properly completed DD Form 1232 for a Category 1 Contractor who has failed to meet a DQEAP Award Eligibility Criteria of enclosure 1.

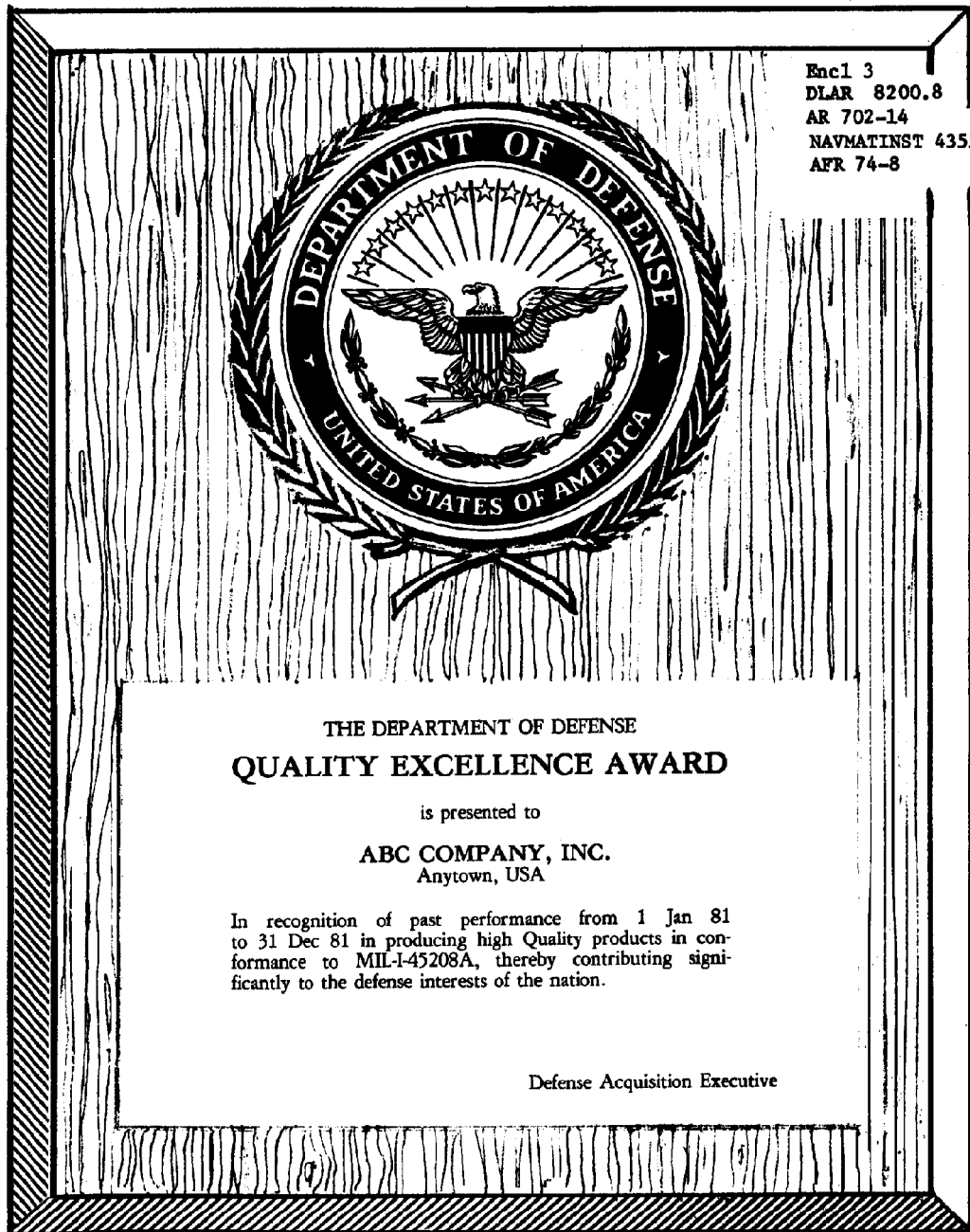
(b) Enclosure 6 is an example of a properly completed DD Form 1232 for a Category 3 Contractor who has failed to meet a DQEAP Award Eligibility Criteria of enclosure 1.

(c) Enclosure 7 is an example of a properly completed DD Form 1232 for a Category 1 Contractor who has met all the DQEAP Award Eligibility Criteria in paragraphs I through 4 (subparagraph 4a) of enclosure 1.

(d) Enclosure 8 is an example of a properly completed DD Form 1232 for a Category 2 Contractor who has met all the DQEAP Award Eligibility Criteria in paragraphs 1 through 4 (subparagraph 4b) of enclosure 1.

(e) Enclosure 9 is an example of a properly completed DD Form 1232 for a Category 2 Contractor who has failed to meet a DQEAP Award Eligibility Criteria in paragraphs I through 4 (subparagraph 4b) of enclosure 1.

Appendix C
Encl 3—QUALITY EXCELLENCE AWARD



7'' x 9'' Walnut Plaque with Metalphoto
Inscription Plate and Color Emblem (2'')

Figure C. Quality Excellence Award

Appendix D

Encl 4—CONDITIONS FOR THE USE OF THE DQEAP FLAG AND PLAQUE AND DQEAP AWARD ADVERTISEMENT

1. Contractors should agree to display the DQEAP flag only for a period of 12 months following the date of the DQEAP Award. A new DQEAP flag will be awarded to the contractor if a follow-on award is received.

2. The DQEAP flag should only be flown in the facility that received the award.

3. The DQEAP plaque should only be displayed in the facility that received the award. Because the DQEAP plaque shows the period to which the DQEAP Award applies, it may be displayed as long as desired by the contractor.

4. Contractor advertisements mentioning or concerning DQEAP Awards, flags, and plaques, are limited to the following written or oral statement:

“ _____ Corporation/Company, etc. of _____ (location and exact facility title) received the Department of Defense’s Quality Excellence Award in recognition of its past performance from _____ to _____ in producing high quality products in conformance to _____ (MIL-Q-9858A, MIL-1-45208A, Standard inspection Requirements FAR 46.202-2), thereby contributing significantly to the Defense interests of the nation.”

The contractor may advertise the award only for a period of 12 months after the award.

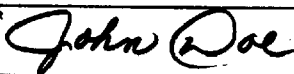
No Government indicia of any type may be displayed in the contractor’s advertisement.)

5. The contractor will receive one DQEAP plaque and one DQEAP flag at the time of the award.

Appendix E
 Encl 5—QUALITY ASSURANCE REPRESENTATIVE'S CORRESPONDENCE

- EXAMPLE -

Encl 5, DLAR 8200.8
 AR 702-14
 NAVMATINST 4355.75A
 AFR 74-8

QUALITY ASSURANCE REPRESENTATIVE'S CORRESPONDENCE			
1. TO: Commander DCASMA Detroit McNamara Federal Building 477 Michigan Avenue Detroit, MI 48226		2. FROM: (Name, address, ZIP Code, and office telephone number) John Doe, DCASMA QAR XYZ Co. - (313) 226-5999 111 Main Street Detroit, MI 48226	
3. CONTRACT, P. O., OR O. I. NUMBER		4. ITEM	
5. PRIME CONTRACTOR NAME, ADDRESS AND ZIP CODE XYZ Company 111 Main Street Detroit, MI 48226		6. PLANT NAME, ADDRESS AND ZIP CODE	
SUBJECT: DQEAP Review 1. DQEAP Review Period: 1 Jul 82 - 30 Jun 83. 2. Contract Quality Requirement: MIL-Q-9858A. 3. Number of Government QAMs: 20,000 4. XYZ Company is a Category I contractor. 5. XYZ Company fails to meet all the DQEAP Award Eligibility Criteria in DLAR 8200.8. 6. The XYZ Company is ineligible because it had more than 2.50 QDRs per 1,000 QAMs. 7. The XYZ Company had Zero Critical/Significant Corrective Action Requests, 60 QDRs, 10 MDRs (all MDR responses were timely and acceptable), and 95 percent of its QDR responses on time and acceptable during the DQEAP Review Period. 8. The DLAR 8200.8, enclosure 1, paragraph 4a calculations are as follows: a. Number of QDRs per 1,000 Government QAMs is 3.00. $(60 \div 20,000) (1,000) = 3.00$ b. Percentage of QDR responses on time and acceptable is 95 percent. $(57 \div 60) (100) = 95.00$ c. Number of MDRs per 1,000 Government QAMs is 0.50. $(10 \div 20,000) (1,000) = 0.50$ 9. Request return of this documentation for the QA files after your review in accordance with DLAR 8200.8, paragraph VII B1.			
7. SIGNATURE OF QAR 		8. DATE 11 Jul 83	

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Figure E. Quality Assurance Representative's Correspondence—Continued

Appendix F

Encl 6—QUALITY ASSURANCE REPRESENTATIVE'S CORRESPONDENCE—continued

- EXAMPLE -

Encl 6, DLAR 8200.8
AR 702-14
NAVMATINST 4355.75 A
AFR 74-8

QUALITY ASSURANCE REPRESENTATIVE'S CORRESPONDENCE	
1. TO: Commander DCASMA Van Nuys 6230 Van Nuys Blvd. Van Nuys, CA 91408	2. FROM: (Name, address, ZIP Code, and office telephone number) Jane Smith, DCASMA QAR ABC Co. - (213) 997-9999 111 Fourth Street Van Nuys, CA 91408
3. CONTRACT, P. O., OR O. I. NUMBER	4. ITEM
5. PRIME CONTRACTOR NAME, ADDRESS AND ZIP CODE ABC Company 111 Fourth Street Van Nuys, CA 91408	6. PLANT NAME, ADDRESS AND ZIP CODE
<p>SUBJECT: DQEAP Review</p> <ol style="list-style-type: none"> DQEAP Review Period: 1 Oct 82 - 30 Sep 83. Contract Quality Requirement: Standard Inspection Requirements. Number of Government QAMs: 500 ABC Company is a Category 3 contractor. ABC Company fails to meet all the DQEAP Award Eligibility Criteria in DLAR 8200.8. The ABC Company is ineligible because it had more than three MDRs per 1,000 QAMs. The ABC Company had Zero Critical/Significant Corrective Action Requests, zero QDRs, and three MDRs during the DQEAP Review Period. Request return of this documentation for the QA files after your review in accordance with DLAR 8200.8, paragraph VII B1. 	
7. SIGNATURE OF QAR <i>Jane Smith</i>	8. DATE <i>6 Sep 83</i>

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Figure F. Quality Assurance Representative's Correspondence—Continued

Appendix G
 Encl 7—QUALITY ASSURANCE REPRESENTATIVE'S CORRESPONDENCE—continued

- EXAMPLE -

Encl 7, DLAR 8200.8
 AR 702-14
 NAVMATINST 4355.75A
 AFR 74-8

QUALITY ASSURANCE REPRESENTATIVE'S CORRESPONDENCE	
1. TO: Commander AFPRO DEF Company P.O. Box 222 Dayton, OH 45424	2. FROM: (Name, address, ZIP Code, and office telephone number) Joe Smith, AFQAR AFPRO DEF Co. - (513) 233-2111 P.O. Box 222 Dayton, OH 45424
3. CONTRACT, P. O., OR O. I. NUMBER	4. ITEM
5. PRIME CONTRACTOR NAME, ADDRESS AND ZIP CODE DEF Company Dayton, OH 45424	6. PLANT NAME, ADDRESS AND ZIP CODE
SUBJECT: DQEAP Review 1. DQEAP Review Period: 10 May 82 - 9 May 83. 2. Contract Quality Requirement: MIL-Q-9858A. 3. Number of Government QAMs: 89,011. 4. DEF Company is a Category 1 contractor. 5. DEF Company meets all the DQEAP Award Eligibility Criteria in AFR 74-8, paragraphs 1 through 4 of enclosure 1. 6. The DEF Company had Zero Critical/Significant Corrective Action Requests, 145 QDRs, 6 MDRs (all MDR responses were timely and acceptable), and 94.48 percent of its QDR responses on time and acceptable during the DQEAP Review Period. 7. The paragraph 4a, enclosure 1, AFR 74-8 calculations are as follows: a. Number of QDRs per 1,000 Government QAMs is 1.63. $(145 \div 89,011) (1,000) = 1.63$ b. Percentage of QDR responses on time and acceptable is 94.48 percent. $(137 \div 145) (1,000) = 94.48$ c. Number of MDRs per 1,000 Government QAMs is .07. $(6 \div 89,011) (1,000) = .07$ 8. There is no evidence available to my knowledge that the DEF Company has created any significant defense-wide quality problems during the past 5 years which would make it ineligible for the DQEAP Award in accordance with AFR 74-8, enclosure 1, paragraph 5. 9. Request you arrange to obtain written positions from other CAO functional elements and all applicable COs/PMs as required by AFR 74-8, paragraph VIIB2. A list of COs/PMs who had active contracts with the DEF Company during the DQEAP Review Period is attached as enclosure 1.	
7. SIGNATURE OF QAR 	8. DATE 24 May 83

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Figure G. Quality Assurance Representative's Correspondence—Continued

Appendix H
 Encl 8—QUALITY ASSURANCE REPRESENTATIVE'S CORRESPONDENCE—continued

- EXAMPLE -

Encl 8, DLAR 8200.8
 AR 702-14
 NAVMATINST 4355.75A
 AFR 74-8

QUALITY ASSURANCE REPRESENTATIVE'S CORRESPONDENCE	
1. TO: Commander DCASMA Hartford 96 Murphy Road Hartford, CT 06114	2. FROM: (Name, address, ZIP Code, and office telephone number) Mary Doe, DCASMA QAR UVW Co. - (203) 244-9999 111 40th Street Hartford, CT 06114
3. CONTRACT, P. O., OR O. I. NUMBER	4. ITEM
5. PRIME CONTRACTOR NAME, ADDRESS AND ZIP CODE UVW Company 111 40th Street Hartford, CT 06114	6. PLANT NAME, ADDRESS AND ZIP CODE
SUBJECT: DQEAP Review 1. DQEAP Review Period: 1 Sep 82 - 31 Aug 83. 2. Contract Quality Requirement: MIL-I-45208A. 3. Number of Government QAMs: 2,839. 4. UUV Company is a Category 2 contractor. 5. UUV Company meets all the DQEAP Award Eligibility Criteria in DLAR 8200.8, paragraphs 1 through 4 of enclosure 1. 6. The UUV Company had Zero Critical/Significant Corrective Action Requests, 0 QDRs, 0 MDRs during the DQEAP Review Period. 7. However, there is evidence available which indicates that the UUV Company created significant defense-wide quality problems during the past 5 years which would make it ineligible for the DQEAP Award in accordance with paragraph 5 of enclosure 1 to DLAR 8200.8. This evidence is attached as enclosure 1. 8. Request you arrange to obtain written positions from other CAO functional elements and all applicable COs/PMS as required by DLAR 8200.8, paragraph VIIB2. A list of COs/PMS who had active contracts with the UUV Company during the DQEAP Review Period is attached as enclosure 2.	
7. SIGNATURE OF QAR <i>Mary Doe</i>	8. DATE <i>12 Sep 83</i>

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Figure H. Quality Assurance Representative's Correspondence—Continued

- EXAMPLE -

Encl 9, DLAR 8200.8
 AR 702-14
 NAVMATINST 4355.75A
 AFR 74-8

QUALITY ASSURANCE REPRESENTATIVE'S CORRESPONDENCE	
1. TO: Commander DCASMA New Orleans 13800 Old Gentilly Highway New Orleans, LA 70189	2. FROM: (Name, address, ZIP Code, and office telephone number) Digger Mac, DCASMA QAR 12-Ton Machine Co. - (504) 255-9999 301 Halla Avenue New Orleans, LA 70001
3. CONTRACT, P. O., OR O. I. NUMBER	4. ITEM
5. PRIME CONTRACTOR NAME, ADDRESS AND ZIP CODE 12-Ton Machine Company 301 Halla Avenue New Orleans, LA 70001	6. PLANT NAME, ADDRESS AND ZIP CODE
SUBJECT: DQEAP Review 1. DQEAP Review Period: 13 Jan 83 - 12 Jan 84. 2. Contract Quality Requirement: MIL-Q-9858A. 3. Number of Government QAMs: 9,840. 4. The 12-Ton Machine Company is a Category 2 contractor. 5. The 12-Ton Machine Company fails to meet all the DQEAP Award Eligibility Criteria in DLAR 8200.8. 6. The 12-Ton Machine Company is ineligible because it had more than one QDR per 1,000 Government QAMs. 7. The 12-Ton Machine Company had Zero Critical/Significant Corrective Action Requests, 11 QDRs, 0 MDRs, and 100% of its QDR responses were on time and acceptable during the DQEAP Review Period. 8. The DLAR 8200.8, enclosure 1, paragraph 4b calculations are as follows: a. Number of QDRs per 1,000 Government QAMs is 1.12. $(11 \div 9,840) (1,000) = 1.12.$ b. Percentage of QDR responses on time and acceptable is 100%. $(11 \div 11) (100) = 100\%.$ 9. Request return of this documentation for the QA files after you review in accordance with DLAR 8200.8, paragraph VII B1.	
7. SIGNATURE OF QAR <i>Digger Mac</i>	8. DATE <i>20 Jan 84</i>

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Figure I. Quality Assurance Representative's Correspondence—Continued

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