

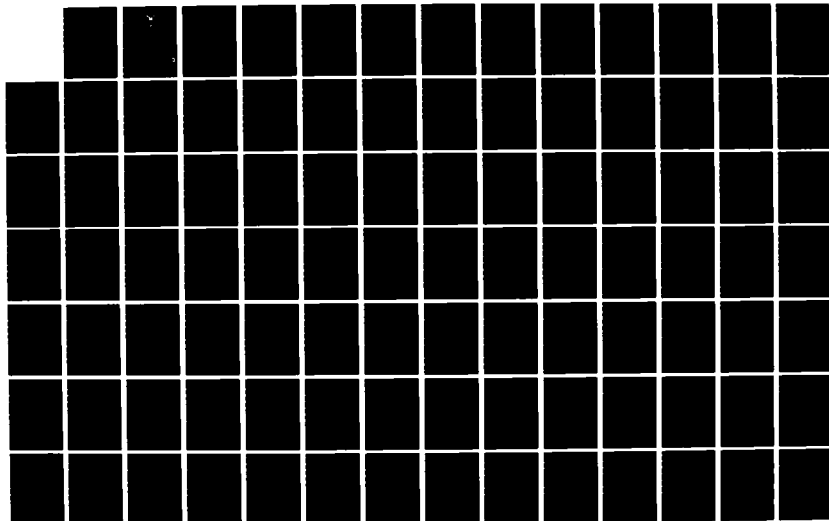
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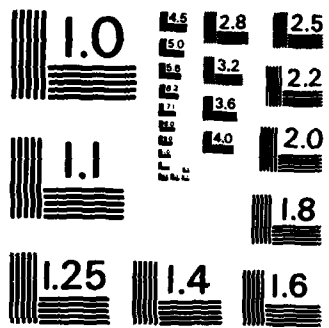
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**THE PLANT REPRESENTATIVE OFFICE:
A STUDY OF THE DEPARTMENT OF DEFENSE
PLANT COGNIZANCE PROGRAM AND THE
EFFECTS OF PLANT COGNIZANCE CHANGES**

Thesis

Julius Clark Jr.
Captain, USAF

AFIT/GLM/LSP/85S-14

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THE PLANT REPRESENTATIVE OFFICE: A STUDY OF THE DEPARTMENT
OF DEFENSE PLANT COGNIZANCE PROGRAM AND THE EFFECTS OF
PLANT COGNIZANCE CHANGES

THESIS

Presented to Faculty of the School of Systems and Logistics
of the Air Force Institute of Technology

Air University

In Partial Fulfillment of the
Requirements for the Degree of
Master of Science in Logistics Management

Julius Clark Jr., B.S.

Captain, USAF

September 1985

Approved for public release; distribution unlimited

Preface

The purpose of this study was to identify the effects a plant cognizance change has on the contract administration services provided by the Plant Representative Office. The research area was chosen due to the recent report about changing the structure of the Department of Defense Plant Cognizance Program.

In conducting this study, I received a great deal of guidance from staff members of the Air Force Institute of Technology. My sincere gratitude is expressed to Captain Holly R. Conner and Captain Wendy Motlong for contributing their time and expertise to this project.

I wish to thank my wife Linelle and my son J. Wesley for providing me with love, patience, and understanding during this academic year.

I will be forever indebted to God, our creator, for giving me the skills to complete this task.

Julius Clark Jr.

Table of Contents

	Page
Preface.....	ii
List of Tables.....	v
List of Definitions.....	vi
List of Acronyms.....	vii
Abstract.....	viii
I. Introduction.....	1
General Issue.....	1
Hypothesis.....	5
Research Scope.....	6
Research Questions.....	7
Summary.....	7
II. The Department of Defense Plant Cognizance Program.....	9
Historical Background.....	9
Management.....	14
Contract Administration Services.....	18
Summary.....	19
III. Research Methodology.....	21
Research Data.....	22
Assumptions.....	28
Limitations.....	28
Data Analysis.....	29
Summary.....	30
IV. Findings and Analysis.....	31
Research Question Two.....	31
Research Question Three.....	33
Research Question Four.....	40
Summary.....	52
V. Conclusions and Recommendations.....	53
Research Hypothesis.....	53
Summary of Research Findings.....	54
Research Conclusions.....	61
Recommendations.....	63
Future Research Efforts.....	64
Concluding Remarks.....	65
Appendix A: Plant Representative Offices.....	67

	Page
Appendix B: Plant Cognizance Changes; 1980-1985.....	72
Appendix C: Plant Cognizance Questionnaire.....	73
Appendix D: Plant Cognizance Transfer Procedures.....	75
Appendix E: Normal Contract Administration Functions.....	83
Appendix F: Specifically Authorized Contract Administration Functions.....	87
Appendix G: Examples of NAVPRO Performance Indicators.....	88
Appendix H: Examples of AFPRO Management Indicators.....	89
Appendix I: Examples of DCASPRO Management Indicators.....	91
Appendix J: Cover Letter and Formal Interview Questions by Functional Area.....	92
Bibliography.....	109
Vita.....	112

List of Tables

Table		Page
I.	System Program Offices Affected By Plant Cognizance Changes.....	25
II.	DOD Components' Treatment of FAR 42.302(b) Functions.....	34
III.	Median and Modal Responses to the General Contract Administration Interview Questions.....	43
IV.	Median and Modal Responses to the Production Interview Questions.....	46
V.	Median and Modal Responses to the Engineering Interview Questions.....	48
VI.	Median and Modal Responses to the Quality Assurance Interview Questions....	50

List of Definitions (1:Encl 1)

1. **Contract Administration Services (CAS)** - all actions, accomplished in or near a contractor's plant for the benefit of the government, that are necessary to the performance of a contract or are in support of the buying offices, system and project managers, and other organizations.
2. **Contract Administration Services Component** - a field activity of the Defense Contract Administration Services (DCAS) or a Military Department that provides CAS for Department of Defense (DOD) and other government contracts with private industry in a designated geographic area or at a specific contractor's plant.
3. **Defense Contract Administration Services (DCAS)** - the Defense Logistics Agency (DLA) organizations that provide contract administration services on assigned contracts with private industry at contractor plants through field organizations of plant and geographical area components of DCAS regions.
4. **Plant** - a structure or group of structures, on a contiguous site, operated by a single contractor to perform DOD contracts. Contractor-operated facilities of all types, including those owned by the government and nonprofit organizations, are considered plants.
5. **Plant Cognizance** - the responsibility for performance of CAS on all contracts in a contractor's plant. This responsibility is assumed by the DLA at all plants except those specifically assigned to the Military Departments by the Deputy Under Secretary of Defense (Acquisition Management) (DUSD(AM)).
6. **Plant Cognizance Assignment** - an assignment made by the DUSD(AM) on a case-by-case basis to a Military Department as the sole DOD representative for performance of CAS in a specific plant or at multiple facilities.

List of Acronyms

AF	Air Force
AFCMD	Air Force Contract Management Division
AFPRO	Air Force Plant Representative Office
AFSC	Air Force Systems Command
ARPRO	Army Plant Representative Office
CA	Contract Administration
CAO	Contract Administration Office
CAS	Contract Administration Services
DCAS	Defense Contract Administration Services
DCASPRO	Defense Contract Administration Services Plant Representative Office
DCASR	Defense Contract Administration Services Region
DLA	Defense Logistics Agency
DLAM	Defense Logistics Agency Manual
DOD	Department of Defense
DUSD (AM)	Deputy Under Secretary of Defense (Acquisition Management)
FAR	Federal Acquisition Regulation
HQ	Headquarters
NASA	National Aeronautics and Space Administration
NAVAIR	Naval Air Systems Command
NAVMAT	Naval Materiel Command
NAVPBRO	Naval Plant Branch Representative Office
NAVPRO	Naval Plant Representative Office
NAVSEA	Naval Sea Systems Command
OSD	Office of the Secretary of Defense
PPSSCC	President's Private Sector Survey on Cost Control
SPO	System Program Office
SSPO	Strategic Systems Program Office

Abstract

The Plant Representative Office is a Department of Defense (DOD) organization vital to successful acquisition of major systems. Located at the contractor's facility, the Plant Representative Office provides contract administration services to the System Program Office (SPO). The Defense Logistics Agency has primary responsibility to provide contract administration services within the DOD. However, the military departments have requested to the Deputy Under Secretary of Defense (Acquisition Management) and have received assignment of specified Plant Representative Offices. The military departments believe a Plant Representative Office under their command can best support their SPOs.

The objective of this research effort was to either validate or refute the military departments' position. Three methods to evaluate the contract administration services provided by the Plant Representative Offices that had undergone a cognizance change were used. The methods were: (1) A comparative review of the components' guidance for the performance of contract administration services; (2) An analysis of the management indicators generated by the

Plant Representative Offices before and after the cognizance change; and (3) Formal interviews of personnel working in the SPOs to obtain their perceptions of the affects of the plant cognizance change. The findings indicated that plant cognizance changes did not affect the quality of contract administration services provided by the Plant Representative Offices.

THE PLANT REPRESENTATIVE OFFICE: A STUDY OF THE DEPARTMENT
OF DEFENSE PLANT COGNIZANCE PROGRAM AND THE EFFECTS OF
PLANT COGNIZANCE CHANGES

I. Introduction

General Issue

The Department of Defense (DOD) uses a two pronged approach to manage the acquisition of major systems. Within the DOD, a System Program Office (SPO) is established to manage the overall acquisition effort. The SPO is a multifunctional organization responsible for acquiring a system which meets cost, schedule and performance requirements. The second prong in the DOD management of major system acquisitions is the Plant Representative Office. Located at the contractor's plant, the Plant Representative Office provides contract administration services (CAS) to the SPO.

The Plant Representative Offices are governed by Department of Defense Instruction 4105.59: The DOD Plant Cognizance Program (1:1). The Plant Cognizance Program is designed to minimize the number and variety of DOD components performing contract administration (CA) and to enhance achievement of the following objectives (1:2):

1. Improve CA in the field.

2. Provide timely and uniform support by CAS components to purchasing offices, system and project managers and other acquisition organizations.
3. Eliminate duplicate effort.
4. Decrease operating costs.
5. Improve the relationship between government and industry.
6. Increase uniformity in the performance of CA.
(1:2)

The Defense Logistics Agency (DLA), with exceptions, has primary responsibility to provide contract administration services within the DOD (1:2). The Defense Contract Administration Services (DCAS) are the specific DLA organizations which provide the contract administration services (1:1-1). The exceptions to the DLA's responsibility occur when a military department requests and is assigned plant cognizance (1:2). Currently, there are eighty-six Plant Representative Offices; forty-three DCAS, twenty-five Air Force, fifteen Navy, and three Army (2:11-121). A listing of the current Plant Representative Offices is included in Appendix A.

The cognizance of the Plant Representative Offices by the four DOD components has been debated since the 1960s. In May 1962, Secretary of Defense Robert S. McNamara established Project 60. The objectives of Project 60 were to develop uniform contract management practices and to develop alternate plans to consolidate contract management under one DOD agency (3:55).

In 1963, the Project 60 Policy Guidance Committee recommended centralization, within the DOD, of all contract management activities (3:55). To a great extent the recommendation was implemented. The DCAS provided contract administration services both regionally and at most contractor plants; however, the military departments maintained cognizance over selected Plant Representative Offices. The military departments' rationale was that a Plant Representative Office under their command would best manage their major system programs (3:56-57, 59).

In November 1978, Booz, Allen and Hamilton, Incorporated management consulting firm issued the report Analysis of Alternate Structures for Contract Administration in the Department of Defense (5). Their central recommendation was that defense systems-related and supply-type contract administration functions, with some significant exceptions, be consolidated into a new Defense agency and report to the Office of the Under Secretary of Defense for Research and Engineering (4). The reported exceptions to the recommended reorganization were Navy SUPSHIPS offices, Navy Plant Representative Offices essential to the Navy Strategic Systems Projects Office, Office of Naval Research CAS activities, Army ammunition plants, and CAS activities selected by the Secretary of Defense (5:xv, xviii). The reported advantages of the reorganization included:

1. Projected annual savings of about \$25 million through elimination of duplicated effort
2. Enhanced ability to develop and implement systems for measuring the effectiveness and efficiency of CAS throughout DOD
3. Improved personnel management
4. Increased opportunity for more consistent evaluation and execution of CAS policy DOD-wide
5. Elimination of the disadvantageous aspects of the plant cognizance system
6. Increased opportunity to integrate CAS within the total acquisition process
7. Greater opportunities to effect improvements in CAS management. (5:xiii, xv)

The military departments again successfully defended their position against centralization of the contract administration services. They were strongly opposed to civilian control of contract administration involving major system acquisitions (6:2). Although only speaking on behalf of the Air Force, Major General Dewey K.K. Lowe best summarized the military departments' sentiments when at a congressional hearing he stated: "...the Air Force must retain complete command and control for Air Force contracts and plans" (6:2). He added that the Air Force needed a "single line thread of authority" (6:2).

In June 1982, President Reagan signed Executive Order No. 12369; thereby, the President's Private Sector Survey on Cost Control (PPSSCC) was established (7:2). Chaired by J. Peter Grace, the PPSSCC, also known as the Grace Commission,

sought to identify ways to increase efficiency and to reduce the cost of the Federal Government (7:2; 8:1). Organized into thirty-six task forces reviewing the operations of government departments and agencies, the Grace Commission produced forty-seven reports to the President (7:3).

In Report On The Office of the Secretary of Defense, the Commission recommended the centralization of DOD contract activity under the direction of a senior OSD executive (9:148). The reported benefits of the centralized organization would be establishment of a single uniform method of contract administration, improved personnel management, and reduced headquarters' and overhead cost (9:148-149). Three year savings from the manpower reduction were estimated to be \$297.9 million (9:149).

The reported objections of the military departments to the centralized contract administration agency are "... consolidation could impair their ability to control service specific acquisition programs and to ensure responsiveness to program managers' concerns" (9:148).

Hypothesis

The military departments' opposition to centralized management of the Plant Representative Offices centers on their belief that an organization under their command can best meet the needs of their acquisition offices. There is little information available that either validates or refutes the military departments' position.

To provide insight into the issue, this research will evaluate the quality, prior and subsequent to a cognizance change, of contract administration services provided by the affected Plant Representative Offices. If the military departments' contention is accurate, then the quality of contract administration services provided to specific SPOs should improve after plant cognizance is assumed by the SPO's parent military department.

The research hypothesis is: The contract administration services provided to a SPO by a Plant Representative Office under the cognizance of the same parent military department are superior to the services provided by a Plant Representative Office under the cognizance of a different DOD component.

Research Scope

To test the hypothesis, this research effort will be limited to reviewing data concerning the eleven Plant Representative Offices that have changed cognizance within the last five years (10). A listing of those offices are included in Appendix B. The quality of contract administration services provided prior and subsequent to the cognizance change will be evaluated. The specific services to be evaluated are those supporting the cost, schedule, and performance parameters of major system acquisitions.

Research Questions

1. What are the reasons for assignment of plant cognizance to either a military department or to the DLA?
2. Do the Plant Representative Offices under the cognizance of different DOD components provide the same level of support to the SPO?
3. How do the DOD components measure the effectiveness of the Plant Representative Office?
 - (a) Are the effectiveness indicators comparable?
 - (b) Are there differences between the Plant Representative Offices' effectiveness indicators that were generated before and after the cognizance change?
4. As perceived by personnel in the SPOs, are there differences in the quality of contract administration services provided, before and after the cognizance change, by the Plant Representative Offices?

Summary

This chapter introduced the controversial issue of plant cognizance by the military departments. Plant cognizance by the military departments is controversial because it is counter to DOD policy which identifies the Defense Logistics Agency as the primary DOD component responsible for providing contract administration services.

As disclosed, the current DOD structure for the performance of contract administration services resulted from the findings of the DOD Project 60 study established by Secretary of Defense Robert S. McNamara. The Project 60 study team recommended establishment of a centralized OSD

office responsible for providing all contract administration services to buying activities. However, the military departments have forestalled implementation of the recommendation and similar recommendations derived from other studies and have maintained cognizance of specified Plant Representative Offices. The objective of this research effort is to provide information that will either validate or refute the continued cognizance of the Plant Representative Offices by the military departments. To attain the research objective, four research questions were developed and presented in this chapter.

Chapter II will present the historical background of the plant cognizance issue. The current DOD plant cognizance policies and procedures and the contract administration functions performed by the Plant Representative Offices will also be presented.

II. The Department of Defense Plant Cognizance Program

Chapter I introduced the issue of plant cognizance by the military departments. The objective of this research effort is to provide information that will either validate or refute the need for plant cognizances by the military departments. To gather the research data, four research questions were developed and presented in Chapter I.

This chapter will present the historical background of the plant cognizance issue. The current DOD plant cognizance policies and procedures and the contract administration functions performed by the Plant Representative Offices will also be presented.

Historical Background

The evolution of contract management through the years led the DOD components to develop their "... own independent contract management systems, concepts, organizational patterns, and distributions of functions" (11:79). There was no central DOD office controlling the contract management functions. Three Assistant Secretaries of Defense and the Director of Defense Research and Engineering had responsibilities in the contract management arena (11:79).

Concern about the DOD's contract management structure and activities developed in a February 1962 conference of

top defense procurement officials (11:76). The recommendations to improve the contract management system developed at the conference led to the establishment of Project 60 (11:76).

Project 60. The foundation of the DOD Plant Cognizance Program and CAS activities is the DOD Project 60. In May 1962, Secretary of Defense Robert S. McNamara established Project 60 (11:77-78), a study to

... (1) develop a plan for establishing a uniform system of contract management within all three services and (2) develop several alternate plans for placing the entire DOD contract management function under one DOD agency.

The stated objectives of Project 60 were to improve the management of contracts in the field, provide for more accurate and timely contract management support to buying activities and program managers, reduce duplication of effort, decrease operating costs, and simplify government controls over industry. (11:78)

A Project 60 Policy Guidance Committee was established to oversee the total Project 60 effort (11:78). The Guidance Committee formed a Lead Task Group to evaluate Army, Navy, Air Force, Defense Supply Agency (DSA), and National Aeronautics and Space Administration (NASA) contract management activities (11:78). The Lead Task Group established twelve Sub-Task Forces to evaluate specific contract management activities such as quality assurance, contract administration, and production and industrial resources (11:78; 12:viii, ix).

The evaluation of the contract management activities was accomplished and in June 1963 the Lead Task Group published a five volume report of the findings (11:78). In August 1963, the Guidance Committee approved the Lead Task Group's report and forwarded a summary report to Secretary of Defense McNamara (11:78).

Included in the Lead Task Group's report was the summary report of Sub-Task Force No. 2 - Contract Administration (12:83). The reported conclusions of Sub-Task Force No. 2 were:

1. Contract administration can be efficiently accomplished in the field by activities having a uniform organizational pattern.
2. Duplication of services, facilities, and functions, within existing field contract management offices, is unnecessarily costly to the Government, burdensome to industry, and impairs the effectiveness of the contract administration mission.
3. A centralized uniform contract management organization for DOD and NASA is required to provide greater flexibility and capacity for meeting the conditions and circumstances arising from extraordinary military situations, national emergencies, and periods of mobilization.
4. The physical separation of the performance of the contract placement functions and those of contract administration is not only feasible and desirable, but is considered necessary if contract administration is to receive the degree of attention and emphasis required to properly assure timely and continuous contract performance.
5. The existing scarcity and imbalance of contract administration skills in the DOD Departments and NASA result in the inability to obtain maximum utilization of such skills in the national interest.

6. The different contract management procedures promulgated by each Department in their implementation of ASPR create variations and modifications which are basically unnecessary and retard efficient, economical, and consistent contract administration by DOD.

7. The lack of uniformity in procedures has created unnecessary and multiple demands on industry. This has not only been costly and burdensome to industry, but has reflected higher costs to the Government and has had an adverse effect on achieving timely contract performance.

8. Inadequate authority in the hands of field contract administration personnel does not permit maximum utilization of the field organization. Further, it does not provide for effective contract administration for achieving timely contract performance and resolution of problems.

9. There is a need for the establishment of a national contract management priority system, whereby the maximum effort and skills can be directed to those projects which must receive the highest consideration in the interest of national defense or prestige. To be effective, such a system must be centrally directed and must provide for the participation of all Military Departments, DSA and NASA. (12:86-88)

Based on their conclusions, Sub-Task Force No. 2 recommended:

1. That there should be established a Defense Contract Management Agency (DCMA) at departmental level within OSD, with a uniform field organizational structure to carry out and perform all contract management functions of the Army, Navy, Air Force, DSA, and NASA.

2. That uniform contract administration policies and procedures should be developed and utilized by all DOD and NASA organizations, including DCMA.

3. That a standing group should be formed to prepare and issue basic policies and procedures for DCMA with representation from the Army, Navy, Air Force, DSA, and NASA. Further, this standing

group should establish and maintain a national contract management priority system for all programs being managed by DCMA. (12:88)

In their report to the OSD, the Project 60 Guidance Committee recommended implementation of a three-step program to improve contract management activities (11:79).

Step 1 established a more centralized OSD control, within the framework of the existing organizational structure, of the Plant Representative Offices. The objective of Step 1 was to end the practice of multiple DOD and NASA organizations performing contract administration services in a single contractor plant. As a result, the DOD components were assigned cognizance over specific contractor plants based on which department had the predominate interest in the plant, on each departments' CAS requirements, and on the system(s)' or subsystem(s)' priority. Additionally, consideration was given to each plants' long-term activity forecasts (11:79, 83).

Secretary of Defense McNamara approved implementation of Step 1 and as a result, fifty-two plants were assigned to the DSA, twenty-five to the Air Force, eighteen to the Navy, and ten to the Army (11:85).

Step 2 required centralization, under the DOD, of all regionally performed contract administration activities (11:85). Prior to the implementation of Step 2, each DOD component maintained regional contract administration offices to manage the smaller contracts. The smaller

contracts required more than sixty percent of the DOD's contract administration effort and represented approximately fifty percent of total DOD contract expenditure (11:85).

In March 1964, Secretary McNamara directed the implementation of Step 2. To avoid establishment of a new agency and to avoid accusations of favoritism, regional contract management responsibility was assigned to the DSA (11:85).

Step 3 required the vesting of all contract management responsibilities, including plant cognizances, to the DSA (11:88). Believing that the loss of control of plant contract administration would impede effective acquisition of major systems, the Air Force opposed implementation of Step 3 (11:88). Due to the opposition from the military departments, Step 3 has not been implemented (13:5).

Present structure. The current organizational structure for DOD contract management activities is similar to the structure resulting from Project 60. The DLA, formerly the DSA, has primary responsibility for CAS within the DOD (1:2). However, the military departments have maintained cognizance of specifically assigned Plant Representative Offices (1:2).

Management

The DOD Plant Cognizance Program, DOD Instruction 4105.59, provides policy, procedures, and responsibilities for the assignment of plant cognizance for the performance of contract administration services (1:1).

The DOD Instruction's stated responsibilities for the assignment of plant cognizance provide the answer to Research Question One which asks: What are the reasons for assignment of plant cognizance to either a military department or to the DLA?

A summarization of DOD Instruction 4105.59, including the plant assignment criteria and procedures, are presented in the following subsections.

Policy (1:2). The DOD Plant Cognizance Program is designed to minimize the number and variety of DOD components interfacing with industry on contract administration matters and to achieve the following objectives:

1. Improve CA in the field.
2. Provide timely and uniform support by CAS components to purchasing offices, systems and project managers, and other acquisition organizations.
3. Eliminate duplicate effort.
4. Decrease operating costs.
5. Improve the relationship between government and industry.
6. Increase uniformity in the performance of CA.
(1:2)

Procedures (1:2). The DOD component assigned plant cognizance shall perform all applicable contract administration functions as required by the Federal Acquisition Regulation (FAR) subpart 42.302 and as delegated by the contracting office in accordance with FAR subpart

42.202(c). The Plant Representative Offices are not required to perform the industrial security function but are required to assist the Office of Federal Contract Compliance Programs in the administration of Executive Order 11246 - Equal Employment Opportunity.

The DLA is the primary DOD component for contract administration services and shall normally perform the services on all contracts and at all contractor locations. However, the military departments may request and be assigned plant cognizance. The Deputy Under Secretary of Defense (Acquisition Management) (DUSD(AM)), Office of the Under Secretary of Defense for Research and Engineering approves all plant cognizance assignments.

The cognizant contract administration component shall accept contract administration delegations from DOD purchasing offices and from authorized non-DOD organizations. The DOD components shall provide contract administration services without charge to the other DOD components. Normally, the non-DOD organizations will reimburse the DOD for the contract administration services received.

Plant Assignment Criteria (1:3). The criteria by which a military department may be assigned plant cognizance are: (1) The military department has a contract(s) in the plant for a major system(s) or major subsystem(s); (2) the effect the assignment would have on the Plant Cognizance Program

policies and objectives; (3) if the military department's dominance in the plant is obvious and projected for a minimum of five years then the undelivered dollar balance (UDB), mix, and duration of the defense contract(s) for the major system(s) or subsystem(s) may be considered; and (4) the system's stage of development.

The DUSD(AM) may also assign plant cognizance to a military department when special circumstances determine the assignment to be in the best interests of the Government. Examples of special circumstances include CAS assignments involving educational institutions, government-owned/contractor-operated ammunition and chemical plants, shipbuilding, and ship repair.

Plant Assignment Procedures (1:3-4). The military departments' requests for plant cognizance shall include the information required by the plant cognizance questionnaire. The plant cognizance questionnaire is presented in Appendix C. The military departments and/or the DLA shall enter into discussions and reach an agreement on the factual information provided in the plant cognizance questionnaire. If an agreement has not been reached within 60 days, the DUSD(AM) shall make a determination and advise the DOD components of the decision. The plant cognizance assignment shall be implemented in accordance with the plant cognizance transfer procedures as stated in Appendix D.

Normally, plant cognizance assignment to a military department is valid for five years. However, a military department will not retain plant cognizance of a plant that no longer meets plant assignment criteria. The military departments shall submit and the DUSD(AM) shall review the plant cognizance questionnaire on the fifth anniversary of the assignment and every three years thereafter. The DUSD(AM) will then determine either to continue plant cognizance by the resident DOD component or to transfer plant cognizance to another component.

Contract Administration Services

The FAR, Part 42 (14:42-1), defines contract administration policies and procedures. The objectives of the policies and procedures are to

... (a) provide specialized assistance through field offices located at or near contractors' establishments, (b) avoid or eliminate overlapping and duplication of Government effort, and (c) provide more consistent treatment of contractors. (14:42-1)

Interagency Contract Administration. The DOD Directory of Contract Administration Services Components, DOD Handbook 4105.59 (2:i), identifies the DOD components providing CAS within designated geographic areas and at specified contractor plants. To preclude multiple reviews, inspections, and examinations of a contractor or subcontractor by several government agencies, the FAR encourages agencies to identify and use the services of the

cognizant contract administration offices (14:42-1). The cognizant contract administration office may provide CAS through either direct request by the agency requiring the services or establishment of a formal cross-servicing arrangement between the agencies (14:42-1).

Assignment of Contract Administration. The contract administration office assigned CA responsibility has the authority to perform the normal CA functions delineated in FAR 42.302(a) (14:42-2). The normal CA functions are listed in Appendix E. The contracting office requiring CAS has the options of either withholding specified normal CA functions, or authorizing the performance of specified CA functions listed in FAR 42.302(b) and Appendix F, or authorizing the performance of CA functions not listed in the FAR, or any combination of the above options (14:42-2).

Summary

The DOD Plant Cognizance Program was presented in this chapter. As disclosed, the foundation of the DOD Plant Cognizance Program is the DOD Project 60 study established by Secretary of Defense Robert S. McNamara. The current DOD plant cognizance policies, procedures, and structure are derived from the findings of the Project 60 study. The DOD plant cognizance policies, procedures, structure, and the contract administration functions performed by the Plant Representative Offices were presented in this chapter.

Additionally, the answer to research question one was provided in this chapter. Research question one asked: What are the reasons for assignment of plant cognizance to either a military department or to the DLA? The criteria and procedures for the assignment of plant cognizance are contained in The DOD Plant Cognizance Program, DOD Instruction 4105.59, which was summarized in this chapter.

Chapter III will present the methodologies to be employed for answering research questions two, three, and four. Chapter IV will present the analysis of the research data and research findings. Chapter V will present the researcher's recommendations and conclusions.

III. Research Methodology

Chapter I presented the issue and background concerning the military departments' cognizance of selected Plant Representative Offices. Cognizance of the Offices by the military departments has been a controversial issue since the mid 1960s. As presented in Chapter I, several studies have recommended establishment of a centralized DOD organization responsible for managing the Plant Representative Offices. However, the military departments' desire to maintain complete control of major system and/or subsystem acquisitions has prevented implementation of the recommendation.

The plant cognizance issue is the basis for the research hypothesis and research questions presented in Chapter I. The Management subchapter presented in Chapter II summarized the DOD's management policies and procedures concerning plant cognizance. The summarized policies and procedures provided the information necessary to answer research question one. The methodologies presented in this Chapter will provide the means for testing the research hypothesis and for answering research questions two, three, and four.

Research Data

Three types of research data will be used to answer research questions two, three, and four. The research data are each components' specific guidance for the performance of contract administration services, the management indicators of selected Plant Representative Offices, and the results of a formal interview of SPO personnel.

CAS Guidance. Research question two asks: Do the Plant Representative Offices under the cognizance of the different DOD components provide the same level of support to the SPO?

To answer research question two each components' treatment of FAR 42.302(b) contract administration functions will be reviewed. The FAR 42.302(b) functions must be specifically delegated to and accepted by the Plant Representative Office. The DOD components' guidance concerning acceptance or nonacceptance of the functions will provide an indication of the support provided to the SPO. Each components' supplement to the FAR and operating manuals/regulations will be reviewed to identify any differences.

Management Indicators. Research question three asks: How do the DOD components measure the effectiveness of the Plant Representative Office?

- (a) Are the effectiveness indicators comparable?
- (b) Are there differences between the Plant Representative Offices' effectiveness indicators that were generated before and after the cognizance change?

A comparison of the management indicators generated before and after a cognizance change will provide insight into the Plant Representative Office's performance while under the cognizance of different DOD components. The objective of the analysis is to determine if cognizance by a specific DOD component has an affect on the Plant Representative Office's performance.

The management indicators generated by the Plant Representative Offices that have undergone a cognizance change will be obtained from the Navy, Air Force, and Defense Logistics Agency headquarters offices. The Plant Representative Offices of interest are listed in Appendix B. Management indicators relevant to the Army Plant Representative Offices (ARPROs) will not be obtained because no ARPROs were involved in cognizance changes within the last five years. The five year time period was selected to ensure availability of research data. The indicators will be for a forty-eight month time frame; twenty-four months reflecting the Plant Representative Offices' performance prior to the cognizance change and twenty-four months representing the Offices' performance subsequent to the change. The time frame was selected to minimize the reorganization disruptions that accompany a cognizance change.

Formal Interviews. Research question four asks: As perceived by SPO personnel, are there differences in the

quality of contract administration services provided, before and after the cognizance change, by the Plant Representative Offices?

To answer research question four, formal interviews of personnel in selected SPOs will be performed. The selection of the SPOs was based on information included in the Plant Cognizance Questionnaires (PCQ) submitted by the military departments to the Deputy Under Secretary of Defense (Acquisition Management) to effect plant cognizance transfers. In the PCQs, the military departments were required to identify their major system and/or subsystem necessitating the cognizance change. The SPOs selected are those managing the identified system and/or subsystem. The Plant Representative Offices in which a military department gained cognizance, the SPOs, and the corresponding major system and/or subsystem are presented in Table I.

Population. The interview population will consist of SPO personnel capable of evaluating the CAS support received from the Plant Representative Office prior and subsequent to the cognizance change. Each subject SPO, listed in Table I, will be canvassed to identify the personnel qualified to provide the comparative evaluation. Each individual will be contacted and asked to provide their evaluation during the formal interview.

Interview Questions. The interview questions will be adapted from the Forward Look study (15) of DOD contract

Table I

System Program Offices Affected By
Plant Cognizance Changes (10)

Plant Representative Office	System Program Office	System/subsystem
AFPRO Douglas Long Beach CA	KC-10	KC-10 aircraft
AFPRO AVCO Wilmington MA	MX	MX integrated reentry system
AFPRO Rockwell Canoga Park CA	MX	MX 4th stage propulsion system
AFPRO Northrop Hawthorne CA	MX	MX guidance and control
AFPRO Rockwell Columbus OH	B1	B1 aircraft
AFPRO AIL Deer Park NY	B1	B1 defensive avionics sub-system
NAVPRO FMC Minneapolis MN	Guided missile launching system	Guided missile launching system
NAVPRO McDonnell-Douglas St. Louis MO	1. FA-18 2. AV-8F	1. FA-18 aircraft 2. AV-8F aircraft

administration organizations. The objective of the DOD sponsored study was the identification of methods to improve management of the DOD contract administration mission. The study team reviewed Army, Navy, Air Force, and DCAS contract administration policies, management practices, and resource utilization (15:7).

One aspect of the Forward Look study involved a survey of SPO personnel to obtain their evaluation of the functions performed by the contract administration offices. The team also asked the respondent whether a particular contract administration function could best be performed by the buying/requiring activity (16:2).

The Forward Look study team's survey was based on the contract administration functions listed in the Armed Services Procurement Regulation, the predecessor to the FAR (16:2). The functions used to develop the survey are the same as the functions listed in FAR 42.302. The study team categorized the functions into four areas and developed distinct questionnaires titled: General Contract Administration, Production, Quality Assurance, and Engineering. The study team also added six general questions to each functional questionnaire. The added questions concerned the contract administration offices' (1) communications with the buying activity, (2) responsiveness, (3) working relationship with the contractor, (4) manning, (5) technical expertise, and (6) overall performance in each functional area (16:2).

The Forward Look questionnaires will be adapted for use in this research effort. The questionnaires' objective has changed from a generic effectiveness evaluation of contract administration activities to a comparative effectiveness evaluation of Plant Representative Offices that were under the cognizance of two different DOD components.

The questions used in the Forward Look survey will not be reworded. However, Forward Look survey questions deemed inappropriate for this research effort were not included.

The first ten interview questions concern specific CAS tasks for each of the four functional areas. Questions 11-14 elicit responses concerning the Plant Representative Offices' qualitative aspects: communication, responsiveness, relationship with the contractor, and technical expertise. Question 15 requests the respondent to evaluate the Plant Representative Offices' overall performance in the specified functional area.

The responses will be collected using an ordinal measurement scale. The response categories used in the Forward Look study team's survey will change as follows.

<u>FROM</u>	<u>TO</u>
Excellent	Greatly Declined
Satisfactory	Slightly Declined
Needs Improvement	No Change
Unsatisfactory	Slightly Improved
No Comment	Greatly Improved
	Not Applicable

Data collection procedure. The interviews will be accomplished via telephone. However, prior to the interview

the questions will be sent to the SPO personnel who were contacted and had agreed to participate. A cover letter providing instructions and detailing the purpose of the interview will be included. To collect the interviewee responses and comments, telephone calls will be made to each participant within ten working days after the mailing of the interview questions.

Assumptions

To accomplish the proposed methodologies the following assumptions were made.

1. The population is qualified and capable of providing valid data concerning the comparative quality of CAS provided by a Plant Representative Office that has changed cognizance.
2. The presence and availability of the research data.
3. No errors will be made in analysis of the data.

Limitations

A review of the proposed methodology revealed the following limitations.

1. The small number of SPOs affected by the Plant Representative Offices that have changed cognizance.
2. Identification of SPO personnel qualified and willing to provide the required information.
3. The possibility that the survey participants' responses will be favorably biased towards the DOD component in which they are employed.

Data Analysis

The interview responses will be analyzed using the BMD Biomedical Data Programs maintained on the Air Force Institute of Technology's VAX 11/780 mainframe computer. The BMD programs are designed to aid data analysis using methods ranging from data display and description to advanced statistical techniques (17:1).

Since the response measurement scale is ordinal, the BMD programs will be used to calculate the median and modal response for each interview question. The mean response of each question will not be considered because use of mean values to analyze ordinal measured data "...is not theoretically correct" (18:123). The mean cannot be used because ordinally measured data does not allow the researcher to unequivocally state that the distance between response categories are equal (18:122). The mode and median both measure the central tendency of the data and are appropriate to describe data distributions (19:54-64).

In addition to determining the median and modal response to the interview questions in each of the functional areas, the median and modal responses will be separately determined for each of the four types of cognizance changes: Air Force to Navy, Navy to Air Force, DCAS to Air Force, and DCAS to Navy. This will be accomplished to identify the presence of any significant effects a specific type of cognizance change has on the collected data.

Summary

This chapter presented the methodologies to be used to answer research questions two, three, and four. The methodologies are (1) a comparative review of each components' guidance for the performance of contract administration services, (2) an analysis of management indicators generated by selected Plant Representative Offices, and (3) an analysis of responses obtained from a formal interview of SPO personnel.

Chapter IV will present the findings and analysis of the data obtained from accomplishment of the stated methodologies.

IV. Findings and Analysis

Chapter II presented the methodologies to be used to answer research questions two, three, and four. This chapter reports the findings and analysis of the data derived from accomplishment of the stated methodologies. research questions two, three, and four are presented in order and are followed by the research findings relevant to the question.

Research Question Two

Research question two asks: Do the Plant Representative Offices under the cognizance of different DOD components provide the same level of support to the SPO?

To answer research question two a comparative review of each components' contract administration regulation(s) and manual(s) was performed. The objective of the review was to identify and compare each components' guidance to the Plant Representative Offices concerning the performance of the FAR 42.302(b) additional contract administration functions. The Plant Representative Offices are not required by the FAR to perform the additional contract administration functions. However, the DOD components have the authority to require Plant Representative Offices under their cognizance to perform the functions. Therefore, review of the documented guidance provided insight into the level of support provided

to the SPOs by Plant Representative Offices under the cognizance of the different DOD components.

The regulations and manual reviewed were the Army FAR Supplement; the Navy Acquisition Regulations Supplement; the Air Force Systems Command (AFSC) FAR Supplement; the Air Force Contract Management Division (AFCMD) Regulation 540-26, Administrative Contracting Officer (ACO) Contracting Responsibilities; and the Defense Logistics Agency (DLA) Manual 8105.1, Contract Administration Manual for Contract Administration Responsibilities.

Findings. The guidance concerning performance of the additional contract administration functions varies for each component. The Army FAR Supplement does not provide any guidance to the Army Plant Representative Offices (ARPROs) concerning the additional functions (20:42.8-42.16). The Navy and AFSC Supplements to the FAR did provide guidance to the Navy Plant Representative Offices (NAVPROs) and Air Force Plant Representative Offices (AFPROs) respectively. However, the Navy and AFSC guidance to the Plant Representative Offices was more supportive to the SPOs within the parent component. The NAVPROs and AFPROs are directed to readily accept the delegated additional contract administration functions when the delegation is made by Navy and Air Force SPOs. The NAVPROs and AFPROs are free to negotiate performance of the additional functions when the delegation is made by SPOs outside of the parent agency.

The DLA Manual directed the Defense Contract Administration Services Plant Representative Offices (DCASPROs) to accept SPO delegation of the additional functions without bias towards or against any specific DOD component.

A summary of the Air Force, Navy, and DLA guidance to their Plant Representative Offices for the treatment of the additional contract administration functions are presented in Table II.

Research Question Three

Research question three asks: How do the DOD components measure the effectiveness of the Plant Representative Office?

- (a) Are the effectiveness indicators comparable?
- (b) Are there differences between the Plant representative Offices' effectiveness indicators that were generated before and after the cognizance change?

Documentation concerning NAVPROs', AFPROs', and DCASPROs' effectiveness indicators was obtained from the cognizant headquarters: HQ Naval Material Command (NAVMAT), HQ AFCMD, and HQ DLA. Information concerning the ARPROs' effectiveness indicators was not obtained because no ARPROs were involved in cognizance changes within the last five years.

In the attempt to obtain information relevant to the NAVPROs' effectiveness indicators, it was discovered that NAVPRO management responsibility is vested to three distinct

TABLE II
DOD Components' Treatment of FAR 42.302(b) Functions

Function (14:42-5)	AFPRO	NAVPRO	DCASPRO
<p>1. Negotiate or negotiate and execute supplemental agreements incorporating contractor proposals resulting from change orders issued under the changes clause. Before completing negotiations, coordinate any delivery schedule change with the contracting office.</p>	<p>1. a. Air Force Systems Command (AFSC) FAR Supplement 42.302(b) (1) provides specific guidance concerning the delegation between AFSC buying activities and the AFPRO (21:203).</p> <p>b. AFSC FAR Supplement 42-203 (a) (91) requires memorandum of agreement or letter of delegation to be used to delegate additional functions (21:200).</p> <p>c. Air Force Contract Management Division (AFCHD) Regulation 540-26 requires coordination between the Procuring Contracting Officer (PCO) and Administrative Contracting Officer (ACO) on unusual administrative responsibilities (22:1).</p>	<p>1. a. The Navy Acquisition Regulation Supplement 42.302 (a) (90) (i) requires NAVPRO acceptance of the delegation from Navy contracting offices if resources are available (23:42.3-7).</p> <p>b. The Navy Acquisition Regulation Supplement 42.302 (a) (90) (j) requires formal agreement to be effected between NAVPRO and contracting office (23: 42.3-42.3-8).</p>	<p>1. a. Defense Logistics Agency Manual (DLAM) 8105.1, Part 42.2-3(c) require DCASPRO acceptance of the delegation. (24:221).</p> <p>b. DLAM 8105.1, Part 43.2, provides specific guidance for task accomplishment. (24:269).</p>

TABLE II (continued)
DOD Components' Treatment of FAR 42.302(b) Functions

Function	AFPRD	NAVPRO	SCASPRO
2. Negotiate prices and execute priced exhibits for unpriced orders issued by the contracting officer under basic ordering agreements.	2. As stated in 1a, 1b, and 1c.	2. As stated in 1a and 1b.	2. a. As stated in 1a. b. OIAM 0103-1, Part 16.703, provides specific guidance for task accomplishment (24:93).
3. Negotiate or negotiate and execute supplemental agreements changing contract delivery schedules.	3. As stated in 1b and 1c.	3. As stated in 1a and 1b.	3. a. As stated in 1a. b. OIAM 0103-1, Part 12.1 provides specific guidance for task accomplishment (24:39).
4. Negotiate or negotiate and execute supplemental agreements providing for the deobligation of unexpended dollar balances considered excess to known contract requirements.	4. a. AFSC FAR Supplement, subpart 42.302 (b) (4) allows ACO deobligation only on AFSC physically completed contracts (21:204). b. As stated in 1b. c. As stated in 1c.	4. As stated in 1a and 1b.	4. As stated in 1a.

TABLE II (continued)
DOD Components' Treatment of FAR 42.302(b) Functions

FUNCTION	AFPRO	NAVPRO	OCASPRO
5. Issue amended shipping instructions and, when necessary, negotiate and execute supplemental agreements incorporating contractor proposal resulting from these negotiations.	5. As stated in 1b and 1c.	5. As stated in 1a and 1b.	5. a. As stated in 1a. b. OLAN 0103-1, Part 07.3, provides specific guidance for task accomplishment (24:313).
6. Negotiate changes to interim billing prices.	6. As stated in 1b and 1c.	6. As stated in 1a and 1b.	6. As stated in 1a.
7. Negotiate and defatelize adjustments to contract prices resulting from exercise of an economic price adjustment clause.	7. As stated in 1b and 1c.	7. As stated in 1a and 1b.	7. a. As stated in 1a. b. OLAN 0103-1, Part 16.203, provides specific guidance for task accomplishment (24:09).
8. Issue change orders and negotiate and execute resulting supplemental agreements under contracts for ship construction, conversion, and repair.	8. As stated in 1b and 1c.	8. As stated in 1a and 1b.	8. As stated in 1a.

organizations. The Naval Air Systems Command (NAVAIR), the Naval Sea Systems Command (NAVSEA), and the Strategic Systems Project Office (SSPO) have command responsibility for specific NAVPROs (25).

NAVAIR commands (or commanded) two of the NAVPROs included in this research effort: NAVPRO Douglas, and NAVPRO McDonnell-Douglas. NAVSEA commands (or commanded) the remaining three NAVPROs: NAVPRO Goodyear, NAVPRO Rockwell, and NAVPRO FMC.

The NAVAIR and NAVSEA offices responsible for NAVPRO management were queried to determine the existence and availability of NAVPRO effectiveness indicators. The inquiry to NAVSEA revealed that NAVPRO effectiveness indicators are not collected (26). The inquiry to NAVAIR revealed that NAVPRO effectiveness indicators, called performance indicators, have only existed since 1984 (27). Details about the NAVAIR's NAVPRO performance indicators were requested. A copy of a letter, from the NAVAIR commander to the NAVPROs, detailing the performance indicators and directing the NAVPROs to start recording the required data was received. The letter presented fourteen NAVPRO performance indicators categorized into the following five mission areas: (1) Cost of Acquisition, (2) Schedule, (3) Performance/Quality, (4) Resource Management, and (5) Flight Operations (28). Examples of the NAVPRO performance indicators are presented in Appendix G.

The effectiveness indicators relevant to the AFPROs' performance are stated in AFCMD Regulation 178-13, Management Indicator Review System (29). The regulation establishes the management indicator review system applicable to all AFCMD organizations including the AFPROs. The categorical titles of the management indicators relevant to the AFPROs are: (1) AFPRO Flowdown, (2) Administration, (3) Engineering and Program Support, (4) Industrial Material, (5) Manufacturing Operations, (6) Quality Assurance, (7) Safety and Flight Operation, (8) Subcontract Management, (9) Security Office, (10) Contract Administration, and (11) Resource Management Office (29). Examples of the AFPRO management indicators are presented in Appendix H.

The effectiveness indicators relevant to the DCASPROs' performance are stated in DLA Handbook 7730.2, Management Information System Glossary, (30). The categorical titles of the management indicators relevant to the DCASPROs are: (1) Contract Administration, (2) Termination Settlement, (3) Financial Services, (4) Contract Property Management, (5) Production, (6) Transportation and Packaging, (7) Systems and Engineering, and (8) Quality Assurance (30:448-i - 448-900-2). Examples of the DCASPRO management indicators are presented in Appendix I.

Findings. A comparative review of the effectiveness

indicators contained in the NAVAIR letter, the AFCMD Regulation, and the DLA Handbook revealed no indicators common or comparable among all three agencies. The agencies' indicators contain similar information but no indicators were identified which contain exactly the same information for all three agencies. However, the review identified indicators that are common and/or comparable between two agencies.

The only indicator common and comparable between the NAVPROs and the AFPROs provided the status of civilian personnel staffing. No indicators common or comparable between the NAVPRO and the DCASPRO were identified.

The review identified eight common or comparable AFPRO and DCASPRO indicators. The common or comparable indicators concerned staffing, overage contract actions, technical and price analysis of contractor's cost proposals, and audit follow-ups.

An analysis of the common effectiveness indicators was not performed due to the limited number and scope of the indicators.

An analysis of the Plant Representative Office's performance after a DCASPRO to NAVPRO cognizance change cannot be performed since there are no common or comparable indicators between the components. An analysis of the civilian personnel staffing indicator common to the AFPROs and the NAVPROs was determined to be of negligible value to

(CAS) provided by the Plant Representative Office prior and subsequent to a cognizance change. The appropriate interview questions were mailed to personnel who consented to the interview. A telephone call was made to each person to obtain their responses and comments.

Findings. The plant cognizance changes relevant to this research effort occurred during 1981 and 1982. Due to the length of elapsed time, many people had transferred, retired, or otherwise left the SPO. Hence, only a small number of personnel capable of providing the needed information were identified. Of the identified personnel, two declined to be interviewed. One declined for personal reasons and the other declined due to office policy.

Thirty-four interviews were completed; eleven General Contract Administration interviews, eight Production interviews, eight Engineering interviews, and seven Quality Assurance interviews.

The small population size precluded statistical testing of the data. However, the modal and median responses are presented to describe the central tendency of the data.

The mode reflects the interview response that occurred with the greatest frequency. For some questions more than one modal response is presented; meaning the response distribution is either bimodal or trimodal.

The median is defined as "...a number such that half the measurements fall below and half above" (19:59). When

this research effort. The common or comparable DCASPRO and AFPRO indicators were of limited scope and would not reveal a total picture of the Plant Representative Office's performance. No common or comparable indicators were identified for two of the primary functional disciplines, Production and Quality Assurance, within the Plant Representative Office.

Although this research question could not be completely answered, the small number of common or comparable effectiveness indicators for the different Plant Representative Offices is considered a significant finding.

Research Question Four

Research question four asks: As perceived by personnel in the SPOs, are there differences in the quality of contract administration services provided, before and after the cognizance change, by the Plant Representative Offices?

As stated in the previous chapter, formal interviews were performed to obtain the perceptions of personnel working in SPOs affected by the cognizance changes. Four distinct sets of interview questions reflecting the functional disciplines within the Plant Representative Office were developed. The interview question categories were (1) General Contract Administration, (2) Production, (3) Engineering, and (4) Quality Assurance.

The SPOs were contacted in order to identify personnel capable of evaluating the contract administration services

the quantity of the data is even the median is the average of the two middle data values (19:60). However, the collected interview responses are considered qualitative not quantitative data and use of mean or average values can cause distortions. Therefore, the stated median represents the response category in which half the responses are either included in the specified category or are in categories considered below the specified category. In ascending order the interview response categories are: (a) Greatly declined; (b) Slightly declined; (c) No change; (d) Slightly improved; and (e) Greatly improved.

The following paragraphs present the findings for each interview category.

General Contract Administration. Eleven interviews were completed with the total responses for individual questions ranging from seven to eleven responses. The specific interview questions are presented in Appendix J. Table III presents the median and modal response for each question.

Questions 1 - 10 requested the respondents to compare the quality of general contract administration functions performed by the current Plant Representative Office to the quality of the functions as performed by the previous Plant Representative Office.

The median response was "No Change" for six of the ten questions. The median response for the remaining four questions was "Slightly Improved".

TABLE III

Median and Modal Responses to the General
Contract Administration Interview Questions

Question Number	Median Response	Modal Response
1.	No Change	No Change
2.	No Change	No Change
3.*	Slightly Improved	1.No Change 2.Slightly Improved
4.	No Change	No Change
5.	No Change	No Change
6.	No Change	No Change
7.*	Slightly Improved	1.No Change 2.Slightly Improved
8.	No Change	No Change
9.*	Slightly Improved	1.No Change 2.Slightly Improved
10.	Slightly Improved	Slightly Improved
11.*	Slightly Improved	1.No Change 2.Slightly Improved 3.Greatly Improved
12.	Slightly Improved	No Change
13.*	Slightly Improved	1.No Change 2.Slightly Improved
14.	No Change	No Change
15.	Slightly Improved	Slightly Improved

* - Bimodal or trimodal response.

The response "No Change" was the modal response to six of the ten questions. Three of the ten questions were bimodal; the responses "No Change" and "Slightly Improved" were equally chosen. The modal response for the remaining question was "Slightly Improved".

Questions 11 - 14 requested the respondent to compare qualitative aspects of the general contract administration component within the Plant Representative Office.

Question 11 asked the respondents to compare the quality of pertinent communications between the SPO and general contract administration component. The median response was "Slightly Improved". The response distribution was trimodal; the equally selected responses were "No Change", "Slightly Improved", and "Greatly Improved".

Question 12 asked the respondents to compare the responsiveness of the general contract administration component to SPO requests. The median response was "Slightly Improved". The modal response was "No Change".

Question 13 asked the respondent to compare the working relationship of the general contract administration component with the contractor. The median response was "No Change". The response distribution was bimodal; "No Change" and "Slightly Improved" were the most frequently selected responses.

Question 14 asked the respondent to compare the expertise of contract administration personnel in the Plant

Representative Office. Both the median and modal responses were "No Change".

Question 15 asked the respondent to compare the overall performance of the contract administration component. Both the median and modal responses were "Slightly Improved".

Production. Eight interviews were completed with the total responses for individual questions ranging from five to eight. The specific interview questions are presented in Appendix J. Table IV presents the median and modal response for each question.

Questions 1 - 10 requested the respondents to compare the quality of production functions performed by the current Plant Representative Office to the quality of the functions as performed by the previous Plant Representative Office.

The median responses and modal responses to all ten questions were "No Change".

Question 11 asked the respondents to compare the quality of pertinent communications between the SPO and the production component. Both the median and modal responses were "No Change".

Question 12 asked the respondents to compare the responsiveness of the production component to SPO requests. Both the median and modal responses were "No Change".

Question 13 asked the respondents to compare the working relationship of the production component with the contractor. Both the median and modal responses were "No Change".

TABLE IV

Median and Modal Responses to the
Production Interview Questions

Question Number	Median Response	Modal Response
1.	No Change	No Change
2.	No Change	No Change
3.	No Change	No Change
4.	No Change	No Change
5.	No Change	No Change
6.	No Change	No Change
7.	No Change	No Change
8.	No Change	No Change
9.	No Change	No Change
10.	No Change	No Change
11.	No Change	No Change
12.	No Change	No Change
13.	No Change	No Change
14.	No Change	No Change
15.	No Change	No Change

Question 14 asked the respondents to compare the expertise of personnel working in the production component. Both the median and modal responses were "No Change".

Question 15 asked the respondents to compare the overall performance of the production component. Both the median and modal responses were "No Change".

Engineering. Eight interviews were completed with the total responses for individual questions ranging from seven to eight. The specific interview questions are presented in Appendix J. Table V presents the median and modal response for each question.

Questions 1 - 10 requested the respondents to compare the quality of engineering functions performed by the current Plant Representative Office to the quality of engineering functions as performed by the previous Plant Representative Office.

The median response was "No Change" to eight of the ten questions. The median response was "Slightly Improved" to the remaining two questions.

The modal response was "No Change" to seven of the ten questions. The remaining three questions were bimodal. The responses "No Change" and "Slightly Improved" were equally selected for two of the questions. The responses "No Change" and "Greatly Improved" were equally selected for the remaining question.

TABLE V

Median and Modal Responses to the
Engineering Interview Questions

Question Number	Median Response	Modal Response
1.	No Change	No Change
2.*	No Change	1.No Change 2.Slightly Improved
3.	No Change	No Change
4.	No Change	No Change
5.*	No Change	1.No Change 2.Greatly Improved
6.	No Change	No Change
7.*	Slightly Improved	1.No Change 2.Slightly Improved
8.	No Change	No Change
9.	No Change	No Change
10.	Slightly Improved	No Change
11.	No Change	No Change
12.	Slightly Improved	Greatly Improved
13.	No Change	No Change
14.	No Change	No Change
15.	No Change	No Change

* - Bimodal or trimodal response.

Question 11 asked the respondents to compare the quality of pertinent communications between the engineering component and the SPO. Both the median and modal responses to the question were "No Change".

Question 12 asked the respondents to compare the responsiveness of the engineering component to SPO requests. The median response was "Slightly Improved". The modal response was "Greatly Improved".

Question 13 asked the respondents to compare the working relationship of the engineering component with the contractor. Both the median and modal responses were "No Change".

Question 14 asked the respondents to compare the expertise of personnel working in the engineering component. Both the median and modal responses were "No Change".

Question 15 asked the respondents to compare the overall performance of the engineering component. Both the median and modal responses were "No Change".

Quality Assurance. Seven interviews were completed with the total responses for individual questions ranging from six to seven. The specific interview questions are presented in Appendix J. Table VI presents the median and modal response for each question.

Questions 1 - 10 requested the respondents to compare the quality of quality assurance functions performed by the current Plant Representative Office to the quality of

TABLE VI

Median and Modal Responses to the
Quality Assurance Interview Questions

Question Number	Median Response	Modal Response
1.	No Change	No Change
2.	No Change	No Change
3.	No Change	No Change
4.	No Change	No Change
5.	No Change	No Change
6.	No Change	No Change
7.*	No Change	1.No Change 2.Slightly Improved
8.*	No Change	1.No Change 2.Greatly Improved
9.	No Change	No Change
10.*	Slightly Improved	1.No Change 2.Greatly Improved
11.*	Slightly Improved	1.No Change 2.Slightly Improved 3.Greatly Improved
12.	No Change	No Change
13.*	Slightly Improved	1.No Change 2.Slightly Improved
14.	No Change	Greatly Improved
15.	No Change	No Change

* - Bimodal or trimodal response.

quality assurance functions performed by the previous Plant Representative Office.

The median response was "No Change" to nine of the ten questions. The median response was "Slightly Improved" to the remaining question.

The modal response was "No Change" to seven of the ten questions. The remaining three questions were bimodal. The responses "No Change" and "Slightly Improved" were equally selected for one of the questions. The responses "No Change" and "Greatly Improved" were equally selected for the remaining two questions.

Question 11 asked the respondents to compare the quality of pertinent communications between the quality assurance component and the SPO. The median response was "Slightly Improved". The response distribution was trimodal; "No Change", "Slightly Improved", and "Greatly Improved" were equally selected.

Question 12 asked the respondents to compare the responsiveness of the quality assurance component to SPO requests. Both the median and modal responses were "No Change".

Question 13 asked the respondents to compare the working relationship of the quality assurance component with the contractor. The median response was "Slightly Improved". The response distribution was bimodal; "No Change" and "Slightly Improved" were equally selected.

Question 14 asked the respondents to compare the expertise of personnel working in the quality assurance component. The median response was "No Change". The modal response was "Greatly Improved".

Question 15 asked the respondents to compare the overall performance of the quality assurance component. Both the median and modal responses were "No Change".

Summary

This chapter reported the findings and analysis of the research data. The answers to research question two, three, and four were provided. The next chapter, Conclusions, will use the research findings to test the research hypothesis.

V. Conclusions and Recommendations

Cognizance of the Plant Representative Offices by the military departments has been challenged and debated for over twenty years and is the basis for accomplishment of this research effort.

Chapter I presented the background concerning the issue and also presented the research hypothesis and questions. A summarization of the Department of Defense Plant Cognizance Program was presented in Chapter II. The Program provides the DOD's policies and procedures for overall management of the Plant Representative Offices. The summarized DOD Plant Cognizance Program included information needed to answer research question one.

The methodologies to obtain the information required to answer research questions two, three, and four were presented in Chapter III. The research findings and answers to the research questions were presented in Chapter IV.

This chapter will restate the research hypothesis and use the findings to draw conclusions as to the validity of the hypothesis. Recommendations and areas for additional research will also be presented.

Research Hypothesis

The research hypothesis is: The contract administration services provided to a SPO by a Plant

Representative Office under the cognizance of the same parent military department are superior to the services provided by a Plant Representative Office under the cognizance of a different DOD component.

The research findings were used to test the validity of the hypothesis and are summarized in the following paragraphs.

Summary of Research Findings

The Defense Logistics Agency was identified as the primary DOD component for performance of contract administration services on all contracts and at all contractor locations. However, the Deputy Under Secretary of Defense (Acquisition Management) (DUSD(AM)) may approve the military departments' requests for plant cognizance assignment. The criteria by which a military department may be assigned plant cognizance are: (1) the military department has a contract(s) in the plant for a major system(s) or major subsystem(s); (2) the effect the assignment would have on the Plant Cognizance Program policies and objectives; (3) if the military department's dominance in the plant is obvious and projected for a minimum of five years then the undelivered dollar balance, mix, and duration of the defense contract(s) for the major system(s) or subsystem(s) may be considered; and, (4) the current phase of each system's life cycle.

The plant cognizance assignment criteria leads one to infer that the contract administration services (CAS) provided by a Plant Representative Office under the cognizance of a specified military department is superior to the CAS that would be provided if the Plant Representative Office was under the cognizance of a different DOD component. The inference directly corresponds to the military departments' belief that a Plant Representative Office under their cognizance is best able to support a SPO within the parent agency. Research questions two, three, and four were developed to obtain information that either validates or refutes the military departments' position.

A review of the DOD components' guidance to their Plant Representative Offices discovered that the Naval Plant Representative Offices (NAVPROs) and Air Force Plant Representative Offices (AFPROs) have been directed to readily accept delegations from SPOs within the parent agency for the performance of additional contract administration functions. The NAVPROs and AFPROs are free to negotiate with SPOs of other services for performance of additional contract administration functions. The Army does not provide any guidance to the Army Plant Representative Offices (ARPRO) for performance of additional contract administration functions. The DLA directs the Defense Contract Administration Services Plant Representative Offices (DCASPROs) to readily accept all delegations of the additional contract administration functions.

The conclusion drawn is that the NAVPROs and AFPROs may provide more support to the SPOs within the parent agency than to SPOs in other agencies. As stated earlier, one of the reasons for assigning plant cognizance to a military department is that the contractor is producing a major system for the department. Therefore, if the department is granted plant cognizance then increased support will be given to the SPO responsible for managing the overall acquisition of the major system.

However, the opinion of this author is that the biased support provided by the Plant Representative Offices under the cognizance of the military departments is detrimental to the mission of the DOD. The resources used by the Plant Representative Offices to provide increased support to the SPOs within the same department reduces the resources available to support the SPOs in the other departments. A decline in the contract management of the other departments' programs may lead to cost overruns and/or deployment of inadequate systems. Therefore, the DOD mission to provide for the national defense will be impaired.

While this research study is not advocating the DLA be assigned all plant cognizances, it is noted that the DCASPROs seek to provide a high level of support to all SPOs regardless of department affiliation. The Contract Administration Manual for Contract Administration Services, DLA Manual 8105.1, requires the DCASPROs to accept

responsibility for performance of the additional contract administration functions. Therefore, the support provided by the DCASPROs may be more beneficial to the DOD and the nation as a whole.

A comparative review of the management indicators applicable to the operations of the NAVPROs, AFPROs, and DCASPROs was performed. The review revealed only one NAVPRO indicator comparable to an AFPRO indicator and none comparable to DCASPRO indicators. Eight AFPRO indicators were identified as comparable to DCASPRO indicators.

An underlying assumption of plant cognizance changes is that the Plant Representative Offices' performance should improve. This research attempted to identify and quantify the change in the Offices' performance by comparing the Offices' indicators generated before and after the cognizance change. The goal was not achieved due to the limited number and scope of comparable management indicators.

However, the small number of common or comparable management indicators is considered a significant finding. The lack of comparable management indicators hinders attempts to compare the effectiveness and efficiency of Plant Representative Offices that are under the cognizance of different DOD components. Therefore, the DUSD(AM) has no vehicle to ensure that DOD resources are adequately dispersed and utilized in the Plant Representative Offices.

Formal interviews were held with personnel working in specified SPOs that were affected by the plant cognizance changes effected within the last five years. The objective of the interviews was to obtain the personnels' perceptions of the quality of contract administration services (CAS) provided by the Plant Representative Offices before and after the cognizance change. The personnel were asked to compare the CAS provided, before and after the cognizance change, in the following functional areas: General Contract Administration, Production, Engineering, and Quality Assurance. In each functional area, the personnel were requested to compare: (1) ten CAS functions performed by the Plant Representative Office, (2) four qualitative aspects of the Plant Representative Office, and (3) the Plant Representative Office's overall performance in the specified function area.

Thirty-four interviews were completed; eleven General Contract Administration interviews, eight Production interviews, eight Engineering interviews, and seven Quality Assurance interviews. The small number of interviews precluded the use of statistical testing. However, the median is an acceptable method for describing the distribution of small samples.

In the General Contract Administration category the median response in seven of the fifteen areas was "No Change". The median response was "Slightly Improved" in the

remaining areas. Of the ten questions about the CAS functions, the prevailing median response was "No Change". Several respondents commented that the quality of the CAS functions performed did not change because the working level personnel in the Plant Representative Offices did not change. The interviewees' responses indicated that the Plant Representative Offices' responsiveness to and communications with the SPOs had "Slightly Improved". The overall performance of the contract administration area within the Office was evaluated to be "Slightly Improved".

It appears the SPO personnel who interface with the Plant Representative Office's contract administration personnel place a premium on the qualitative services - communication and responsiveness. The comments obtained during the formal interviews held with SPO personnel tend to confirm the stated premise. Several interviewees commented that communication between the SPO and personnel working in the contract administration area had improved after the cognizance change. The interviewees also believed that the Plant Representative Offices had become more responsive to SPO requests. The reason may be due to the geographical distance between most SPOs and contractor plants. Therefore, the SPO personnel appreciate the timely information and services the onsite Plant Representative Offices can provide.

Based on the distribution of interview responses and the interview comments, the researcher concludes that the overall CAS provided by the Contract Administration area in the Plant Representative Offices improves slightly after a cognizance change.

In the Production category the median response was "No Change" in all fifteen of the areas. The researcher concludes that the overall CAS provided by the the Production area does not change after a plant cognizance change.

In the Engineering category the median response was "No Change" in twelve of the fifteen areas. The median response was "Slightly Improved" in the remaining three areas. The researcher concludes that the overall CAS provided by the Engineering area does not change after a plant cognizance change.

In the Quality Assurance category the median response was "No Change" in twelve of the fifteen areas. The median response was "Slightly Improved" in the remaining areas. The researcher concludes that the overall CAS provided by the Quality Assurance area does not change after a plant cognizance change.

An overall evaluation of the interview responses indicated the Plant Representative Offices' performance does not change after cognizance change is effected. The median response to the forty questions (ten per functional area)

about the performance of specific CAS functions was "No Change" for thirty-three of the questions. The prevailing median response to the questions about the qualitative aspects of the Offices was also "No Change"; the median response to ten of the sixteen total questions. "No Change" was also the median response to three of the four questions requesting the SPO personnel to evaluate the overall performance of the specified functional area.

Based on the interview results, the researcher believes that the overall quality of CAS does not change when a Plant Representative Office undergoes a cognizance change.

Research Conclusions

This research effort did not generate the desired quantitative information needed to validate or refute the research hypothesis. However, based on the qualitative information obtained, the researcher believes the research hypothesis is refuted. The researcher believes the contract administration services provided to a SPO by a Plant Representative Office under the cognizance of the same military department as is the SPO are not superior to the services provided by a Plant Representative Office under the cognizance of a different DOD component.

The research findings indicate that cognizance of the Plant Representative Office hinders achievement of the DOD CAS objectives to:

(1) Provide timely and uniform support by CAS components to purchasing offices, system and project managers and other acquisition organizations.

(2) Increase uniformity in the performance of CA.
(1:2)

The research finding concerning the DOD components' guidance to their Plant Representative Offices for the performance of additional contract administration functions illustrate that the support to the acquisition organizations is not uniform among the CAS components. The lack of uniformity may be detrimental to the overall mission of the DOD.

The research finding concerning the lack of comparable management indicators among the DOD components hinders attempts to evaluate the CAS performed by the Plant Representative Offices under cognizance of different DOD components. The question raised is: How will the DOD know when uniformity in the performance of contract administration is achieved without being able to compare the performances of the Plant Representative Offices?

Additionally, the researcher believes the organizational costs of the four DOD components providing CAS in the Plant Representative Offices are considerably higher than the cost that would be incurred if only one organization provided the services. As stated in Chapter I, the President's Private Sector Survey on Cost Control * estimated that \$297.9 million could be saved over three years if CAS responsibility was given to a single

organization (9:149). The finding indicates a third DOD objective - "Decrease operating cost" (1:2) - is not being accomplished. In the face of the current national budget deficits it is wasteful to maintain a costly organizational structure based on the desires of the military departments.

Therefore, the author's opinion is that total CAS responsibility should be consolidated within one DOD organization.

Recommendations

The primary recommendation derived from this study of the Plant Representative Offices is the consolidation of CAS responsibility within one DOD organization. However, if the reorganization is not done then the DOD should consider the following recommendations.

The researcher recommends the DOD require the Plant Representative Offices to fully accept delegation of all contract administration (CA) functions listed in the Federal Acquisition Regulation (FAR). Based on the review of the components' guidance to their Plant Representative Offices, it appears the AFPROs and the NAVPROs, unlike the DCASPROs, do not readily accept delegation of the nonmandatory CA functions listed in FAR 42.302(b). Therefore, implementation of the recommendation will promote uniformity in the performance of CAS.

The second recommendation is for the DOD to establish comparable performance indicators for the Plant

Representative Offices. The comparable indicators will allow the DOD to gauge the Offices' performance and will help ensure that resources are used effectively and efficiently.

Future Research Efforts

Future research should be undertaken to develop comparable performance indicators for the Plant Representative Offices.

An evaluation of the performance indicators currently collected by the Navy, Air Force, and Defense Logistics Agency should be done. The indicators contain similar information but only a handful are directly comparable. The evaluation will help determine the methodology for making the indicators comparable. The identification of key indicators can be determined from a survey of Program Managers and headquarter level managers of the contract administration function within each of the components. Since the Plant Representative Offices are established to provide CAS support to the system program offices, the Program Managers can best identify the services that are critical to program success. An analysis can be performed to correlate the identified services to a specific indicator(s). The managers of the contract administration function within each of the components can best identify indicators considered critical from a headquarters perspective.

The development and use of the comparable indicators will enable the DOD to track the performances of the various Plant Representative Offices. Problem areas that may affect every Plant Representative Office will be more easily identified and resolved. Trend analysis of the Plant Representative Offices' performance will improve workload forecasting and allow for more effective allocation of DOD resources.

Although the appropriate research methodology is not determined, future research should also be done to identify the affect(s) a plant cognizance change has on the support provided to the SPOs that are commanded by a different agency. The recommended research is related to this study. The researcher assumed that the Plant Representative Offices' support to the SPOs in other military agencies is inferior to the support provided to SPOs of the same military agency. As a result of the assumption, the researcher believes that plant cognizance by a military department may lead to cost overruns and/or the deployment of inadequate systems which will be detrimental to the DOD's mission to provide for the national defense. The recommended research will either substantiate or refute the assumption and subsequent statements made in this study.

Concluding Remarks

The acquisitions of major systems are vital to ensure that national defense needs are met. Successful acquisition

of major systems requires the coordinated efforts of both the System Program Office and the Plant Representative Office. The System Program Office has overall responsibility for system acquisition while the Plant Representative Office provides onsite contract administration services to the System Program Office.

Although the Defense Logistics Agency has primary responsibility to provide contract administration services within the DOD; the Army, Navy, and Air Force may request and be assigned cognizance of specified Plant Representative Offices. However, the findings of this research effort indicate that cognizance of all the Plant Representative Offices by a single DOD component will be a more effective and efficient organizational structure. Therefore, the DOD should not allow the parochialism of the Army, Navy, and Air Force to override the needs of the nation.

Appendix A: Plant Representative Offices (2:I-1 - I-21)

Army Plant Representative Offices

- | | |
|------------------------------------------------------|------------------------------------------------------|
| 1. ARPRO Bell Helicopter
Textron
Fort Worth TX | 2. ARPRO Hughes
Helicopter Inc.
Culver City CA |
| 3. ARPRO Boeing Vertol
Company
Philadelphia PA | |

Navy Plant Representative Offices

- | | |
|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| 1. NAVPRO Sperry Division
Great Neck L.I. NY | 2. NAVPRO LTV
Aerospace
and Defense Co.
Dallas TX |
| 3. NAVPRO General Electric Co.
Aircraft Engine
Business Group
Lynn MA | 4. NAVPRO Lockheed
California Co.
Burbank CA |
| 5. NAVPRO McDonnell Douglas
Corporation
St. Louis MO | 6. NAVPRO General
Dynamics
Pomona CA |
| 7. NAVPRO General Electric
Co. Ordnance Systems
Pittsfield MA | 8. NAVPRO FMC
Northern Ordnance
Division
Minneapolis MN |
| 9. NAVPRO United Tech-
nologies Corporation
Stratford CT | 10. NAVPRO Melbourne,
Australia
APO San Francisco
CA |
| 11. NAVPRO Lockheed
Missiles & Space Co.,
Inc. Missile System
Division
Sunnyvale CA | 12. NAVPBRO Hercules
Aerospace Division
Bachus Plant
Magna UT |

13. NAVPRO Laurel
Laurel MD

14. NAVPBRO Westinghouse
Electric Corporation,
Oceanic Division
Annapolis MD

15. NAVPRO Grumman
Aerospace Corp.
Bethpage L.I. NY

Air Force Plant Representative Offices

1. AFPRO Boeing Co.
Seattle WA

2. AFPRO Aerojet-
General Corp.
Sacramento CA

3. AFPRO AVCO
Systems Division
Wilmington MA

4. AFPRO TRW
Redondo Beach CA

5. AFPRO Hughes Aircraft Co.
Los Angeles CA

6. AFPRO Rockwell
International Corp.
Anaheim CA

7. AFPRO Rockwell Inter-
national Corp., North
American Aircraft
Operations
Los Angeles CA

8. AFPRO Rockwell
International Corp.
Rocketdyne Division
Canoga Park CA

9. AFPRO Northrop Corp.
Hawthorne CA

10. AFPRO Martin-
Marietta
Denver Aerospace
Denver CO

11. AFPRO Douglas
Aircraft Co.
Long Beach CA

12. AFPRO Lockheed-
Georgia Co.
Marietta GA

13. AFPRO Eaton Corp.
AIL Division
Deer Park L.I. NY

14. AFPRO General
Electric Co.
Space Systems
Division
Philadelphia PA

15. AFPRO Fairchild
Industries Inc.
Farmingdale NY

16. AFPRO Hughes
Aircraft Co.
Missile Systems
Group
Tucson AZ

- | | |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| 17. AFPRO Morton Thilkol
Incorporated
Brigham City UT | 18. AFPRO General
Electric Co.,
Aircraft Engine Grp.
Cincinnati OH |
| 19. AFPRO General Dynamics
Corporation
Fort Worth Division
Fort Worth TX | 20. AFPRO Westinghouse
Electric Corp.
Baltimore MD |
| 21. AFPRO Pratt & Whitney
West Palm Beach FL | 22. AFPRO Pratt &
Whitney
East Hartford CT |
| 23. AFPRO Lockheed Missile
and Space Co., Space
Systems Division
Sunnyvale CA | 24. AFPRO Rockwell
International Corp.
Columbus Division
Columbus OH |
| 25. AFPRO Boeing Military
Airplane Co.
Wichita KS | |

Defense Contract Administration Services
Plant Representative Offices

- | | |
|---------------------------------------------------------------|---------------------------------------------------------|
| 1. DCASPRO AT&T
Technologies, Inc.
Burlington NC | 2. DCASPRO Michoud
New Orleans LA |
| 3. DCASPRO Hayes Birmingham
Birmingham AL | 4. DCASPRO Hayes Dothan
Dothan AL |
| 5. DCASPRO Aero
Lake City FL | 6. DCASPRO Grumman
Stuart FL |
| 7. DCASPRO Martin Marietta
Orlando Aerospace
Orlando FL | 8. DCASPRO Raytheon Co.
Spencer Lab
Burlington MA |
| 9. DCASPRO General Electric
Corporation
Lynn MA | 10. DCASPRO Sanders
Associates
Nashua NH |
| 11. DCASPRO General Electric
Corporation
Burlington VT | 12. DCASPRO AVCO
Lycoming Division
Stratford CT |

- | | |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------|
| 13. DCASPRO Singer-Link
Binghamton NY | 14. DCASPRO Hamilton
Standard
Windsor Locks CT |
| 15. DCASPRO Kaman Aerospace
Bloomfield CT | 16. DCASPRO GTE
Government Systems Corp.
Needham MA |
| 17. DCASPRO IBM
Owego NY | 18. DCASPRO GMC
Detroit Diesel Allison
Indianapolis IN |
| 19. DCASPRO Magnavox
Fort Wayne IN | 20. DCASPRO Sundstrand
Rockford IL |
| 21. DCASPRO Gould
Gould Defense Systems, Inc.
Cleveland OH | 22. DCASPRO Teledyne CAE
Toledo OH |
| 23. DCASPRO Williams
International
Walled Lake MI | 24. DCASPRO Goodyear
Goodyear Aerospace
Corporation
Akron OH |
| 25. DCASPRO Hughes Aircraft
Co., Ground Systems Group
Fullerton CA | 26. DCASPRO General
Dynamics Corp.
San Diego CA |
| 27. DCASPRO Ford
Aeronutronic
Newport Beach CA | 28. DCASPRO Ford
Aerospace
Palo Alto CA |
| 29. DCASPRO Westinghouse
Sunnyvale CA | 30. DCASPRO McDonnell-
Douglas Astronautics
Co.
Huntington Beach CA |
| 31. DCASPRO Litton
Woodland Hills CA | 32. DCASPRO Harris
Syossett NY |
| 33. DCASPRO ITT
ITT Defense Space Group
Nutley NJ | 34. DCASPRO Bendix Corp.
Teterboro NJ |
| 35. DCASPRO Singer
Little Falls NJ | 36. DCASPRO IBM Manassas
Manassas VA |
| 37. DCASPRO RCA
Moorestown NJ | 38. DCASPRO Honeywell
Minneapolis MN |

39. DCASPRO Texas
Instruments Inc.
Dallas TX

41. DCASPRO Rockwell
International
Richardson TX

43. DCASPRO FMC
San Jose CA

40. DCASPRO E-Systems
Inc.
Greenville TX

42. DCASPRO McDonnell-
Douglas/Rockwell
International
Tulsa OK

Appendix B: Plant Cognizance Changes; 1980-1985 (10)

<u>Plant Representative Office</u>	<u>Location</u>	<u>Type Change</u>	<u>Date</u>
1. AFPRO Douglas	Long Beach CA	Navy to AF	Jan81
2. DCASMA Phoenix	Holloman AFB NM	AF to DCAS	Aug81
3. NAVPRO McDonnell-Douglas	St. Louis MO	AF to Navy	Feb82
4. DCASPRO Hughes	Fullerton CA	AF to DCAS	Feb82
5. AFPRO Avco	Wilmington MA	DCAS to AF	Feb82
6. AFPRO Rockwell	Canoga Park CA	DCAS to AF	Apr82
7. DCASPRO Goodyear	Akron OH	Navy to DCAS	Jun82
8. AFPRO Northrop	Hawthorne CA	DCAS to AF	Jul82
9. AFPRO Rockwell	Columbus OH	Navy to AF	Aug82
10. AFPRO Eton (AIL)	Deer Park NY	DCAS to AF	Oct82
11. NAVPRO FMC	Minneapolis MN	DCAS to Navy	Oct82

Appendix C: Plant Cognizance Questionnaire (1:Encl 2)

Requesting Military Department _____
Type of Request: Transfer _____ Continuance _____

1. Provide the name of the contractor and the location of the plant for which cognizance is desired. When more than one building is involved, provide maps showing the locations of all buildings.
2. Describe in detail what is being procured.
3. Indicate the current status of the major system or major subsystem in relation to its life cycle (for example, research, exploratory development, advanced development, concept formulation, contract definition, engineering development, operational system development, and production). Indicate when the production stage began or the approximate date when production is expected to begin and the projected date for completion of production.
4. Specify any previous technical developments on which the system is based, explaining what is new and different.
5. If plant cognizance is assigned, indicate the system and project manager duties that shall be delegated to the CAS component over and above the normal CAS functions listed in DAR 1-406 (reference (c)). For each responsibility delegated, indicate the extent of the CAS component's authority, including any specific authority to finally commit the government to a course of action that significantly affects the contract or the system.
6. Provide current and projected 5-year or longer UDB by contract type and service.
7. Indicate the projected time span when the contractor will be involved in the system or service for which cognizance is requested. (Include work planned but not presently under contract.)
8. Indicate why the assignment of a technical representative to the plant to perform system or project manager functions would not provide essential technical direction and control as an alternative to plant cognizance transfer.
9. a. Furnish the following information on all CAS personnel presently in the plant on a full-time basis:

<u>Functional Area</u>	<u>Number Full-Time</u>	<u>Military Department or DLA</u>	<u>CAS Component Personnel</u>
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b. Assuming cognizance would be assigned as requested, indicate the changes that would occur in paragraph 9.a. of this enclosure and the reasons for each change.
10. Describe briefly the CAS component to be established, including title, location, and organizational relationship.

11. If the plant cognizance transfer request is not based on mutual agreement on the pertinent factual information, describe briefly the area or areas of disagreement and respective positions.

12. Include a statement addressing the impact of the proposed plant cognizance assignment on each element described in paragraph E.5.a. of the basic Instruction.

Appendix D: Plant Cognizance Transfer Procedures (1:Encl 3)

A. The Military Department or the DLA, as appropriate, when directed by the DUSD(AM) to assume plant cognizance, shall:

1. Notify the head of the organization within its command, who shall lead the transfer of the plant.

2. Direct the officer to assume leadership responsibility for ensuring an orderly, timely, and coordinated transfer. (The Military Department or the DLA, as appropriate, shall support the actions of the organization directed to assume plant cognizance.)

B. The head of the organization leading the transfer shall designate an action officer to negotiate the transfer agreement and forward a letter to the organization relinquishing the plant. This letter shall contain the following:

1. The name and telephone number of the action officer.

2. A request for permission to visit the plant and proposed dates.

3. The negotiation location and proposed dates.

4. The proposed date of transfer.

5. A request for a draft agreement that shall include the following information on resources to be transferred:

a. Number and rank of military allotments to be transferred.

b. Number of civilian allotments to be transferred.

c. Assigned personnel and vacant billet information shown in attachments 2 and 3 of this enclosure.

d. Funds to be transferred (see attachment 4 of this enclosure).

e. List of government-owned property to be transferred, such as any communications equipment or facility and vehicles. (Excludes equipment dedicated to a unique, organization-wide management system network).

f. List all service agreements (for example, lease line, computer terminal, and interservice).

6. A request for the management data and information shown in attachments 1 through 5 of this enclosure.

C. The Military Departments or the DLA, as appropriate, when directed by the DUSD(AM) to relinquish plant cognizance, shall take the following actions:

1. Notify immediately the head of the organization within its command, who shall negotiate the transfer agreement.

2. Direct the head of the organization to ensure that no changes are made in the organizational structure, manpower authorized, personnel assigned, equipment or property in place, and funding authorized for the CAS component involved without the concurrence of the action officer of the organization assuming plant cognizance, unless they are based on traceable program changes or planned future reduction in strength

a. An effective cutoff date may be established mutually between the affected Military Departments or the DLA. When prior agreement cannot be reached, the effective cutoff date shall be 90 days before the OSD decision date.

b. Ensure that no reduction-in-force (RIF), promotions, downgrades, or classification actions are initiated after the DUSD(AM) decision unless they are coordinated with the designated gaining organization action officer. All RIF actions in effect at the time of this decision shall be concluded by the relinquishing organization.

3. Forward a letter containing the name of the action officer, his or her telephone number, and the management data as shown in attachments 1 through 5 of this enclosure to the organization assuming plant cognizance.

D. The organization assuming plant cognizance shall acknowledge receipt of the data and requested draft agreement.

E. The parties involved shall make every effort to consummate the agreement and effect transfer of plant cognizance. When agreement cannot be reached within 60 days, the matter shall be forwarded to the DUSD(AM) for the determination.

Attachments - 5

1. Organization and Manning Information
2. Assigned Civilian Personnel Information
3. Assigned Military Personnel Information
4. Funds to be Transferred
5. Management Data and Information

ORGANIZATION AND MANNING INFORMATION

A. Organization structure.

B. Functions performed by each organization, including:

1. Associated manpower by functional area presently authorized and assigned. This includes:

- a. Number.
- b. Job title.
- c. Military occupational specialty (MOS).
- d. Rank or grade series.
- e. Incumbent's name.

2. Recapitulation of total manpower presently authorized and manpower authorized 90 days before DUSD(AM) decision. This includes:

- a. Officers.
- b. Enlisted members.
- c. Civilians.

ASSIGNED CIVILIAN PERSONNEL INFORMATION

List in accordance with the organization structure shown in attachment 1 of this enclosure.

- A. Organization's civilian personnel officer (name, grade, organization symbol, and telephone number).
- B. Civilian personnel identified as having functional transfer rights, to include:
 1. Onsite: name, job title, grade and step, and series.
 2. Offsite: name, job title, grade and step, and series.
 3. Overseas (employees who have return rights):
 - a. Name.
 - b. Overseas organization and location.
 - c. Scheduled return date, job title, grade and step, and series of the position to which the employee is entitled to return.
 - d. Copy of the signed agreement (attach).
- C. Any assigned employee not subject to this functional transfer and reason therefor.

NOTES:

1. Assigned temporary personnel are not subject to functional transfer. (The decision whether to hire such personnel shall be made by the gaining organization.)
2. Service computation date and tenure group shall be provided if RIF by the gaining organization is to be conducted simultaneously with the transfer of function.
3. The losing organization shall take appropriate personnel actions for temporary personnel not required by the gaining organization and for personnel not performing or directly supporting CAS functions as outlined in DAR 1-406 (reference (c)).
4. In reaching an agreement concerning the manpower resources required to perform a given function, there should be no distinction between so-called overhires and normal spaces, unless it is clear that the overhire space is intended to meet workload fluctuations (workload usually lasting less than 1 year and not expected to continue beyond the date of transfer). Accordingly, ceiling spaces shall be transferred based on the agreement reached by the gaining and losing organizations.

5. In accordance with the budget policy approved by the Deputy Secretary of Defense, offsite personnel resources will not be considered when effecting plant cognizance transfers.

ASSIGNED MILITARY PERSONNEL INFORMATION

A. Organization's military personnel officer (name, rank, organization symbol, and telephone number).

B. Personnel information

1. Name. (If position is vacant or incumbent is scheduled for rotation, indicate replacement status.)

2. Rank.

3. Social security number.

4. Temporary date of rank.

5. Specialty code.

6. Date assigned to present position.

7. Projected rotation date.

8. Position title.

9. Unit of assignment and specific location.

10. Servicing personnel officer.

FUNDS TO BE TRANSFERRED
(Breakdown by Fiscal Year)

A. Organization's budget officer (name, rank or grade, organization symbol, and telephone number).

B. Funding by element: (Appropriation _____)
FY _____ FY _____

1. Civilian pay (including benefits and variables).
2. National Aeronautics and Space Administration, Foreign Military Sales, or other civilian agencies' reimbursable support.
3. Travel or temporary duty (TDY) (separate estimates for military and civilian).
4. Training travel or TDY.
5. Training other than travel.
6. Permanent change of station (PCS) - Travel and household effect (civilian only).
7. Purchased services.
8. Other administrative expenses.
9. *Communications.*

C. All manpower allotments transferred shall be fully funded full-time spaces.

D. Vacant General Schedule positions shall be funded at their current authorized grade, step 5.

E. Funds may not be transferred for temporary personnel.

MANAGEMENT DATA AND INFORMATION

A. Contractor sales (government, commercial, and total, by calendar year) for:

1. Current year.
2. Past 2 years.
3. Forecast for the next year.

B. UDB for government contracts (by calendar quarter) for:

1. Current quarter.
2. Past 4 quarters.
3. Forecast for the next 5 years.

C. Total number of equivalent contractor personnel working on government programs (including a burden of indirect contractor personnel, but not including contractor personnel at sites not under surveillance by this CAS component), by calendar quarter, for:

1. Current quarter.
2. Past 4 quarters.
3. Forecast for the next 4 years.

D. The number of assigned prime contracts and subcontracts and their face value and UDB at the current time and 90 days before the DUSD(AM) decision. Other factors pertinent to the administration of the contracts currently assigned (for example, number of delinquent contracts, overage pricing cases, and contracts physically completed but not closed).

Appendix E: Normal Contract Administration Functions (14:42-2)

(a) The following are the normal contract administration functions to be performed by the cognizant CAO, to the extent they apply, as prescribed in 42.202:

- (1) Review the contractor's compensation structure.
- (2) Review the contractor's insurance plans.
- (3) Conduct post-award orientation conferences.
- (4) Review and evaluate contractor's proposals under Subpart 15.8 and, when negotiation will be accomplished by the contracting officer, furnish comments to that officer.
- (5) Negotiate forward pricing rate agreements (see 15.809).
- (6) Negotiate advance agreements applicable to treatment of costs under contracts currently assigned for administration (see 31.111).
- (7) Determine the allowability of costs suspended or disapproved as required (see Subpart 42.8), direct the suspension or disapproval of costs when there is reason to believe they should be suspended or disapproved, and approve final vouchers.
- (8) Issue Notices of Intent to Disallow or not Recognize Costs (see Subpart 42.8).
- (9) Establish final indirect cost rates and billing rates for those contractors meeting the criteria for contracting officer determination in Subpart 42.7.
- (10) Prepare findings of fact and issue decisions under the Disputes clause on matters in which the ACO has the authority to take definitive action.
- (11) In connection with Cost Accounting Standards (see Part 30)---
 - (i) Determine the adequacy of the contractor's disclosure statements;
 - (ii) Determine whether disclosure statements are in compliance with Cost Accounting Standards and Part 31;
 - (iii) Determine the contractor's compliance with Cost Accounting Standards and disclosure statements, if applicable; and
 - (iv) Negotiate price adjustments and execute supplemental agreements under the Cost Accounting Standards clauses at 52.230-3, 52.230-4, and 52.230-5.
- (12) Review and approve or disapprove the contrac-

tor's request for payments under the progress payments clause.

(13) Make payments on assigned contracts when prescribed in agency acquisition regulations (see 42.205).

(14) Manage special bank accounts.

(15) Ensure timely notification by the contractor of any anticipated overrun or underrun of the estimated cost under cost-reimbursement contracts.

(16) Monitor the contractor's financial condition and advise the contracting officer when it jeopardizes contract performance.

(17) Analyze quarterly limitation on payments statements and recover overpayments from the contractor.

(18) Issue tax exemption certificates.

(19) Ensure processing and execution of duty-free entry certificates.

(20) For classified contracts, administer those portions of the applicable industrial security program designated as administrative contracting officer responsibilities (see Subpart 4.4).

(21) Issue work requests under maintenance, overhaul, and modification contracts.

(22) Negotiate prices and execute supplemental agreements for spare parts and other items selected through provisioning procedures when prescribed by agency acquisition regulations.

(23) Negotiate and execute contractual documents for settlement of partial and complete terminations for convenience, except as otherwise prescribed by Part 49.

(24) Negotiate and execute contractual documents settling cancellation charges under multiyear contracts.

(25) Process and execute novation and change of name agreements under Subpart 42.12.

(26) Perform property administration (see Part 45).

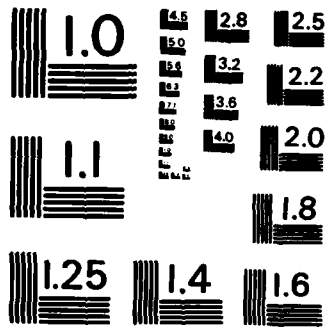
(27) Approve contractor acquisition or fabrication of special test equipment under the clause at 52.245-19, Special Test Equipment.

(28) Perform necessary screening, redistribution, and disposal of contractor's inventory.

(29) Issue contract modifications requiring the contractor to provide packing, crating and handling services on excess Government property. (When the ACO determines it to be in the Government's interests, the services may be secured from a contractor other than the contractor in possession of the property).

(30) In facilities contracts---

(i) Evaluate the contractor's request for facilities and for changes to existing facilities



MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS - 1963 - A

and provide appropriate recommendations to the contracting officer;

(ii) Ensure required screening of facility items before acquisition by the contractor;

(iii) Approve use of facilities on a noninterference basis in accordance with the clause at 52.245-10, Use and Charges;

(iv) Ensure payment by the contractor of any rental due; and

(v) Ensure reporting of items no longer needed for Government production.

(31) Perform production support, surveillance, and status reporting, including timely reporting of potential and actual slippages in contract delivery schedules.

(32) Perform pre-award surveys (see Subpart 9.1).

(33) Advise and assist contractors regarding their priorities and allocations responsibilities and assist contracting offices in processing requests for special assistance and for priority ratings for privately owned capital equipment.

(34) Monitor contractor industrial labor relations matters under the contract; apprise the contracting officer and, if designated by the agency, the cognizant labor relations advisor, of actual or potential labor disputes; and coordinate the removal of urgently required material from the strikebound contractor's plant upon instruction from, and authorization of, the contracting officer.

(35) Perform traffic management services, including issuance and control of Government bills of lading and other transportation documents.

(36) Review the adequacy of the contractor's traffic operations.

(37) Review and evaluate preservation, packaging, and packing.

(38) Ensure contractor compliance with contractual quality assurance requirements (see Part 46).

(39) Ensure contractor compliance with applicable safety requirements, including contractual requirements for the handling of hazardous and dangerous materials and processes.

(40) Perform engineering surveillance to assess compliance with contractual terms for schedule, cost, and technical performance in the areas of design, development, and production.

(41) Evaluate for adequacy and perform surveillance of contractor engineering efforts and management systems that relate to design, development, production engineering changes, subcontractors, tests, management of engineering resources, reliability and maintainability, data control systems, configurations management, and independent research and development.

(42) Review and evaluate for technical adequacy of the contractor's logistics support, maintenance, and modification programs.

(43) Report to the contracting office any inadequacies noted in specifications.

(44) Perform engineering analyses of contractor cost proposals.

(45) Review and analyze contractor-proposed engineering and design studies and submit comments and recommendations to the contracting office, as required.

(46) Review engineering change proposals for proper classification, and when required, for need, technical adequacy of design, producibility, and impact on quality, reliability, schedule, and cost. Submit comments to the contracting office.

(47) Assist in evaluating and make recommendations for acceptance or rejection of waivers and deviations.

(48) Evaluate and monitor the contractor's procedures for complying with the Restrictive Markings on Technical Data clause at 52.227-X.

(49) Monitor the contractor's value engineering program.

(50) Review, approve or disapprove, and maintain surveillance of the contractor's purchasing system (see Part 44).

(51) Consent to the placement of subcontracts.

(52) Obtain the contractor's currently approved company or division-wide plans for small business and small disadvantaged business subcontracting for its commercial products, or, if there is no currently approved plan, assist the contracting officer in evaluating the plans for those products.

(53) Assist the contracting officer, upon request, in evaluating an offeror's proposed small business and small disadvantaged business subcontracting plans, including documentation of compliance with similar plans under prior contracts.

(54) By periodic surveillance, ensure the contractor's compliance with small business and small disadvantaged business subcontracting plans and any labor surplus area contractual requirements; maintain documentation of the contractor's performance under and compliance with these plans and requirements; and provide advice and assistance to the firms involved, as appropriate.

(55) Maintain surveillance of flight operations.

(56) Assign and perform supporting contract administration.

(57) Ensure timely submission of required reports.

Appendix F: Specifically Authorized Contract Administration Functions (14:42-4)

(1) Negotiate or negotiate and execute supplemental agreements incorporating contractor proposals resulting from change orders issued under the Changes clause. Before completing negotiations, coordinate any delivery schedule change with the contracting office.

(2) Negotiate prices and execute priced exhibits for unpriced orders issued by the contracting officer under basic ordering agreements.

(3) Negotiate or negotiate and execute supplemental agreements changing contract delivery schedules.

(4) Negotiate or negotiate and execute supplemental agreements providing for the deobligation of unexpended dollar balances considered excess to known contract requirements.

(5) Issue amended shipping instructions and, when necessary, negotiate and execute supplemental agreements incorporating contractor proposals resulting from these instructions.

(6) Negotiate changes to interim billing prices.

(7) Negotiate and definitize adjustments to contract prices resulting from exercise of an economic price adjustment clause (see Subpart 16.2).

(8) Issue change orders and negotiate and execute resulting supplemental agreements under contracts for ship construction, conversion, and repair.

Appendix G: Examples of NAVPRO Performance Indicators (28:Encl 2)

<u>Mission Area</u>	<u>Performance Indicator and Description</u>
1. Cost of Acquisition	Return on Investment: The sum of all cost saving and cost avoidances achieved during the report period compared to the NAVPRO total operating expenses for the same period.
2. Schedule	Support Item On-time Delivery Rate: The number of spares, kits, and support equipment delivered on-time during the report period.
3. Performance/Quality	Major End Item Customer Complaints: The number of critical and major discrepancies reported by the customer on major end items delivered during the reporting period as compared to the number over the most recent twelve month period.
4. Resource Management	Staffing: The number of civilian personnel onboard compared to the planned number onboard from the staffing plan.
5. Flight Operations	Mishaps: Mishap free flight operations based the number of ground and flight related mishaps per flight event including both contractor and NAVPRO operations.

**Appendix H: Examples of AFPRO
Management Indicators**

<u>Category</u>	<u>Management Indicator and Description</u>
1. AFPRO Flowdown	AFPRO Civilian Manning Status: Number of civilian personnel authorized and assigned (29:37).
2. Administration	AFPRO Administrative Training: The percentage of trained AFPRO personnel assigned duties as Documentation Manager and as Publishing Distribution Officer (29:93).
3. Engineering and Program Support	Technical Support to Key Programs: The apportionment of available manhours to key programs (29:95).
4. Industrial Material	Overage Plant Clearance Management Actions: The percentage of overage plant clearance items on hand at the end of the reporting period (29:101).
5. Manufacturing Operations	Selected AFCMD Program Deliveries: The delivery status of selected major programs (29:107).
6. Quality Assurance	Resource Distribution by Prevention, Appraisal, and Failure: The percentage of quality assurance time spent in prevention, appraisal, and failure activities (29:128).
7. Safety and Flight Operations	Military/Civilian Disabling Injuries: The total number of military and civilian disabling injuries (29:159).
8. Subcontract Management	Subcontract Awards to Small Business: The total of prime contractor subcontract awards to small businesses (29:172).

9. Security
Office

Security Program Reviews
Accomplished: The total number of
reviews scheduled and accomplished
(29:182).

10. Contract
Administration

Overage Change Orders: The
percentage of change orders that are
not definitized within the specified
time period (29:196).

11. Resource
Management
Office

AFCMD Manadatory Procurement
Training: The status on completion
of mandatory training for
contracting and acquisition
personnel (29:212).

Appendix I: Examples of DCASPRO
Management Indicators

<u>Category</u>	<u>Management Indicator and Description</u>
1. Contract Administration	Undefinitized Orders on Hand: Quantity of orders on hand which require definitization by the Administrative Contracting Officer (30:448-610-9).
2. Termination Settlement	Termination for Convenience Dockets Established: The quantity of dockets established involving prime contract terminations for the convenience of the Government (30:448-610-13).
3. Financial Services	Pricing Cases Completed: The quantity of completed pricing cases (30:448-610-15).
4. Contract Property Management	Plant Clearance Cases Processed: The quantity of plant clearance cases opened plus the quantity of cases closed during the period (30:448-610-25).
5. Production	Preaward Surveys Completed: The quantity of preaward survey conducted (30:448-610-27).
6. Transportation and Packaging	Recommended Cost Avoidance: Value of cost avoidance actions recommended by Transportation and Packaging personnel (30:448-610-34).
7. Systems and Engineering	Value Engineering Change Proposals (VECPs) Processed: Total VECPS processed by Systems and Engineering personnel during the report period (30:448-610-41).
8. Quality Assurance	Materiel Deficiency Reports on Hand: The number of Materiel Deficiency Reports on hand (30:448-640-2).

Appendix J: Cover Letter and Formal Interview
Questions by Functional Area



DEPARTMENT OF THE AIR FORCE
AIR FORCE INSTITUTE OF TECHNOLOGY (AFIT)
WRIGHT-PATTERSON AIR FORCE BASE, OH 45433-3933

REPLY TO
ATTN OF: LSG (Capt Julius Clark, AV 785-6569)
SUBJECT: Plant Representative Office Questionnaire

TO:

1. Reference the _____ telecon, same subject, between yourself and Captain Clark.
2. As discussed in the referenced telecon, please complete the attached questionnaire concerning the comparative quality of services provided by the Plant Representative Office that was under the cognizance of two different DOD components.
3. The Plant Representative Office of interest is located at:

The Plant Representative Office was under the cognizance of the _____ until _____. Currently the Office is under the cognizance of the _____. Your response should indicate perceived differences in the quality of contract administration services provided by the _____ when compared to the services provided by the _____.
4. I will contact you within five (5) working days to obtain your response. Thank you for your participation.

Julius Clark Jr., Capt, USAF
Graduate Student
School of Systems and Logistics

Atch
Questionnaire

STRENGTH THROUGH KNOWLEDGE

INTERVIEW QUESTIONNAIRE
GENERAL CONTRACT ADMINISTRATION FUNCTIONS

CENTRAL QUESTION:

How does the quality of the below listed general contract administration functions performed by the current Plant Representative Office compare to the quality of the functions performed by the previous Plant Representative Office?

Please use the following scale to respond to each of the contract administration services presented below. The space between the services may be used for written comments you may have.

- A - GREATLY DECLINED
- B - SLIGHTLY DECLINED
- C - NO CHANGE
- D - SLIGHTLY IMPROVED
- E - GREATLY IMPROVED
- F - NOT APPLICABLE

SPECIFIC FUNCTION:

RESPONSE:

1. Review of contractor systems
(Procurement, Compensation, Insurance,
Estimating, Property Administration).
COMMENT:

A B C D E F

- A - GREATLY DECLINED
- B - SLIGHTLY DECLINED
- C - NO CHANGE
- D - SLIGHTLY IMPROVED
- E - GREATLY IMPROVED
- F - NOT APPLICABLE

2. Conduct of pre-award surveys.
COMMENT:

A B C D E F

3. Negotiation of overhead rates (Forward pricing, Billing, Final Overhead).
COMMENT:

A B C D E F

4. Administration of progress payments.
COMMENT:

A B C D E F

5. Performance of payment function on assigned contracts.
COMMENT:

A B C D E F

6. Evaluation and reporting of anticipated overruns or underruns on cost-type contracts.
COMMENT:

A B C D E F

- A - GREATLY DECLINED
- B - SLIGHTLY DECLINED
- C - NO CHANGE
- D - SLIGHTLY IMPROVED
- E - GREATLY IMPROVED
- F - NOT APPLICABLE

7. Negotiation of spares and provisioning items.
COMMENT:

A B C D E F

8. Negotiation of orders under Basic Ordering Agreements.
COMMENT:

A B C D E F

9. Negotiation of change order proposals.
COMMENT:

A B C D E F

10. Evaluation of contractors' proposals.
COMMENT:

A B C D E F

11. Advice to the buying office on all pertinent matters relating to contract administration functions.
COMMENT:

A B C D E F

- A - GREATLY DECLINED
- B - SLIGHTLY DECLINED
- C - NO CHANGE
- D - SLIGHTLY IMPROVED
- E - GREATLY IMPROVED
- F - NOT APPLICABLE

12. Responsiveness of the general contract administration component to requests for information and/or assistance.
COMMENT:

A B C D E F

13. Working relationship of the general contract administration component with the contractor.
COMMENT:

A B C D E F

14. Technical expertise of personnel in the general contract administration component.
COMMENT:

A B C D E F

15. Overall performance of the general contract administration component.
COMMENT:

A B C D E F

INTERVIEW QUESTIONNAIRE
PRODUCTION FUNCTIONS

CENTRAL QUESTION:

How does the quality of the below listed production functions performed by the current Plant Representative Office compare to the quality of the functions performed by the previous Plant Representative Office?

Please use the following scale to respond to each of the contract administration services presented below. The space between the services may be used for written comments you may have.

- A - GREATLY DECLINED
- B - SLIGHTLY DECLINED
- C - NO CHANGE
- D - SLIGHTLY IMPROVED
- E - GREATLY IMPROVED
- F - NOT APPLICABLE

SPECIFIC FUNCTION:

RESPONSE:

1. Performance of Cost/Schedule Control Systems Criteria (C/SCSC).
COMMENT:

A B C D E F

2. Evaluation of contractor production capabilities in Pre-award surveys.
COMMENT:

A B C D E F

- A - GREATLY DECLINED
- B - SLIGHTLY DECLINED
- C - NO CHANGE
- D - SLIGHTLY IMPROVED
- E - GREATLY IMPROVED
- F - NOT APPLICABLE

3. Evaluation of contractor production plans. A B C D E F
 COMMENT:

4. Notification to buying offices of anticipated or actual contract schedule delinquencies. A B C D E F
 COMMENT:

5. Performance of technical analysis of contractor cost proposals. A B C D E F
 COMMENT:

6. Surveillance of contractor integrated logistics support management. A B C D E F
 COMMENT:

7. Monitoring of the contractors' make or buy program. A B C D E F
 COMMENT:

- A - GREATLY DECLINED
- B - SLIGHTLY DECLINED
- C - NO CHANGE
- D - SLIGHTLY IMPROVED
- E - GREATLY IMPROVED
- F - NOT APPLICABLE

8. Assistance to contractor regarding priorities and allocation in expediting material purchases. A B C D E F
 COMMENT:

9. Evaluation of contractor scrap and rework program. A B C D E F
 COMMENT:

10. Performance of traffic management services. A B C D E F
 COMMENT:

11. Advice to the buying office on all pertinent matters relating to production functions. A B C D E F
 COMMENT:

12. Responsiveness of the production component to requests for information and/or assistance. A B C D E F
 COMMENT:

- A - GREATLY DECLINED
- B - SLIGHTLY DECLINED
- C - NO CHANGE
- D - SLIGHTLY IMPROVED
- E - GREATLY IMPROVED
- F - NOT APPLICABLE

13. Working relationship of the production component with the contractor .
COMMENT:

A B C D E F

14. Technical expertise of personnel in the production component.
COMMENT:

A B C D E F

15. Overall performance of the production component.
COMMENT:

A B C D E F

INTERVIEW QUESTIONNAIRE
QUALITY ASSURANCE FUNCTIONS

How does the quality of the below listed quality assurance functions performed by the current Plant Representative Office compare to the quality of the functions performed by the previous Plant Representative Office?

Please use the following scale to respond to each of the contract administration services presented below. The space between the services may be used for written comments you may have.

- A - GREATLY DECLINED
- B - SLIGHTLY DECLINED
- C - NO CHANGE
- D - SLIGHTLY IMPROVED
- E - GREATLY IMPROVED
- F - NOT APPLICABLE

SPECIFIC FUNCTION:

RESPONSE:

1. Monitoring of contractor quality inspection and testing to ensure compliance with contractual requirements.

A B C D E F

COMMENT:

- A - GREATLY DECLINED
- B - SLIGHTLY DECLINED
- C - NO CHANGE
- D - SLIGHTLY IMPROVED
- E - GREATLY IMPROVED
- F - NOT APPLICABLE

2. Monitoring of contractor quality system to ensure compliance with contractual requirements. A B C D E F
 COMMENT:

3. Evaluation of contractor quality system planning and procedures. A B C D E F
 COMMENT:

4. Evaluation of contractor performance on corrective action and disposition of nonconforming supplies. A B C D E F
 COMMENT:

5. Evaluation of contractor quality system with regard to materials, special processes, metrology, and sampling. A B C D E F
 COMMENT:

- A - GREATLY DECLINED
- B - SLIGHTLY DECLINED
- C - NO CHANGE
- D - SLIGHTLY IMPROVED
- E - GREATLY IMPROVED
- F - NOT APPLICABLE

6. Evaluation of contractor quality assurance system in pre-award surveys. A B C D E F
 COMMENT:

7. Performance of acceptance of non-conforming material. A B C D E F
 COMMENT:

8. Performance of technical evaluation of contractor requests for waivers and deviations. A B C D E F
 COMMENT:

9. Performance of buying office directed inspections. A B C D E F
 COMMENT:

10. Evaluation of customer complaints. A B C D E F
 COMMENT:

11. Advice to the buying office on all pertinent matters relating to quality assurance functions. A B C D E F
 COMMENT:

12. Responsiveness of the quality assurance component to requests for information and/or assistance.

A B C D E F

COMMENT:

- A - GREATLY DECLINED
- B - SLIGHTLY DECLINED
- C - NO CHANGE
- D - SLIGHTLY IMPROVED
- E - GREATLY IMPROVED
- F - NOT APPLICABLE

13. Working relationship of the quality assurance component with the contractor.

A B C D E F

COMMENT:

14. Technical expertise of personnel in the quality assurance component.

A B C D E F

COMMENT:

15. Overall performance of the quality assurance component.

A B C D E F

COMMENT:

INTERVIEW QUESTIONNAIRE
ENGINEERING FUNCTIONS

How does the quality of the below listed engineering functions performed by the current Plant Representative Office compare to the quality of the functions performed by the previous Plant Representative Office?

Please use the following scale to respond to each of the contract administration services presented below. The space between the services may be used for written comments you may have.

- A - GREATLY DECLINED
- B - SLIGHTLY DECLINED
- C - NO CHANGE
- D - SLIGHTLY IMPROVED
- E - GREATLY IMPROVED
- F - NOT APPLICABLE

SPECIFIC FUNCTION:

RESPONSE:

1. Evaluation of contractor engineering studies, designs, and proposals.

A B C D E F

COMMENT:

- A - GREATLY DECLINED
- B - SLIGHTLY DECLINED
- C - NO CHANGE
- D - SLIGHTLY IMPROVED
- E - GREATLY IMPROVED
- F - NOT APPLICABLE

2. Evaluation of contractor engineering efforts with regard to expenditures. A B C D E F
 COMMENT:

3. Surveillance of contractor engineering practices with regard to subcontractors. A B C D E F
 COMMENT:

4. Evaluation of contractor test plans and directives. A B C D E F
 COMMENT:

5. Technical evaluations of contractors' requests for waivers and deviations. A B C D E F
 COMMENT:

6. Evaluation of contractors' engineering data control systems. A B C D E F
 COMMENT:

- A - GREATLY DECLINED
- B - SLIGHTLY DECLINED
- C - NO CHANGE
- D - SLIGHTLY IMPROVED
- E - GREATLY IMPROVED
- F - NOT APPLICABLE

7. Evaluation of contractor recommended design changes. A B C D E F
 COMMENT:

8. Surveillance of contractor configuration management systems and procedures. A B C D E F
 COMMENT:

9. Evaluation of contractor reliability and maintainability programs. A B C D E F
 COMMENT:

10. Evaluation of contractors' logistic support, maintenance, and modification programs. A B C D E F
 COMMENT:

11. Advice to the buying office on all pertinent matters relating to contract engineering functions. A B C D E F
 COMMENT:

- A - GREATLY DECLINED
- B - SLIGHTLY DECLINED
- C - NO CHANGE
- D - SLIGHTLY IMPROVED
- E - GREATLY IMPROVED
- F - NOT APPLICABLE

12. Responsiveness of the engineering component to requests for information and/or assistance. A B C D E F
 COMMENT:

13. Working relationship of the engineering component with the contractor. A B C D E F
 COMMENT:

14. Technical expertise of personnel in the Engineering component. A B C D E F
 COMMENT:

15. Overall performance of the engineering component. A B C D E F
 COMMENT:

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VITA

Captain Julius Clark Jr. was born 9 August 1954 in Chicago, Illinois. He graduated from high school in Blue Island, Illinois in 1972 and attended Bradley University in Peoria, Illinois. In 1973, he enlisted in the Air Force, and in 1977 was accepted into the Airman Scholarship Commissioning Program. He attended the University of Illinois and in May 1980 was awarded a Bachelor of Science degree in Accounting and received an Air Force commission through the ROTC program. Captain Clark entered active duty October 1980 at the Air Force Plant Representative Office located within Hughes Aircraft Company. During the three years he served at the Plant Representative Office, which subsequently became a Defense Contract Administration Services Plant Representative Office, the positions he held were contract price analyst, business manager, contract administrator, and administrative contracting officer. He entered the School of Systems and Logistics, Air Force Institute of Technology, in June 1984.

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Thesis Chairman: Holly R. Conner, Captain, USAF Instructor of Contracting Management			
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The Plant Representative Office is a DOD organization vital to successful acquisition of major systems. Located at the contractor's facility, the Plant Representative Office provides contract administration services to the System Program Office (SPO). The Defense Logistics Agency has primary responsibility to provide contract administration services within the DOD. However, the military departments have requested to the Deputy Under Secretary of Defense (Acquisition Management) and have received assignment of specified Plant Representative Offices. The military departments believe a Plant Representative Office under their command can best serve their SPOs.

The objective of this ⁴⁻²⁻¹⁵ research effort was to either validate or refute the military departments' position. Three methods to evaluate the contract administration services provided by the Plant Representative Offices that had undergone a cognizance change were used. The methods were: (1) A comparative review of the components' guidance for the performance of contract administration services; (2) An analysis of the management indicators generated by the Plant Representative Offices before and after the cognizance change; and (3) Formal interviews of personnel working in the SPOs to obtain their perceptions of the affects of the plant cognizance change. The findings indicated that plant cognizance changes did not affect the quality of contract administration services provided by the Plant Representative Offices.

BLOCK 18 continued: Defense Contract Administration Services Plant Representative Office, Navy Plant Representative Office, Plant Cognizance

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