

Risk Based Government Quality Assurance Surveillance

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INTRODUCTION

1. MOD **Government Quality Assurance Surveillance** (GQAS) is conducted on the basis of tasking against identified risks. The Project Team Leader (PTL) is responsible for achieving quality in delivered products, and together with the Government Quality Assurance Representative (GQAR) for identifying areas where GQAS is required. This responsibility may be delegated to another competent member of the MOD Project Team (PT).

Note: reference to the PTL throughout this topic also applies to anyone with delegated authority that originates a tasking request for GQAS e.g. Project Manager, Equipment Support Manager, Acquisition Manager, Project Quality Focal Point etc.

2. Additional information can be found via the AOF Managing Quality topic **Government Quality Assurance Surveillance**:
 - Defence intranet (RLI): <http://www.aof.dii.r.mil.uk/aofcontent/tactical/quality/content/assuringqual/ggas.htm>
 - Internet (www): <http://www.aof.mod.uk/aofcontent/tactical/quality/content/assuringqual/ggas.htm>

FORMAL TASKING AND CONSIDERATIONS

Initial Requirements

3. Before formally tasking a GQAR to carry out GQAS, the PTL should contact the appropriate person on the **List of Authorized MOD GQAR Organizations** to ascertain that organization's method of accepting requests to carry out GQAS.
4. The **List of Authorized MOD GQAR Organizations** is available via AOF Managing Quality downloads section:
 - Defence intranet (RLI): <http://www.aof.dii.r.mil.uk/aofcontent/tactical/quality/downloads/authorizedmodgqarorgs.doc>
 - Internet (www): <http://www.aof.mod.uk/aofcontent/tactical/quality/downloads/authorizedmodgqarorgs.doc>

5. GQAR organizations are free to make their own tasking arrangements. However if required, the following NATO forms can be used when requesting and responding to GQAS within the MOD:

NATO RGQA [96KB DOC]	NATO Request for Government Quality Assurance (RGQA); mandated for use in AQAP 2070
NATO RIAC [100KB DOC]	NATO Risk Identification Assessment and Communication (RIAC); mandated for use in AQAP 2070
NATO RGQAR [76KB DOC]	NATO Response to Government Quality Assurance Request (RGQAR); mandated for use in AQAP 2070
NATO DFB [84KB DOC]	NATO Delegation Feedback Form (DFB); recommended for use in AQAP 2070
NATO GQACR [76KB DOC]	NATO Government Quality Assurance Closure Report (GQACR); mandated for use in AQAP 2070

6. Guidance on the use of the above forms can be found within **AQAP 2070 - NATO Mutual Government Quality Assurance (GQA) Process**. AQAP 2070 and the forms and are available from:

- NATO Online Library (www): <http://www.nato.int/docu/standard.htm>

Forms are also available from AOF Managing Quality QA Related Forms section:

- Defence intranet (RLI): <http://www.aof.dii.r.mil.uk/aofcontent/tactical/quality/content/forms/qarelatedforms.htm>
- Internet (www): <http://www.aof.mod.uk/aofcontent/tactical/quality/content/forms/qarelatedforms.htm>

7. The PTL must ensure that the GQAR has access under the contract to carry out GQAS and that they are provided with the necessary information and documentation, including the contract, to enable them to perform the tasks required. For more information see the AOF Managing Quality topic **Standard Quality Assurance Contractual Requirements**:

- Defence intranet (RLI): <http://www.aof.dii.r.mil.uk/aofcontent/tactical/quality/content/contractingforqual/stanqacontractreq.htm>
- Internet (www): <http://www.aof.mod.uk/aofcontent/tactical/quality/content/contractingforqual/stanqacontractreq.htm>

Note: The contract must not mandate the use of GQAR resources unless this has been agreed with the relevant GQAR before contract let.

Risk and Requirements Definition

8. When tasked, the GQAR should support the PTLs risk management process for contracts placed throughout the acquisition cycle. At the procurement planning, Invitation to Tender (ITT), Pre-Contract Award Evaluation (PCAE) and contractor selection stages, the PTL should liaise with the GQAR to assess contractors' capabilities, particularly in the area of risk management and/or mitigation. The information provided by the GQAR should also include details of contractors' past performance and achievement of quality. Such information provided by the GQAR should be treated with great care as it is commercially sensitive, and may disadvantage a contractor who is known over one who is not known by MOD GQARs.
9. The PTL should consult with the GQAR to inform the identification of contractor and project related risks. The need for GQAS should be considered when setting out the procurement strategy. Where the selection of a particular contractor results in additional risks, any resultant change in tasking must be evaluated and negotiated with the GQAR prior to letting the contract.

10. Where the PTL and the contractor agree to the formulation of a joint risk register, this must be made clear in the GQAR tasking request, to ensure that the surveillance plan recognizes the ownership and responsibility for risk and its mitigation against each discrete risk area.

Sub-supplier GQAS

11. The main contractor is solely responsible for the quality of the deliverable products and services, including those provided by their suppliers. Where the use of a particular subcontractor is required by the contract, the PTL in consultation with the GQAR, should decide whether MOD GQAS at the subcontractor's premises needs to be undertaken. If the PTL requires additional confidence that the main contractor and/or subcontractor are effectively managing subcontract related risks, the PTL can task the main contractor's GQAR to arrange MOD GQAS at the subcontractor's premises. Similarly the main contractor's GQAR may consider that GQAS at a subcontractor's premises is needed to confirm effective control by the main contractor.
12. When MOD GQAS is required at a subcontractor's premises, the GQAR and/or PTL must advise the main contractor accordingly, and notify them of any matters concerning the particular subcontract which require their attention. Generally, any reports raised during GQAS at subcontractors must be fed back directly to the GQAR at the main contractor and **not** passed directly to the subcontractor. Inevitably there will be occasions where it is appropriate for the GQAR to deal directly with subcontractors e.g. safety, security or general Quality Management System issues. In any event the prime contractor's GQAR must be informed. Only the contractor placing the subcontract may issue any consequential instructions to the subcontractor. The requirements for access and facilities at subcontractors' premises are detailed in AQAPs 2110, 2120, 2130 and 2131, and DEFCON 608.

PLANNING SURVEILLANCE ACTIVITY

Quality Assurance Surveillance Plan

13. On receipt of a formal task request the GQAR must prepare a surveillance plan, which defines the surveillance activities to be conducted. Planned surveillance activities must be traceable to each uniquely identified risk. The surveillance plan should also include where appropriate, details of PTL and GQAR responsibilities, procedures for providing feedback to the task originator, and the format and timing of surveillance reports.
14. In normal circumstances, to minimize the amount of surveillance, the risks addressed in the surveillance plan should be discussed with the contractor. If necessary, the PTL must advise the GQAR of any risks that are not to be communicated to the contractor.
15. The surveillance plan, which should be agreed with the PTL, must define the deliverables that the GQAR will provide for that particular contract or group of contracts, including the preparation of interim and final surveillance reports. The surveillance requirements must be reviewed throughout the duration of the contract, taking account of any changes or additional risks identified by the PTL, GQAR, or Contractor. The surveillance plan should state any restrictions regarding information that may be made available to the contractor.
16. Where there is "partnering" i.e. Quality Assurance Surveillance (QAS) is to be carried out jointly by the GQAR and contractor, this should be defined in the surveillance plan so that it is clearly visible to the PTL. The GQAR should ensure that responsibilities for actions arising from such joint QAS are agreed with the contractor and documented.

UNDERTAKING SURVEILLANCE AND REPORTING

Implement the Surveillance Plan

17. The GQAR should conduct GQAS against the agreed surveillance plan. If the GQAR identifies additional risks during surveillance, these should be brought to the attention of the PTL. Where the PTL agrees with the findings, the GQAR should amend the surveillance plan to reflect the new risks.

Quality Deficiency Reporting

18. A Quality Deficiency (QD) is deemed to have taken place when the contractor's internal quality assurance and / or quality control processes do not provide adequate confidence that the contract requirements for quality will be achieved, or when a quality failure has occurred. This definition includes material, services or process deficiencies.
19. During each surveillance activity, the GQAR should discuss any observations made with the contractor. This dialogue should establish if the observation is a QD where a quality failure has or is likely to take place, and whether corrective action may be required by the contractor. Where the GQAR judges an observation to be a QD, the PTL should be notified. For non quality system related QDs, the PTL must act as arbiter if consensus between the GQAR and contractor cannot be reached upon the status of an observation.
20. Quality system deficiencies that indicate problems with the quality system certification process should be referred to DQA Policy.
21. If an observation is not considered to be a QD, but the information is retained for "lessons learnt" purposes, then the GQAR should ensure that the contractor is informed. Procedures for raising non-QD observations must be flexible to suit local circumstances, and are therefore subject to local agreement. ISO 9001:2008 requires certificated organizations to implement continual improvement programmes, therefore the contractor should review the QDs and other observations raised as part of this process.
22. When a QD is confirmed, the GQAR should raise a **Quality Deficiency Report (QDR)** which is allocated a unique reference number and passed to the contractor for a formal response within a stated time-scale. It should be made clear to the contractor that the QDR is a customer complaint, and the GQAR should give a description of the observed deficiency, clearly identifying the requirement against which the contractor is considered to be deficient, e.g. contract, specification or company procedure. If it is obvious at the time of an audit that there is a QD, then the contractor should be given the opportunity to acknowledge the deficiency as observed at the time of the audit by countersigning the QDR.
23. All QDRs raised relating to a specific tasking should be copied to the relevant PTL. Where the QDR refers to a quality issue that could have an impact on other MOD contracts, the GQAR should copy the QDR to other PTLs in the MOD as appropriate. Unless obvious from the wording of the QDR, a cover letter explaining the relevance of the QDR to their contracts should accompany copies sent to other PTLs. The contractor should be notified of all QDR recipients.

QDR corrective action

24. The contractor's response to the QDR should clearly detail the corrective action that has been or will be taken, including time-scales. If necessary, the contractor should also state what action they intend to take to correct products already delivered to the customer. The GQAR should be satisfied that any QDRs raised have been recorded as customer complaints.

25. On receipt of the response from the contractor, the GQAR must verify that the reported deficiency has been suitably addressed, and evaluate the corrective action. If appropriate, the GQAR should provide details to the appropriate PTL of any follow up activities that may be necessary.
26. When the GQAR is satisfied that the reported deficiency has been fully resolved, the QDR should be signed by the GQAR and Contractor, copied to the appropriate PTL and formally closed.

QDR form design

27. MOD GQAR Organizations are free to design their own QDR forms, but the form must contain the minimum fields shown in this typical QDR form available for download from the AOF Managing Quality QA Related Forms section:
 - Defence intranet (RLI): <http://www.aof.dii.r.mil.uk/aofcontent/tactical/quality/downloads/qdr.doc>
 - Internet (www): <http://www.aof.mod.uk/aofcontent/tactical/quality/downloads/qdr.doc>

Unsatisfactory corrective action

28. If corrective action has not been taken in a timely manner or is ineffective, the QDR should be brought to the attention of the contractor's senior management and the PTL. If the QDR is still not resolved within an agreed time-scale it should be brought to the attention of the contractor's chief executive or managing director.
29. Where QDRs cannot be resolved by this escalation process, the GQAR organization may offer to undertake an In Depth Audit (IDA) to identify the root cause of a reported quality deficiency in accordance with the Partnering Approach to Improving Quality process. For more information see the AOF Managing Quality topic **Partnering Approach to Improving Quality**:
 - Defence intranet (RLI): <http://www.aof.dii.r.mil.uk/aofcontent/tactical/quality/downloads/paiq.pdf>
 - Internet (www): <http://www.aof.mod.uk/aofcontent/tactical/quality/downloads/paiq.pdf>

Satisfactory completion of GQAS

30. On completion of surveillance activities the GQAR should prepare a final surveillance report. This report should include details of the outcome of QDRs, feedback from the contractor's continual improvement process, examples of good practice observed, and where appropriate other observations made during GQAS. When agreed by both the PTL and GQAR, the final surveillance report should be copied to the contractor.
31. The final surveillance report must be written in such a way that it cannot be construed or used in any litigation as an endorsement by MOD of the contractor's product or quality management system. The GQAR should inform the contractor of the QDs and other observations to be included in the final surveillance report

RECORD RETENTION CLASSIFICATION AND USE

Retention and classification of GQAS documentation and records

32. All GQAS related documentation and records must be retained for six years beyond the completion date of the contract to which it pertains.

33. All data and opinions stemming from GQAR surveillance activities must be treated, as a minimum, as "PROTECT - COMMERCIAL". Since disclosure of GQAS reports and observations to anyone outside the PTL and/or GQAR loop could be construed as damaging a contractor's competitiveness. Disclosure should only be done with the knowledge of the contractor concerned, under the authority of the GQAR and relevant PTL.

Use of GQAS Reports in Legal Proceedings

34. The reporting of GQAS must be specific, objective, explicit and consistent. It must also be clear about the scope, intent, and particularly any limitations or qualifications of the GQAS. Reports on GQAS must not be capable of being misinterpreted should a dispute arise between the MOD and a contractor.
35. All MOD staff should be aware that whether or not GQAS reports are copied to the contractor at the time of writing, they will subject to "discovery" [disclosure] in any proceedings (litigation or arbitration) to which they might be relevant. At an early stage in any proceedings, MOD would have to produce them to the other party in the dispute, together with any other relevant documents. The reports could then be submitted by either party as evidence of MOD's contemporaneous view of the contractor's approach to the subject under consideration.

Post Project Evaluation

36. The PTL is responsible for ensuring that all relevant data is formally recorded in the project history. The information contained in the GQARs final surveillance report may be used by the PTL for post project evaluation and/or lessons learnt activities. For further information see the **Learning from Experience** on the AOF:
- Defence intranet (RLI): <http://www.aof.dii.r.mil.uk/aofcontent/tactical/ppm/content/lfe/introduction.htm>
 - Internet (www): <http://www.aof.mod.uk/aofcontent/tactical/ppm/content/lfe/introduction.htm>
37. Taking account of any commercial restrictions, the PTL should consider including the contractor in the exchange of post project information, particularly if a joint risk register or "partnering" has been used on the project.
38. If post project information is to be shared with the contractor, care must be taken to ensure that there can be no misinterpretation of the data by either the MOD's or contractor's staff; appropriate caveats should be included in any documentation as necessary.

Feedback to DQA Policy

39. All observations or deficiencies that suggest an inadequacy in a contractor's third party certification or the effectiveness of MOD Quality policies should be fed back by the GQAR to DQA Policy. For more information see the AOF Managing Quality topic **Complaints about Certification Bodies**:
- Defence intranet (RLI): <http://www.aof.dii.r.mil.uk/aofcontent/tactical/quality/content/measuringqual/complaints.htm>
 - Internet (www): <http://www.aof.mod.uk/aofcontent/tactical/quality/content/measuringqual/complaints.htm>
40. Any trends that are identified will be progressed by DQA Policy and discussed at the Defence Industries Quality Forum (DIQF).