



DEFENSE LOGISTICS AGENCY
DEFENSE ENERGY SUPPORT CENTER
8725 JOHN J. KINGMAN ROAD, SUITE 4950
FORT BELVOIR, VIRGINIA 22060-6222

IN REPLY
REFER TO

DESC-CPA

APR 10 2003

CONTRACTING INSTRUCTION (CI): 03-03A

MEMORANDUM FOR CI DISTRIBUTION

SUBJECT: Preaward Survey Procedures – Quality Assurance

By Memorandum of Agreement signed February 27, 2003 (Attachment) Contract Administration Services (CAS) and Quality Assurance (QA) inspection responsibilities for all contracts awarded by DESC were transferred from the Defense Contract Management Agency (DCMA) to DESC.

Earlier Contracting Instruction 03-03 dealt with the updated procedures for requesting preaward financial capability audits. This supplementary CI provides additional guidance relating to quality assurance. And, a further CI will be issued in the future regarding the contract administration of the small business subcontracting program.

As a result of the recent transfer of function for responsibility of quality assurance from DCMA to DESC, Preaward Survey Requests (PAS) will be forwarded to the respective Defense Energy Support Center Regional Quality Manager. See Clause E22 for the list of Quality Assurance Inspection Offices. The requests for PAS will be submitted on the Standard Form 1403, Preaward Survey of Prospective Contractor.

This instruction is effective immediately. The DEPI will be updated accordingly throughout. Point of contact is Ms. D. Baker, (703) 767-8459.

GABRIELLA M. EARHARDT
Center Senior Procurement Official

(Attachment)
MOA



MEMORANDUM OF AGREEMENT
BETWEEN
DEFENSE ENERGY SUPPORT CENTER (DESC)
AND
DEFENSE CONTRACT MANAGEMENT AGENCY (DCMA)
FOR
CONTRACT ADMINISTRATION SERVICES (QUALITY ASSURANCE)

1. PURPOSE.

In a Memorandum dated September 26, 2002 the Under Secretary of Defense Acquisition, Technology & Logistics (USD(AT&L)) asked for the consolidation of the bulk fuel quality management program under the Defense Logistics Agency, Defense Energy Support Center, effective October 1, 2002. This agreement establishes guidelines and procedures under which DCMA will transfer the personnel, associated salary budget and equipment assets (to include office and vehicle leases) to DESC. Personnel and equipment transfer will be completed not later than January 26, 2003.

2. SCOPE.

This Agreement addresses and covers Contract Administration Services (CAS) and Quality Assurance (QA) inspection responsibilities for all contracts awarded by DESC.

3. RESPONSIBILITY.

DCMA shall:

- A. Provide for the salaries of the personnel transferred (attach 1) as written in paragraph 3 and as agreed upon by the respective comptrollers for FY03.
- B. Provide all within grade step increases and awards IAW DCMA policy until personnel transfer is complete.
- C. Provide DESC with information on office leases, office equipment, vehicle rental/lease and telecommunication assets (attach 2).
- D. Maintain ADP support for QAR's until the transfer action is complete as well as transfer ADP equipment where appropriate.
- E. Coordinate with DESC on any recruitment actions or other actions that impact the manning status of potentially affected personnel.

DESC shall:

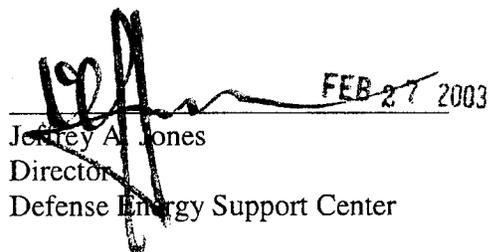
- A. Assume management responsibilities for the personnel identified in the transfer (attach 1) as well as all telecommunications, ADP and other equipment (attach 2) associated with the individuals. Transfer will be on an as is, where is basis. Contract Administration Services (Quality Assurance portions) will become the responsibility of the pertinent DESC Region Quality Manager, as will the responsibility for personnel administration.
- B. Direct that personnel not physically move from assigned duty stations initially. Personnel affected by the mission transfer will remain at the location at which they are as of the date of transfer. DESC will conduct a Business Case Analysis to determine if personnel movement would be more cost effective and then initiate such moves as appropriate.
- C. Assume funding responsibility for labor and non-labor costs as indicated in PBD 425 starting in FY04.
- D. Perform contract administration services, including administration of small business provisions, for all contracts awarded by DESC.

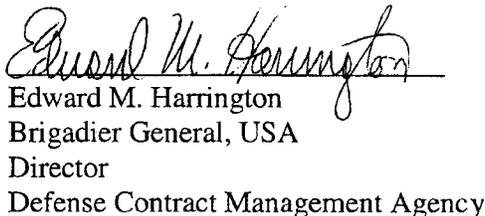
4. FINANCIAL MANAGEMENT/FUNDING.

The FTE's and personnel associated with them and agreed upon at attachment 1 will be transferred effective January 26, 2003. DESC will budget for FY04 and beyond, and DCMA will provide labor and non-labor dollars directly to DESC (via MIPR) for the remainder of FY03.

5. AGREEMENT AND ADMINISTRATION/TERMS.

This agreement is effective immediately upon date of signature of the principals.


FEB 27 2003
Jeffrey A. Jones
Director
Defense Energy Support Center


Edward M. Harrington
Brigadier General, USA
Director
Defense Contract Management Agency