



DCMA

Efficiency Achieving Desired Results with Less “Cost of Quality Initiative”

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- Mil-Q-9858 (cancelled - 1996) - 3.6 Costs Related to Quality:
 - The contractor shall maintain and use quality cost data as a management element of the quality program.
 - These data shall serve the purpose of identifying the cost of both the prevention and correction of nonconforming supplies.
 - **The specific quality cost data to be maintained and used will be determined by the contractor.**
 - These data shall, on request, be identified and made available for "on-site" review by the Government Representative.
- Path Forward Requires Standardization:
 - Methodology
 - Measures of Effectiveness
 - Utilization of Data

- DCMA submitted a Cost of Quality requirement through the DAR Council and DFARS QA Committee
 - Although cost of quality data was once provided to the Department to assist it in carrying out its responsibilities, it is no longer readily available. Cost of quality data would assist the Department in conducting contract quality assurance and in managing total program costs...The proposed DFARS changes, including a solicitation and contract clause, require contractors to maintain cost of quality data and to make it available to the Department upon request.
- Cost of Quality case was not forwarded by the DAR council
- Mitigation - Work with industry partners and include their perspective in new case submittal.

- Kickoff meeting held Nov 2011 with Aerospace Industry Association (AIA) Quality Assurance Committee (QAC) member companies and DCMA, ASQ and APQC
- Deliverable: white paper to build concurrence and commitment with a recommended standard, basic, fundamental Quality Cost methodology - failure cost focused
- Recommended cost methodologies developed with a survey to be sent to member companies – March 2012
- Issue initial released draft of white paper – 4/27/12
- Ongoing coordination w/ AIA stakeholder committees → 5/12
- Final white paper released – 6/29/12

- DFARs Case to be developed and submitted
- Continuous Improvement - Standard methodology to evaluate and measure effectiveness leading to:
 - Reductions in:
 - Non-Conforming Material
 - Repair/Rework
 - Lead-times
 - Improvements in:
 - Performance
 - Program/Weapon System
 - Readiness
- Fiscal Constraints
 - Shared Cost Reductions – Supplier and Government
 - Focus on Risk Mitigation and Preventive Actions

