DEPARTMENT OF THE NAVY
NAVAL SEA SYSTEMS COMMAND
2531 JEFFERSON DAVIS HWY
ARLINGTON VA 22242-5160

IN REPLY REFER TO

NAVSEAINST 5450.17D
OPR SEA 03Q1
28 Oct 93

NAVSEA INSTRUCTION 5450.17D

From: Commander, Naval Sea Systems Command

Subj: NAVAL MATERIAL QUALITY ASSESSMENT OFFICE (NMQAO) MISSION AND FUNCTIONS

Ref: (a) CNO ltr Ser 0932E3/314173 of 23 Dec 1982
(b) NAVSEANOTE 5400, OPR 05B/064, dtd 5 Oct 90
(c) NAVSEA ltr Ser 00/815 of 12 Aug 93
(d) OPNAV ltr Ser 09B22/3U510937 OF 12 Oct 93
(e) SECNAVINST 4855.3
(f) OASN memo of 6 Apr 1993
(g) SECNAVINST 4855.7

Encl: (1) Functions of Naval Material Quality Assessment Office

1. Purpose

a. Announce the realignment of NMQAO from management control of NAVSEA 03 to the Naval Sea Logistics Center, Mechanicsburg, PA.

b. Update the mission and functions of NMQAO.

2. Cancellation. NAVSEAINST 5450.17C of 5 Sep 1989.

3. Discussion. NMQAO was established as a Headquarters Detachment by reference (a) and operated for four years as an extension of the NAVSEA Industrial and Facility Management Directorate (SEA 07). In July 1986, NMQAO was transferred to the Chief Engineer for Design and Manufacturing Quality (CHENG-Q). This transfer realigned NMQAO's quality assurance role which had expanded beyond Naval Shipyards, to the quality engineering function already assigned and executed at the Headquarters level. With the disestablishment of CHENG in June 1990, NMQAO was transferred by reference (b) to the Ship Design and Engineering Directorate (SEA 05), which became SEA 03 in July 1993. Reference (c) approved the realignment of NMQAO as a Detachment under the Naval Sea Logistics Center effective 1 October 1993. Reference (d) documents OPNAV's concurrence with the realignment.

4. Status and Command Relationship

a. The NMQAO is a Naval Sea Logistics Center Detachment located in Portsmouth, NH. It is a fully operational organization under a Director who reports to the Commanding Officer of the Logistics Center.

b. The Director of NMQAO serves as the Deputy Functional Manager for the Navy Product Deficiency Reporting and Evaluation Program (PDREP). This program is executed by NAVSEA in accordance with reference (e). Reference (f) reaffirmed NAVSEA as the Navy PDREP functional manager and the lead Systems Command responsible for the management and execution of the overall Navy PDREP program. This encompasses a collateral mission of coordinating implementation and administration of a Contractor Evaluation System in accordance with reference (g) across all Navy Systems Commands. The Director of NMQAO also serves as the Functional Manager of the PDREP Automated Information System (AIS). All administrative issues relative to the management of NMQAO will be under the cognizance of the Commanding Officer, NAVSEALOGCEN.

5. Mission

a. Assess the quality of material being received across all elements of NAVSEA, identify material problems, initiate or cause corrective action to be initiated where product quality is found lacking, administer the NAVSEA Contractor Evaluation System (CES) and Unsatisfactory Material Reporting (UMR) programs, and assume principal lead for NAVSEA in investigations of material substitution and fraud.

b. The Director of NMQAO serves as the Deputy Functional Manager for the SECNAV PDREP executed by SECNAVINST 4855.3. This encompasses a collateral mission of coordinating implementation and administering a Contractor Evaluation System across all Navy Systems Commands. The Director of NMQAO also serves as the Functional Manager of the PDREP Automated Information System.

6. Action. In accomplishing the assigned mission, the Director, NMQAO will manage office resources to ensure performance of the functions in enclosure (1). Send recommended changes to the Commanding Officer, Naval Sea Logistics Center.

KENNETH C. MALLEY

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FUNCTIONS OF NAVAL MATERIAL QUALITY ASSESSMENT OFFICE

1. Administer the Navy Contractor Evaluation System portion of the Product Deficiency Reporting and Evaluation Program (reference (d)) by providing direction, guidance, and training to all Navy Systems Command procuring activities. Prepare and issue instructions to define the reporting requirements, procedures, access, and use of the Contractor Evaluation System. Monitor implementation to ensure maximum participation and ultimate effective utilization.

2. Manage the Quality Deficiency Report (QDR) portion of PDREP and monitor the implementation of the Naval Supply System Command (NAVSUP) Report of Discrepancy (ROD) portion to ensure a viable interface within PDREP.

3. Analyze contractor performance history in the centralized database and distribute data as applicable and appropriate to Navy activities. Administer the Navy Red-Yellow-Green (RYG) program and at monthly intervals, analyze the entire database and identify those contractors whose performance in supplying material to Navy activities warrant special attention. Issue classification letters in support of the RYG Program as appropriate and reconcile any contractor questions/challenges.

4. Administer, manage, and maintain the PDREP Automated Information System.

5. Actively interface with industry top management representatives regarding the quality of material being furnished to the Naval Sea Systems Command (NAVSEA). Identify material problems for resultant corrective actions to be initiated wherever actions are appropriate and necessary to assure requisite material quality is received by the Command.

6. Actively participate in developing and establishing NAVSEA policy in controlling the quality of material. In accomplishing this function, shore activities are alerted to problem contractors and materials by bulletin or message. Also, identify problem areas and recommend corrective actions to Headquarters for use by procuring activities.

7. Administer the NAVSEA Unsatisfactory Material Reporting Program (NAVSEAINST 4855.7) by providing direction, guidance, and training to all NAVSEA elements to assure that all unsatisfactory material is being reported by NAVSEA activities, and serve as the NAVSEA screening point for unsatisfactory material reports issued across Commands.

8. Establish and maintain liaison with each Defense Contractors Management District (DCMD). Provide summary reports to DCMD on a quarterly basis displaying DCMD performance on NAVSEA procurements. Take action as necessary when DCMD efforts are considered lacking and requiring additional action.

9. Conduct independent investigations and/or surveys of contractors where reported problems warrant involvement on behalf of NAVSEA Headquarters.

10. Support NAVSEA in the investigation of all reports of unauthorized material substitution, counterfeit material, and suspected fraud (NAVSEAINST 5041.3) by contractors furnishing material or services to NAVSEA activities. Pursue all such reports to a final determination. Interface directly with the applicable investigative agency as well as SEA 00L.

11. Use the data received through the NAVSEA Contractor Evaluation System and Unsatisfactory Material Reporting programs and information contained in the Product Deficiency Reporting and Evaluation Program database to periodically assess the total NAVSEA posture with respect to quality of material being received. From this assessment, prepare top level briefing reports recommending actions and/or policy changes which will improve the NAVSEA posture. Provide justification for the reduction of quality requirements when past performance can support such actions or initiate action where performance reflects a deteriorating condition.