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| Quality Assurance Procedure                                 |                   | CP-00-9003  |
| Approved:   | Date: 14 May 2008 |             |
| Title: Contract Review (ISO Elements 5.2, 7.2.1, and 7.2.2) |                   | Rev A       |
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## 1.0 POLICY/PURPOSE

Santa Barbara Applied Research (SBAR) reviews all contractual documents before acceptance and signature to ensure the requirements are clearly understood and can be performed successfully, thereby enhancing customer satisfaction. This procedure describes the method SBAR will use (to the maximum extent possible) for the review and verification of contractual requirements prior to acceptance and performance. This review includes determining the availability of SBAR resources (e.g., funds, personnel, expertise, commitment, equipment, materials, etc.) that will be needed to satisfy customer requirements. In the case of unilateral contractual documents, which are usually administrative in nature, these steps may not be feasible or even necessary.

## 2.0 SCOPE

This procedure applies to all SBAR organizational units for all existing and future contractual actions.

## 3.0 REFERENCES AND DEFINITIONS

### 3.1 References

- *ISO 9001: Quality Management Systems-Requirements, Third Edition (2000-12-15)*
- ISO 9001 Elements 5.2, 7.2.1, and 7.2.2.

#### SBAR Documents

- *SBAR Quality Manual*
- *SBAR Control of Quality Records Procedure*
- Federal Acquisition Regulation (FAR).

### 3.2 Definitions

**Contract Modification:** A written change to an existing contractual document (contract / subcontract / Purchase Order / Delivery Order / Task Order).

**Contract Modification Review (CMR):** A detailed assessment of proposed contractual modifications prior to acceptance and signature by SBAR.

**Contract/Modification Review Checklist:** A Checklist is used to list and document review steps taken by SBAR managers prior to acceptance of an RFP or new contractual documents to ensure complete and thorough understanding of the contractual terms and conditions and all other requirements by the various functional areas impacted by the new contract. The Checklist form may be tailored on a case-by-case basis to reflect specific circumstances.



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**Contract Post-Award Review (CPAR):** A detailed assessment new contract documents after award to ensure there is a clear and concise understanding of the contract terms and conditions, delivery schedule, quality, technical and other administrative requirements of the new contract document. This review will be conducted by the Corporate Director of Programs, the Finance and Administration (F&A) Manager, the Contract Administration Manager (CAM), the Proposal Manager (usually the individual who identified and recommended that SBAR pursue this business opportunity), and other FAMs, as necessary. SBAR needs to ensure contract requirements are adequately defined, free from ambiguity, documented, and can be achieved during performance. This process applies as necessary for unilateral or bilateral contracts and subcontracts, contract and subcontract modifications, delivery/task orders and modifications, and purchase orders.

**Program Manager (PM):** The SBAR manager designated in writing with overall responsibility for management and successful performance of a contract. A PM may be delegated authority in writing to bind the company to the level of his/her delegated authority.

**Customer:** The recipient of SBAR products and services.

**Functional Area Manager (FAM):** The SBAR manager responsible for the leadership, direction, and overall success of the various functional areas of the company, such as finance, human resources, contract administration, engineering, operations and maintenance, logistics, quality, specific projects/contracts, etc.


**Metric:** A measure of an action(s) to determine compliance with a specific requirement. To be meaningful, a metric contains specific measurable criteria. A metric may be qualitative, quantitative, objective, or subjective; however, “quantitative objective” metrics are preferred. For example, “The contractor must respond to emergency calls within one hour, 90 percent of the time.” In this example, the metric is the response time and the criterion is 90 percent.

**Request for Proposal (RFP):** A solicitation or request by a current or prospective customer for SBAR to submit a responsive proposal to provide specified products and/or services. The solicitation may be formal, informal, written, or verbal.

**Solicitation Compliance Review (SCR):** An assessment, directed by the President or Executive Vice President, conducted prior to reaching a “Bid / No Bid” decision on a solicitation or RFP issued by a prospective customer. This review will be conducted by the Corporate Director of Programs, the prospective Proposal Manager (usually the individual who identified and recommended that SBAR pursue this business opportunity), and other FAMs, as required

**Subcontractor:** The company or organization (e.g., a company) that provides a product or service to SBAR, either on a prospective basis during the preparation of a proposal, or during actual contract execution.



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## **4.0 RESPONSIBILITIES**

### **4.1 Program Manager (PM)**

The responsible PM ensures that:

- The applicable SBAR organizational unit has adequate resources to support all contractual commitments and ensure successful performance and full customer satisfaction.
- Comprehensive reviews are conducted on all contract documents within the scope of his/her responsibility and authority.
- Plans are developed and implemented to correct any problems identified during the contract reviews and performance.

In the event that problems identified by review are beyond the authority of the applicable PMs, the problem will be directed to the President or Executive Vice President, as appropriate, for further discussion and/or resolution.

### **4.2 Contract Administration Manager (CAM)**

The CAM is responsible for this procedure and participates as necessary in SCRs, CPARs, and CMRs. In conjunction with the PM and FAMs, the CAM participates in the review of contractual documents prior to acceptance to ensure consistency with terms of the RFP and our successful proposal, and that adequate resources are available for SBAR to support all requirement(s).

### **4.3 Functional Area Manager (FAM)**

In conjunction with the PM and the CAM, FAMs will participate in the review of RFPs and contractual documents to determine the impact of these documents on their respective functional areas of responsibility and to ensure that adequate resources are available within SBAR or are reasonably available from other sources to support optimum performance after award.

### **4.4 Proposal Manager (PrM)**

The PrM is generally the SBAR employee who identifies a new business opportunity in which he/she is interested and feels the company has relevant and requisite past performance history, and the necessary resources to submit a successful proposal. The PrM will be responsible for coordinating and conducting the SCR, and if a “Bid” decision is made, for using all necessary SBAR resources to generate and submit a timely and responsive proposal. After contract award, the PrM will coordinate and conduct the CPAR prior to transitioning responsibility to the assigned PM.

Approved:



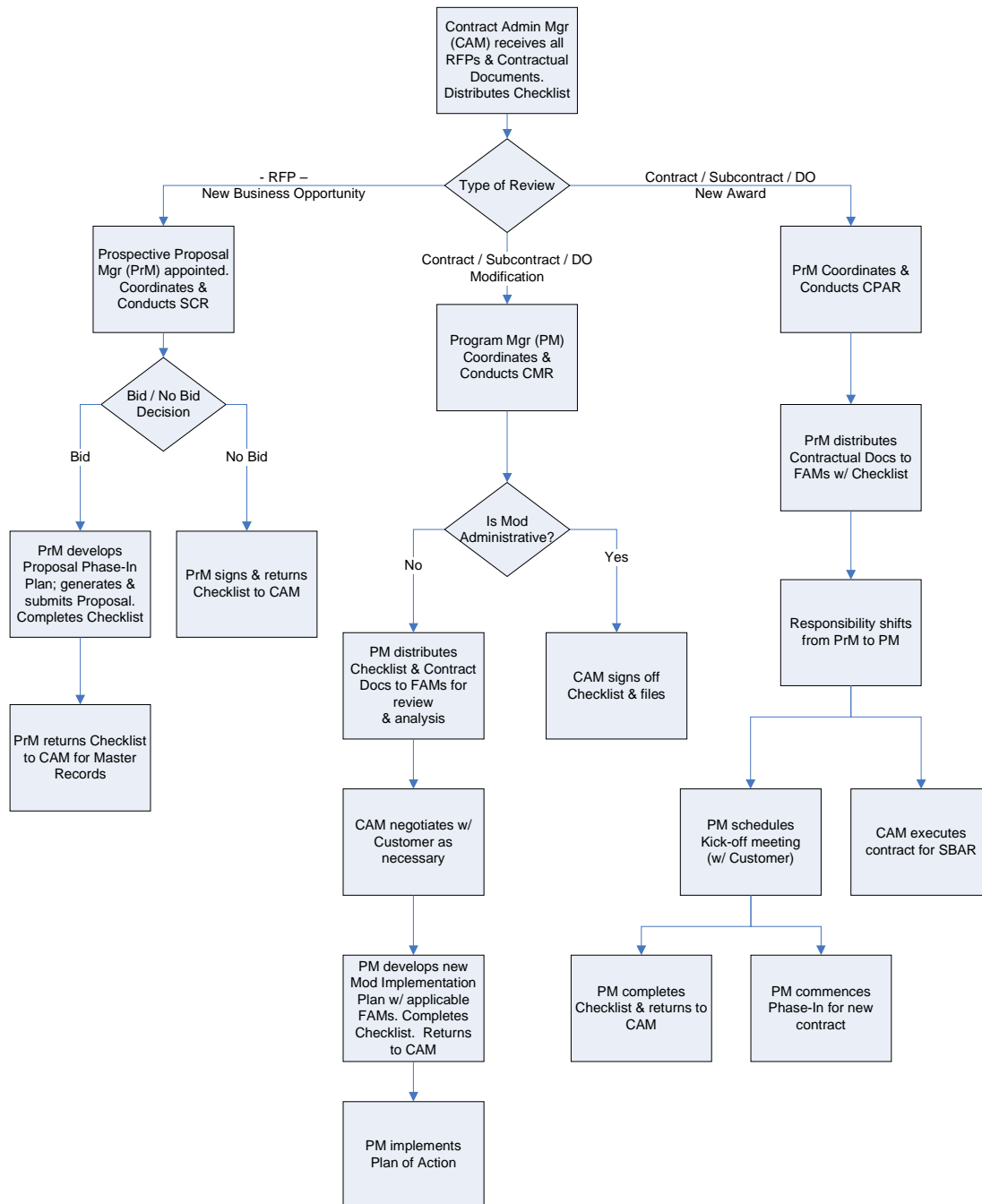
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## 5.0 REQUIREMENTS/PROCEDURES



**Figure 1 – Contract/Modification Review Process**

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## 5.1 General

Three types of reviews are conducted by SBAR on all contractual documentation to ensure that SBAR understands customer requirements and has the resources in place to support a contract or contract modification. These are Solicitation Compliance Reviews (SCRs), Contract Post-Award Reviews (CPARs) and Contract Modification Reviews (CMRs). General guidelines for participants in the reviews are defined in Table 1 below. The application and focus and specific guidance for these reviews are defined below.

**Table 1 – Guidelines for Contract/Modification Reviews**

| ELEMENT |  | Pres | Exec VP | PM      | Quality Manager | FAMs | CAM |
|---------|--|------|---------|---------|-----------------|------|-----|
| 1.      | Cost and Financial   | R    | R       | C, R, A |                 | R    | R   |
| 2.      | Facilities   | R    | R       | C, R, A |                 | R    | R   |
| 3.      | Equipment  | R    | R       | C, R, A |                 | R    | R   |
| 4.      | Schedule   | R    | R       | C, R, A |                 | R    | R   |
| 5.      | Technical capability   | R    | R       | C, R, A | R               | R    | R   |
| 6.      | Personnel  | R    | R       | C, R, A |                 | R    | R   |
| 7.      | Subcontracts   | R    | R       | C, R, A |                 | R    | R   |
| 8.      | Health, Safety and Environmental   | R    | R       | C, R, A | R               | R    | R   |
| 9.      | Security   | R    | R       | C, R, A |                 | R    | R   |
| 10.     | State and Local regulations  | R    | R       | C, R, A |                 | R    | R   |
| 11.     | Quality Programs   | R    | R       | C, R, A | C, R, A         | R    | R   |
| 12.     | Contract Provisions  | R    | R       | C, R, A | R               | R    | R   |
| 13.     | Other Additional Resources   | R    | R       | C, R, A |                 | R    | R   |
| 14.     | Phase-In Plan  | R    | R       | C, R, A |                 | R    | R   |
| 15.     | Signature  | S    |         |         |                 |      | S   |
|         | (NOTES: C – Concurrence;<br>A – Acceptance; R – Review;<br>S - Signature |      |         |         |                 |      |     |



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### 5.1.1 Solicitation Compliance Reviews (SCR)

A SCR is conducted at the direction of the President or Executive Vice President prior to reaching a “Bid/No Bid” decision on solicitations issued by prospective customer(s). The individual designated as the prospective Proposal Manager (PrM) is responsible for conducting the SCR in conjunction with the Corporate Director of Programs, the F&A Manager, the CAM, and appropriate FAMs to determine whether or not to pursue this opportunity. The Corporation uses the Checklist, along with other company strategic business factors, in a final “Bid/No Bid” decision. Copies of completed SCR Checklists will be maintained on file with the CAM.

If a “Bid” decision is made, the proposal development team headed by the PrM and others appointed to assist in development of an Implementation/Phase-in Plan. Such plans are mandatory, regardless of whether the solicitation requires submittal.

Delivery/Task Orders and Work Requests are processed in accordance with Paragraph 5.1.3.

### 5.1.2 Contract Post-Award Reviews (CPAR)

The PrM, in conjunction the other individuals indicated in Paragraph 3.2 and 4.0 above, will conduct a CPAR after award of a new contract, subcontract, or purchase order resulting from any proposal submitted by SBAR. The purpose of the CPAR is to ensure that:

- The resulting contract is consistent with the initial solicitation and with the SBAR technical, cost, or price proposal, and that no terms and conditions have changed.
- No resources, other than those initially identified at the time the “Bid” decision was reached, will be required for contract execution.
- There is a clear and concise understanding of the requirements of the contract Statement of Work (SOW) or Performance Work Statement (PWS) and all other contract terms and conditions.
- The Implementation/Phase-in Plan (developed with the proposal) will achieve the desired objectives and form the basis for a quality product or service.
- Quantifiable performance measurements have been established and a method for collection of applicable metrics is in place.


In optimum circumstances, the CPAR should be conducted shortly after award and with the full cooperation and participation of the Customer in the review. In any event, an internal CPAR will always be conducted.

After completion of the CPAR, responsibility for contract execution will shift from the PrM to the designated PM and his/her appointed Contract Transition Team.

### 5.1.3 Contract Modification Reviews (CMR)

A CMR is conducted by the applicable PM and FAMs for all proposed contract modifications prior to SBAR’s acceptance of the modification. The CMR is normally conducted within three



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days after receipt of the modification.

The purpose of the CMR is to:

- Ensure that there is a clear understanding of the changed requirements summarized in the modification
- Understand how the company's ability to meet modified contract requirements is impacted by the modification.
- Ensure that all necessary resources are available or may be augmented, as required, to meet the modified requirements, within the costs and required completion date, and without compromising the quality of the product or service.

Some contract modifications are unilateral, and issued by the Government without a requirement for signature by SBAR to be effective. These modifications are generally administrative in nature. CMRs for unilateral modifications will be conducted on a case-by-case basis at the discretion of the PM and CAM.

## 5.2 Contract Review Process

Reviews are conducted in accordance with this general process and guidelines defined in Figure 1. In each case, the [Contract/Modification Review Checklist](#) is used to document the review.

The following presents a summary of the major steps in the process.

- The CAM serves as the recipient of all RFPs, and other contractual documents. Upon receipt, a preliminary Checklist is prepared. The CAM will forward the Checklist to the applicable manager to ensure a comprehensive review along with a suspense date for completion. In the case of a unilateral administrative change modification, the only required action is for the PM to sign and return the Checklist to the CAM for record purposes.
- Upon receipt of the Checklist and any contract documentation, the applicable managers will conduct a detailed review in their respective functional areas. Results are documented on the Checklist. Additional sheets are appended to the Checklist as required.
- Upon completion of the analysis by all applicable managers, a coordination meeting may be convened if necessary. During the SCR, CPAR, or CMR meetings, the PrM or PM reviews any comments provided by participants in the review process and develops a consolidated Checklist. All issues identified that cannot be resolved in the meeting are documented on the Checklist. An impact summary is developed and noted on the Checklist. The completed Checklist, signed by the Proposal or Program Manager, is then provided as appropriate to the President or Executive Vice President for resolution of pending issues.
- Upon receipt of Checklist and any necessary support documentation, the responsible



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Corporate Officer indicates concurrence or non-concurrence and returns the package to the PM for further action, as required.

- Upon receipt of direction from the President or Executive Vice President, the PM and/or CAM will initiate the appropriate actions. These actions could consist of initiating negotiations with the customer to resolve issues, negotiating the modification, or development and implementation of plans to correct resource limitations.

### **5.3 Implementation/Phase-in Plan Minimum Requirements**

An Implementation or Phase-in Plan will be prepared by the PM or PrM. Such plans are generally not required for delivery/task orders issued under in Indefinite Delivery/Indefinite Quantity contracts. However, plans will be required for:

- Each solicitation where a decision is made to submit an offer;
- Each contract modification where current resources are impacted; or
- Each new requirement added to the contract

At a minimum, the Implementation/Phase-in Plan will meet the requirements shown in Table 2.

**Table 2 – Implementation/Phase-in Minimum Requirements**

| <b>Plan Element</b> | <b>Solicitation</b>                | <b>New Contract</b> | <b>Modification</b> |
|---------------------|------------------------------------|---------------------|---------------------|
| MS Project Schedule | <b>X (1)</b>                       | <b>X (1)</b>        | <b>X (2)</b>        |
| Staffing Plan       | <b>X (3)</b>                       | <b>X (3)</b>        | <b>X (3) (4)</b>    |
| Resource List       | <b>X (5)</b>                       | <b>X (5)</b>        | <b>X (5)</b>        |
| Narrative           | <b>As required by solicitation</b> |                     |                     |

- (1) Schedule should be in sufficient detail to address major proposal action items and milestones as well as initial phase-in and start-up of the contract. It includes aspects of start-up including acquisition and deployment of all additional resources required to initiate operation and successful completion.
- (2) Schedule should be in sufficient detail to address any resource augmentation required to remedy any problems identified during the review as noted on the Checklist.
- (3) Staffing should be in sufficient detail to properly price requirements at a level that will ensure quality service for the Customer and reasonable profitability for SBAR.
- (4) Only staffing increases or decreases need be addressed.
- (5) Resources including capital equipment, leased vehicles, COTS software, and other tools are defined in sufficient detail to support pricing and acquisition.



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*Contract/Modification Review Checklists* and all supporting documentation are retained with the Contract Master Files in accordance with *SBAR Control of Quality Records Procedure*.

**PREPARATION, REVIEW, AND APPROVAL OFFICIALS****Prepared By:****Reviewed By:****Approved By:**

**Grace Vaswani  
President/CEO**

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