

CCC/ESC which will make the necessary arrangements.

### **3.2 Inspection and Reciprocal Government Quality Assurance Arrangements**

The production of defence supplies in accordance with military Quality Assurance standards is an essential element of military acquisition. An inter-governmental arrangement, whereby inspection (including testing) of such supplies and services (including, when appropriate, raw materials, components and intermediate assemblies) exists between Canada and the United States.

#### **3.2.1. Method of Application**

By virtue of this arrangement, the Canadian Department of National Defence (DND) will, upon request by U.S. military agencies, arrange for personnel of the Department to conduct Quality Assurance on behalf of the U.S. government with respect to contracts placed by the Military departments and DAR with CCC/ESC and with respect to sub-contracts placed in Canada by U.S. defence contractors. Such personnel and facilities are provided without cost to the U.S. military procurement agencies. In their turn, the U.S. Military Departments upon request provide, and make no charge for, quality assurance services and facilities in connection with contracts placed in the United States by the Canadian governments, or with respect to subcontracts placed in the United States by Canadian contractors who are performing Canadian defence contracts.

In addition, either DND or any U.S. military acquisition agency may, in appropriate or exceptional cases, arrange for government Quality Assurance by its own organization in the other's country.

In Canada, the quality assurance function is carried out by the Director General, Quality Assurance, DND. Complete information or guidance on Military requirements for a system of Quality Control and/or inspection may be obtained by application to this Directorate.

It will be appreciated that only a government agency may request quality assurance to be carried out at source by the other government. No contractor may directly request quality assurance action by a government, but he may suggest to his military customer that such arrangements be made. However, if he so wishes, a prime contractor may carry out source inspection himself at the plant of his subcontractor, but it is then a matter of agreement between the two companies and neither government is involved.

#### **3.2.2 Quality Control**

The United States Department of Defense (DOD) policy regarding the responsibilities for the controls of quality is reflected in the terms, conditions or technical requirements (specifications) of military contracts.

The successful bidder must fully comply with these requirements: therefore, Canadian companies seeking U.S. defence orders should, for their own protection, be aware of DOD policy and what the provision of the required assurance will entail.

The contractor is held responsible for the control of product quality and for offering to the military acquisition agencies, for acceptance, only those products determined by him to conform to contractual requirements. The contractor is required to have available adequate test facilities for executing the prescribed examinations and tests itemized in part 4 (Quality Assurance Provisions) of Specifications, or make arrangements for the utilization of suitable test facilities.

#### **3.2.3 Quality Assurance**

Government Quality Assurance during the manufacturing process will be requested by the customer agency only when it is impractical or impossible to verify quality after receipt of the article. Adequate quality control of material and components will be maintained by both DND and DOD to preclude unnecessary Q.A. requirements at the final manufacturing plant.

Canadian Government Specifications DND 1015, DND 1016 and DND 1017, which describe Canadian government quality assurance requirements, are equivalent to U.S. Government Specifications MIL-Q-9858, MIL-I-45208 and U.S. Defense Acquisition Regulation (DAR) Section 14-302 respectively. Approval and acceptance of a contractor's quality assurance programs and systems are covered by comparable procedures in the two countries. Quality assurance functions in respect to these specifications will therefore be performed in accordance with the procedures of whichever country provides the quality assurance service.

### **3.3 U.S. Product Qualification and Qualified Products Lists**

Qualification is defined as the testing of products for compliance with the requirements of a Specification, in advance of and independent of any acquisition action. Only a small percentage of commodities are required to be qualified prior to award of a contract. Qualification is made a Specification requirement only when one or more of the following conditions exist:

- a) Time required for testing the product after a contract award would unduly delay delivery of the supplies being purchased.
- b) The cost of repetitive testing would be excessive.
- c) Tests require expensive or complicated testing apparatus not commonly available.
- d) Assurance is required, prior to award of contract, that the product is satisfactory for its intended use.
- e) Determination of acceptability would require performance data to supplement technical requirements contained in the Specification.