Complying with "DFARS 252.246-7008, Amendments Related to Sources of Electronic Parts"

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Effective May 2018, DoD issued a "final rule" amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement a section of the National Defense Authorization Act for Fiscal Year 2016 that makes contractors and subcontractors subject to approval (as well as review and audit) by appropriate DoD officials when identifying contractor-approved suppliers of electronic parts and commercial (including COTS) items. The contractor's authorization to identify and purchase these parts from their own contractor-approved suppliers and DoD's authority to review, audit, and approve those suppliers, relates to those suppliers that purchase parts from the open market (i.e., independent suppliers). This clause is a contractor flowdown statute to subcontractors, i.e., the suppliers of electronic parts. DoD will review, audit, and approve their counterfeit prevention selection process on a selective basis and generally be in conjunction with a contractor purchasing system review (CPSR) or other surveillance of purchasing practices by the Defense Contract Management Administration (DCMA). They will verify that the contractor is using established counterfeit prevention industry standards and processes (including inspection, testing, and verification), such as the DoD-adopted standards at https://quicksearch.dla.mil, to select their suppliers. The task of implementing these requirements in preparation for a CPSR can be a massive task for contractors that may have thousands of suppliers, each having their own sources of supply that further complicates the verification and documentation of their counterfeit prevention processes. This presentation will provide possible solutions that will simplify DFARS compliance and result in a successful CPSR at both contractor and subcontractor levels and provide real-time views of the level of counterfeit prevention processes that their suppliers currently maintain.