

Quality assurance

Business



Quality Assurance Quality Assurance FAR Part 46 Quality Assurance outlines policies and procedures, which guarantee that supplies and services obtained under Government Contract match to the contract's quality and quantity specifications. This is a critical tenant in government contracting regardless of whether one monitor's performance using inspection/acceptance clauses, performance-based acquisition methodologies (PBA), or Earned Value Management System (EVMS). There are various types of warranties, which include assurance warranties, incentive warranties, reliability improvement warranties, systematic warranty, defect-free warranty, insurance warranty, and failure-free warranty.

1

Section 46. 703 of the FAR spells out the criteria for use of warranties. Federal Acquisition Regulation (FAR 46. 7) outlines that the application of warranties is not mandatory. Nevertheless, if the benefits to flow from the warranty are proportionate to the cost of the warranty, the Contracting Officer (CO) should consider placing it in the contract. FAR Subpart 46. 703 demands that the CO evaluate the form and application of supplies and services, the cost, administration and enforcement, reduced requirements, and trade practices (National Archives Records Administration, 2010). The rationale for incorporating a warranty should be documented within the contract file.

The CO should consider the following factors when weighing in on warranties; nature and application of supplies or services, cost, trade practice, administration and enforcement, and minimized requirements. The nature and application of the supplies or services is influenced by factors such as degree of development, state of the art, end use, complexity and <https://assignbuster.com/quality-assurance/>

function, degree of development, probable harm to the government in instances in which the item is defective, and complexities in detecting defects prior to acceptance.

2

Warranty clause does not limit the government's rights under the inspection clause (Subpart 46. 3) regarding latent defects, fraud, or gross mistakes that are tantamount to fraud. Subpart 46. 706 (warranty terms and conditions) facilitates the pricing and enforcement of warranties whereby CO should ensure that the warranties state concisely the precise nature of item and components that the contractor warrants, scope and duration of the warranty, and extent of the contractor's warranty inclusive of contractor's obligations to the government for violation of contract (Meagher & Rennie, 2001).

Contractor obligations under warranties encompass to all defects discovered at the warranty period, although it does not include damage caused by the government. The standard warranties clause detailing that acceptance by the government is final and decisive excluding latent defects, fraud, or gross mistakes amounting to fraud. The government bears a right to revoke its acceptance and demand that the person performing work under government contract repair or replace the defective work, at his or her own expense (Meagher & Rennie, 2001).

A warranty infers a promise, as a manufacturer or seller, detailing statement regarding integrity of the product and a commitment to correct problems in case the product fails. There are two basic kinds of warranties; implied warranties and express warranties. Implied warranty can be categorised into two; warranty of merchantability and warranty of fitness for a certain

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purpose. Express warranties detail explicit promises and statements, which voluntarily render it the seller's or manufacturer's obligation, to remedy defects or malfunction that some of the clients may experience. Express warranties range from advertising claims to official certificates.

Express warranty or implied warranty avails the government adequate shield against cases of defective services. The warranties terms and conditions detail that, if express warranties are included within a contract (excluding contracts for commercial items), all implied warranties of merchantability and fitness for a certain purpose are reversed by the employment of explicit language within the clause. The government's capability to enforce the warranty is critical to the effectiveness of any warranty.

References

Meagher, P. & Rennie, S. (2001). *Exceptions to final acceptance: Latent defects, fraud & gross mistakes amounting to fraud*. Eagan, MN: West.

National Archives Records Administration (2010). *Code of Federal regulations, Title 48: Federal acquisition regulation system*. Washington, DC: Government Printing Office.