

42.1104 Surveillance requirements.

(a) The *contract administration office* determines the extent of production surveillance on the basis of-

(1) The criticality (degree of importance to the Government) assigned by the *contracting officer* (see [42.1105](#)) to the *supplies* or services; and

(2) Consideration of the following factors:

(i) Contract requirements for reporting production progress and performance.

(ii) The contract performance schedule.

(iii) The contractor's production plan.

(iv) The contractor's history of contract performance.

(v) The contractor's experience with the contract *supplies* or services.

(vi) The contractor's financial capability.

(vii) Any supplementary written instructions from the *contracting office*.

(b) Contracts at or below the *simplified acquisition threshold* should not normally require production surveillance.

(c) In planning and conducting surveillance, *contract administration offices* shall make maximum use of any reliable contractor production control or data management systems.

(d) In performing surveillance, *contract administration office* personnel shall avoid any action that may-

(1) Be inconsistent with any contract requirement; or

(2) Result in *claims* of waivers, of changes, or of other *contract modifications*.

Parent topic: [Subpart 42.11 - Production Surveillance and Reporting](#)