

DATA ITEM DESCRIPTION			Form Approved OMB No 0704-0188	
1. TITLE Rework/Repair and Scrap Cost Report		2. IDENTIFICATION NUMBER DI-FNCL-80753A		
3. DESCRIPTION/PURPOSE 3.1 The Rework/Repair and Scrap Cost Report delineates the monthly direct rework/repair and scrap costs attributable to nonconforming material and delineates the percentage of rework/repair and scrap costs as a function of monthly direct production costs. (Continued on Page 2)				
4. APPROVAL DATE (YYMMDD) 890727	5. OFFICE (OF PRIMARY RESPONSIBILITY (OPR) A/MICOM	6a. DTIC APPLICABLE	6b. GIDEP APPLICABLE	
7. APPLICATION/INTERRELATIONSHIP 7.1 This Data Item Description (DID) contains the format and content preparation instructions for the data resulting from the work task described by 6.5 of MIL-Q-9858A. 7.2 This report is usually required to be delivered on a monthly basis throughout the duration of the contract commencing with contract award. (Continued on Page 2)				
8. APPROVAL LIMITATION		9a. APPLICABLE FORMS		9b. AMSC NUMBER A4794
PREPARATION INSTRUCTIONS 10.1 <u>General</u> . For the purpose of this Rework/Repair and Scrap Cost Report, the following criteria are applicable:  a. The costs associated with rework and the costs associated with repair shall be combined into a total rework/repair cost.  b. Scrap which is generated as a result of contractually required destructive testing or as a result of normal production operations not involving nonconforming material (e.g. cutting, trimming, etc.) shall not be included in scrap cost.  c. Rework/repair and scrap costs do not apply to Government Furnished Material (GFM) which is defective upon receipt. These costs shall apply to GFM which is required to be reworked/repared or scrapped after receipt due to the contractor's activities. 10.2 <u>Format</u> . The Rework/Repair and Scrap Cost Report specific format shall be as follows:  (Continued on Page 2)				
11. DISTRIBUTION STATEMENT  DISTRIBUTION STATEMENT A: Approved for public release; distribution is unlimited.				

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Block 3, Description/Purpose (Continued)

3.2 This report is used to verify that a contractor is identifying costs associated with nonconforming material, analyzing causes, and taking corrective action to prevent recurrence of nonconforming material.

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Block 7, Application/Interrelationship (Continued)

7.3 The initial monthly report delineates zero rework/repair and scrap costs until the contractor initiates production operations resulting in nonconforming material.

7.4 This DID supersedes DI-FNCL-80753.

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Block 10, Preparation Instructions (Continued)

10.2.1 Typical consolidated format. A typical consolidated format for presenting the chart of actual costs (ref 10.3.1) and the graph of percentage costs (ref 10.3.2) is as shown in Figure 1.

10.3 Content. The Rework/Repair and Scrap Cost Report shall contain the following:

10.3.1 Actual costs. The following data for each performance month of the contract shall encompass the last twelve months of contractual performance preceeding the report.

10.3.1.1 Rework/Repair costs. The total direct labor and material cost in dollars (exclude costs associated with scrapped items) incurred by the contractor per calendar month for the rework/repair of nonconforming material.

10.3.1.2 Scrap costs. The total direct labor and material cost in dollars incurred by the contractor per calendar month for nonconforming material which is scrapped.

10.3.1.3 Production costs. The total direct labor and material cost in dollars incurred by the contractor per calendar month for production.

10.3.2 Percentage costs. The following data for each performance of the contract shall be presented in a graphic format which encompasses the last twelve months of contractual performance preceeding the report.

10.3.2.1 Percent Rework/Repair. The percentage of rework/repair costs (ref. 10.3.1.1) to production costs (ref. 10.3.1.3).

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Block 10, Preparation Instructions (Continued)

10.3.2.2 Percent scrap. The percentage of scrap costs (ref. 10.3.1.2) to production costs (ref. 10.3.1.3).

10.3.3 Narrative. When a monthly increase in the percent rework/repair (ref. 10.3.2.1) or percent scrap (ref. 10.3.2.2) occurs, a narrative which describes the specific cause(s) and corrective actions(s) being taken by contractor to eliminate the causes shall be provided.

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# REWORK/REPAIR AND SCRAP COST VS PRODUCTION COSTS

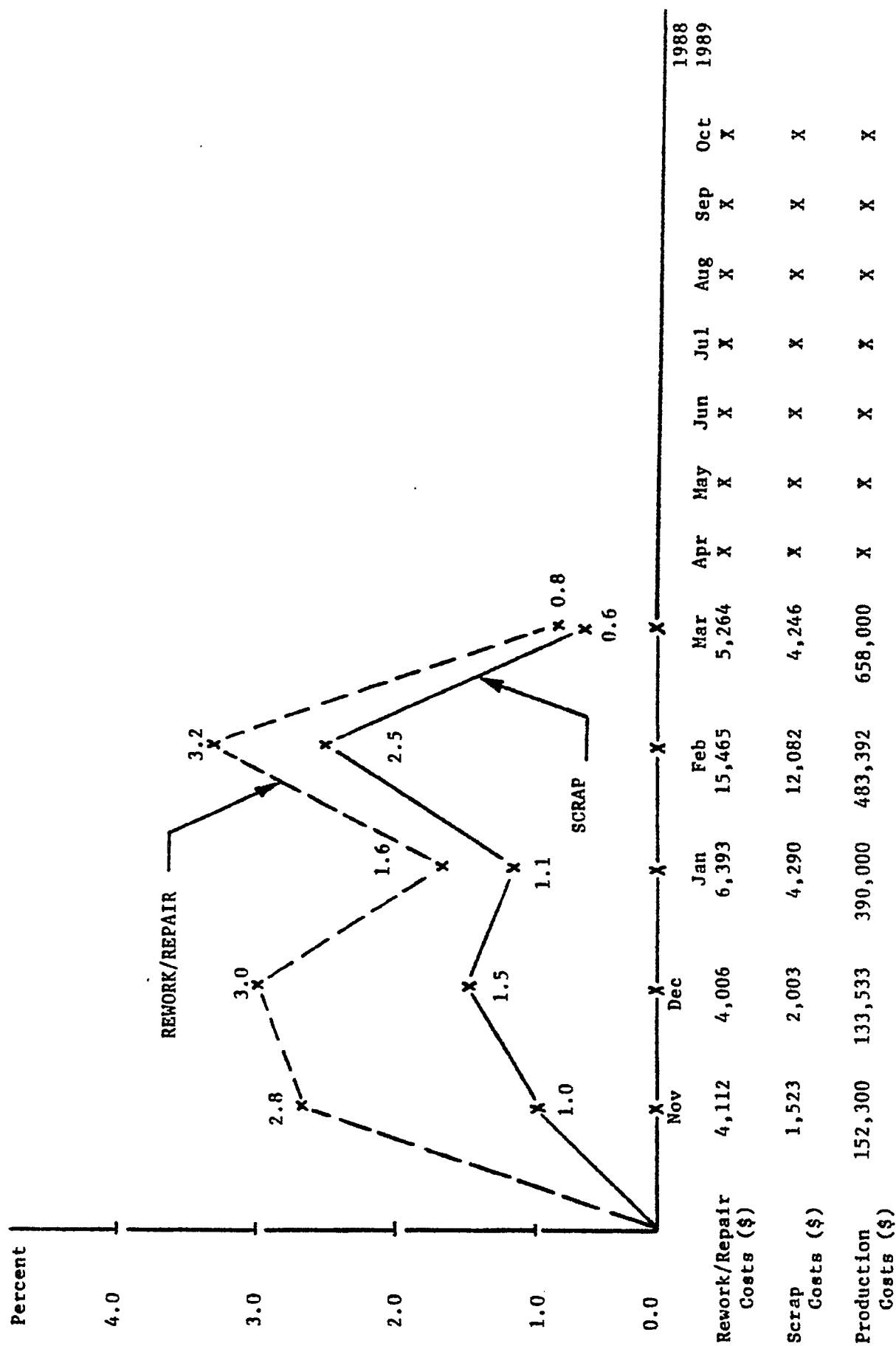


FIGURE 1. Typical Consolidated Format.