

SUPPLIER QUALITY PROGRAM, III (U)

CHANGE HISTORY

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1. PURPOSE

This document defines the minimum Supplier Quality System requirements for products designated as requiring the Supplier Quality **Program III** level of control when imposed by the Buyer.

This document is owned and used by Honeywell Federal Manufacturing and Technologies (FM&T). The requirements defined within this document are applicable to products and services procured for FM&T or Sandia. This document is also used by Sandia National Laboratories (SNL).

INCORPORATION GUIDANCE

Revision "V" is effective on 8/1/2019.

2. ORDER OF PRECEDENCE

The order of precedence of documents that set out the product requirements imposed upon and agreed to by the Supplier and which are incorporated in the purchase order is listed below. All of these items may or may not be included in any single purchase order.

A. Purchase order(PO)/Statement of Work(SOW)

Note: Where PO is specified within this document, SOW can be substituted, where appropriate.

B. Product drawings and specifications, i.e., those documents that define the requirements for the product to be furnished

C. Federal, military, industrial or technical society material/process specifications and standards

D. Product data forms

E. Equipment manufacturers operating procedures

3. DEFINITIONS AND REFERENCE DOCUMENTS

The list of definitions of terms relating to this **document** is included in the Appendix.

A. AUDITS, SURVEYS AND INSPECTIONS

The Buyer and/or its customer, National Nuclear Security Administration (NNSA), reserve the right to perform quality system audits, quality assurance surveys and verification inspections at Supplier locations to evaluate the degree of compliance with this document and the purchase order. This includes access to a Sub-Suppliers' facility, instructions, procedures, specifications and records as deemed necessary to conduct such audits, surveys and inspections. The results must not relieve the Supplier of the responsibility to supply conforming product to the Buyer.

Disapproval of the Supplier's quality program or major portions thereof may be cause for withholding Buyer acceptance of product until cause(s), specific corrective action(s) and preventive corrective action(s) are submitted to and approved by the Buyer. If significant conditions adverse to Quality are identified, these conditions must be resolved prior to continuing work. When requested, the Supplier must arrange permission for the Buyer and/or NNSA to perform any audits, surveys and inspections at its Subcontractors.

Note: The Buyer will coordinate visits and establish dates for visits that are mutually satisfactory to all parties.

B. SUPPLIER'S PROPRIETARY RIGHTS

In cases where the Supplier or the Supplier's Subcontractor(s) reserve certain proprietary rights of controlled documents, hardware, processes, records, etc., the Supplier must submit a written list of such items to the Buyer with their quote. The Supplier or Supplier's Subcontractor(s) will provide their best effort to fulfill the requirements of the audit without divulging any Supplier related proprietary information.

4. REQUIREMENTS OF THE SUPPLIER'S QUALITY PROGRAM

A. GENERAL

The Supplier's quality program must demonstrate recognition of the Buyer's requirements in order to assure conformance of product requirements. In the event the Supplier operates as a sales office or subcontracts all or a portion of the Buyer's Purchase Order requirements, the product manufacturer must also meet the requirements of this **document** and the purchase order. The Buyer reserves the right to conduct final inspection and/or testing of the Supplier's product to assure conformance with the requirements.

The Supplier's Quality System must conform to the Requirements specified on the Purchase Order and outlined in this document. Any changes to the Supplier's Quality System that could affect conformity of the product must be submitted to the Buyer for approval prior to shipment of the product.

B. QUALIFICATION FOR THE BUYER'S APPROVED SUPPLIER LIST

Suppliers must furnish a copy of their quality manual or equivalent to the Buyer prior to surveys for qualification or requalification.

1. INITIAL SURVEYS

An initial survey must be conducted by authorized Buyer audit personnel to **the latest revision of** this document, and the Buyer's Purchase Order requirements. Suppliers gain approved status upon completion of the survey and closure of any related findings.

2. RE-APPROVAL

Re-approval will be at the Buyers discretion, normally at 3-year intervals. Re-approval will be to the latest revision of this document as communicated to the Supplier by the Buyer.

The Buyer will monitor and review the Supplier's performance. Poor performance, supplier change of ownership, supplier relocation, or significant changes to the supplier's quality manual may result in a Re-Approval survey to the requirements outlined in this document or Buyer Purchase Order requirements.

5. BUYER SPECIFIC REQUIREMENTS

A. CONTRACT REVIEW

The Supplier must have a written procedure(s) for reviewing Buyer Purchase Order Requirements, including PO changes/modifications, ensuring they are understood, communicated to appropriate organizations within the business and with **Sub-Suppliers**, where appropriate.

The Supplier must notify the Buyer promptly, in writing, of all changes that may affect fit, form, function, availability or reliability of the product prior to shipment. (Examples include: marking, packaging or packaging method, test requirements or test method, design, material, process, and/or software).

B. QUALITY MANAGEMENT SYSTEM (QMS)

Suppliers must integrate quality into management and work practices such that Buyer requirements are met. Suppliers must:

1. Notify the Buyer, in writing, of significant changes to their QMS; and
2. Metrics must be maintained and used to provide objective evidence of performance

C. ORGANIZATION

Management must provide evidence of their commitment to the QMS by:

1. Establishing processes, procedures and policies that ensure Buyer requirements are determined, documented, communicated, and met with the aim of enhancing Buyer satisfaction; and
2. Assigning responsibility to an individual with sufficient authority, responsibility, and unrestricted access to all levels of management and staff to ensure:
 - a. The QMS is implemented and effective;
 - b. Improvement opportunities are identified, communicated, and incorporated;
 - c. Performance, at all organizational levels, is monitored and communicated;
 - d. Nonconformances are managed; and
 - e. Corrective actions are managed.

D. QUALITY IMPROVEMENT

The supplier must focus on preventing nonconformance, reducing variability, and building quality into Buyer products and processes through the use of process characterization and mistake-proofing tools. When issues arise, the supplier must take corrective action measures to get processes back into control.

E. TRAINING

The supplier must ensure that:

1. Personnel are trained and/or qualified to be capable and competent prior to performing their assigned work;
2. Personnel are provided continuing training to maintain job proficiency;
3. Evidence of required certification are maintained; and
4. Qualification is based on a combination of factors including education, training, skills, and experience.

F. INSTRUCTIONS, PROCEDURES AND DRAWINGS

1. Work must be prescribed by, and performed in accordance with, approved and controlled written instructions, procedures, drawings, specifications, other documents, or models that include or reference appropriate acceptance criteria for determining that results have been satisfactorily attained.
2. Current instructions, procedures, drawings, specifications, other documents, and models must be available to and used by the personnel performing the work.

G. DOCUMENT CONTROL

A written procedure must be established and maintained to control documents, including models and data. Documents must be prepared, reviewed, approved, issued, used, and revised to prescribe processes, specify requirements, or establish design. The process must ensure:

1. Identification of controlled documents;
2. Identification of individuals responsible for the preparation, review, approval, and distribution of controlled documents;
3. Review of controlled documents for adequacy, completeness, and approval prior to distribution;

4. Correct documents are available;
5. Documents specify an effective date; and
6. Timely release, distribution, and implementation.

H. PROCUREMENT

1. General

Suppliers are responsible to ensure that purchased products and services conform to all Buyer Purchase Order requirements. The supplier must have written procedures to ensure that:

- a. Procurement documents, including contracts, contain correct requirements;
- b. Procured items and services must meet the requirements defined in the Buyer's Purchase Order;
- c. The supplier must have an established process for the prevention of Counterfeit Components/Parts from being sold to the Buyer as follows:
 - i. The supplier must provide counterfeit component/parts awareness training to its personnel. The supplier may develop their training program based on counterfeit awareness & detection information available online.
 - ii. The supplier must flow down requirements to their suppliers to reduce the risk of receiving suspect/counterfeit parts.
 - iii. If suspect or counterfeit components/parts are identified/received the process must address the containment, evaluation, disposition and disposal of the components/parts.
 - iv. Any receipt of suspect or counterfeit components or parts in support of a Buyer Purchase Order must be reported to the Buyer.

2. Supplier Evaluation, Selection, and Monitoring

- a. The Supplier must have a process for the selection of Sub-Suppliers and their ability to supply product in accordance with requirements, including quality requirements and technical capabilities for the product(s) and service(s) being procured.
- b. Sub-Supplier selections must be documented.

- c. Sub-Suppliers must be monitored with regard to the quality of their product.
- d. The Supplier's purchase orders or contracts to Sub-Supplier must provide for NNSA and its contractors to perform quality surveys and inspections at the Sub-Supplier locations where materials or services are rendered.

3. Procurement Documentation

The Supplier's procurement documents must be controlled and identify:

- a. Documentation required;
- b. Requirements for configuration control of Buyer requirements;
- c. Requirements to notify of nonconforming products or processes prior to shipment;
- d. Requirements for disposition of nonconforming products;
- e. Records to be submitted and/or maintained;
- f. Record retention and disposition requirements

4. Certificate of Conformance

A certificate of conformance is required for products, materials and hardware in support of the Buyer's Purchase Order. The certificate must:

- a. Identify the purchased material and associated procurement document(s); and
- b. Be signed or otherwise authenticated by a person who is responsible for this function as described in the Supplier's Quality Management System.

I. CONTROL OF INSPECTION, MEASURING AND TEST EQUIPMENT

The Supplier must ensure a Standards and Calibration Program in agreement with the following:

- 1. Seller must have a written description of their standards and calibration program.
- 2. Personnel performing calibrations must be trained and technically qualified for the assigned tasks.

3. Calibration devices must be traceable to the National Institute of Standards and Technology (NIST). If the Supplier contracts calibration services, the sub-supplier's calibration device(s) must be traceable to NIST.
4. When measurement standards or M&TE are either removed from service, removed from periodic calibration, or placed in storage, and they have been used since their last calibration, a final calibration (cross-check/loop closure) must be performed.
5. In the event that measurement M&TE/standards are found out-of-tolerance (OOT) during recalibration or loop closure the Supplier must perform an evaluation of impact to the Buyer's product/data and provide notification to the Buyer in writing if there is an impact to the Buyer's product/data.
6. For lost or damaged equipment, the Supplier must notify the Buyer in writing of the lost or damaged equipment and the potential impact to the Buyer's product/data.
7. Records must be maintained to ensure traceability of all M&TE/standards used for verifying conformance of Buyer product/data.
8. If the Buyer and the Supplier mutually agree to use the Supplier's equipment for Buyer product acceptance (inspection, test and acceptance to product definition requirements), then the Supplier's Standards and Calibration Program will be reviewed by the KCNSC Metrology Organization or the Sandia Primary Standards Lab (PSL) to verify the Supplier's calibration controls comply with the requirements outlined in the Buyer's PQR 2698, Calibration Control Specification and must be assessed by the Buyer's Contractor Standards Laboratory (CSL) as a Designated Calibration Source (DCS) or Commercial Testing Laboratory (CTL) requirements.

J. INSPECTION, TEST AND ACCEPTANCE

The supplier must perform inspections and tests to validate the Buyer's Purchase Order and associated drawing and specification requirements as follows:

1. Inspection and testing of specified items, services, and processes must be conducted under controlled conditions using established acceptance and performance criteria.
2. Sampling plans prescribe random sampling and afford a sound statistical basis to ensure product quality.
3. Inspection and test requirements and results must be documented.

4. Equipment used for inspections and tests must be calibrated and maintained.

K. CONTROL OF ITEMS

Items must be controlled by the following means:

1. Markings, authorized stamps, tags, labels, routing cards, physical location, or other suitable means must identify the status of items from the initial receipt and fabrication of items up to and including use.
2. Items must be traceable to the applicable specification and grade of the material; heat, batch, lot, part, or serial number; or specified inspection, test, or other records.
3. The process must provide for maintenance or replacement of markings and identification records due to damage from handling or aging, as well as protection of identifications on items subject to excessive deterioration due to environmental exposure.
4. Items which have not passed the required inspections and tests must not be installed, used, or operated.
5. Materials and components having limited calendar, operating or cycle life must be identified and controlled to preclude use of expired items. Additionally, an efficient recall and disposition of limited-life materials and components must be established.

L. HANDLING, STORAGE, PACKAGING, PRESERVATION AND DELIVERY

The Supplier and/or Product Manufacturer must have an established process to ensure that items (product, documents, equipment, etc.) are identified and controlled to ensure proper use and maintained to prevent damage, loss, substitution or deterioration due to handling, aging or environmental deterioration.

The **process** must also include requirements to ensure part markings are transferred when subdividing a lot, batch, etc. of a part or material. If markings or identification records need to be replaced, they must be researched to ensure their accuracy prior to replacement.

The Supplier must prepare and submit a signed certificate of conformance and test data as required by the purchase order with each shipment of product to the Buyer. Product certification must be supported by quality evidence.

M. CONTROL OF NONCONFORMING PRODUCT

The supplier must establish a written procedure for the control of nonconforming product as follows:

1. Establish a process to ensure that products that do not conform to requirements are prevented from unintended use or shipment.
2. Control of nonconforming items must provide for the identification, documentation, and evaluation of the item.
3. Nonconforming items must be identified by legible marking, tagging, or other methods on the item or on the container or package containing the item. Marking must be durable and not detrimental to the material.
4. Nonconforming items must be segregated, when practical, by placing them in a clearly identified and designated hold area until properly dispositioned. When segregation is impractical or impossible due to physical conditions such as size, weight, access, or other limitations, other precautions must be employed to preclude inadvertent use of a nonconforming item.
5. Suppliers have the authority to disposition product only as scrap or rework. All other nonconforming dispositions must be coordinated with the Buyer. Nonconforming dispositions must be documented.
6. Reworked items must be reexamined in accordance with applicable procedures and the original acceptance criteria.
7. When nonconforming items are identified, including Limited Life items, an evaluation must be performed to determine if any other previously supplied product is affected. If yes, the supplier must promptly notify the Buyer. The Buyer will provide disposition guidance on nonconforming issues.
8. The supplier must notify the Buyer when a nonconforming condition is identified with Buyer furnished items. The Buyer will provide direction for disposition of such items.

N. CORRECTIVE ACTION

A process must be established and documented for corrective action. The process must:

1. Define the cause(s);
2. Address corrective and preventive measures;
3. Corrective action measures must be in-place prior to continuing work; and
4. Management must take appropriate action to determine the cause(s) and correct any systemic related failures.

O. RECORDS RETENTION

The Supplier must maintain records of inspection and tests for purchased and manufactured products. Records must be maintained by the Supplier for a minimum 3-years after shipment of product to the Buyer or as agreed in the Buyer's Purchase Order.

P. EXPORT CONTROL REQUIREMENTS

Suppliers operating under this Program are subject to Export Controls in accordance with the Arms Export Control Act, or the Export Administration Act of 1979 or the Atomic Energy Act of 1954. As such;

Suppliers must have a written procedure that describes controls for ensuring that only U.S. persons are allowed access to ECI/OUO information and items. At a minimum, the written procedure must address: Access Control, Storage, Electronic Transmission, and Destruction policies as noted below:

1. Access Control:
 - a. ECI/OUO information and items must be maintained in a secured area to prevent inadvertent release or disclosure to foreign persons.
 - b. Foreign persons (non-US persons), including employees, consultants, visitors, and/or sub-contractors, must be restricted from having access to ECI/OUO information and items through any means (this includes overhearing conversations, observing material or information, or otherwise obtaining access in any way).
2. Storage:
 - a. ECI/OUO information and material must be stored in a secured area to restrict access from foreign persons.
3. Transmission:
 - a. The Supplier is responsible for flowing down ECI/OUO requirements to their suppliers used to support Buyer's product requirements.
 - b. ECI/OUO information must be sent through a secure method when transmitting electronically (i.e. encryption, password protection, or secure FTP site).
4. Destruction:

- a. ECI/OUO articles/information must be destroyed when no longer needed as appropriate for their industry as follows:
- i. Manufacturers -- documents, electronic media, models and materials (including scrap and in-process scrap) must be destroyed when no longer needed.
 - ii. Service Providers – documents and electronic media must be destroyed when no longer needed.
 - iii. Distributors -- documents and electronic media must be destroyed when no longer needed.
 - iv. Laboratories – documents, electronic media and test samples (less returned to the Buyer) must be destroyed when no longer needed.

Note: Destruction must make said items unrecognizable and must subsequently be disposed using normal waste processing.

6. APPENDIX

A. DEFINITIONS

Buyer:

Federal Manufacturing and Technologies (FM&T) or Sandia National Laboratories (SNL).

Certificate of Conformance (C of C, CoC):

A document provided by a supplier formally declaring that all buyer purchase order requirements have been met. The document may include information such as manufacturer, distributor, quantity, lot and/or date code, inspection date, etc., and is signed by a responsible party for the supplier.

COTS (Commercial Off-The-Shelf):

Parts that are available in the market place for any customer to buy and whose design is controlled by the manufacturer. Mil-Std parts are an exception since they are controlled by a government agency.

ECI:

Export Controlled Information – Documents contain technical data whose export is restricted by the Arms Export Control Act, or the Export Administration Act of 1979 or the Atomic Energy Act of 1954. Violations of these export laws are subject to severe criminal penalties.

Inspection:

An independent assessment by a person or persons not directly responsible for the work being evaluated to critically examine the features of an object, or to exercise it to determine its operating characteristics in order to certify conformance to product drawing requirements. This includes visual inspection and performance testing.

Supplier:

The term used herein to designate the individual(s) or organization that provides materials, parts, components, apparatus or services to the Buyer.

OUO:

Official Use Only – Document may be exempt from public release under the freedom of information act.

Raw Material:

Material (Aluminum, Brass, Steel, etc.) that is available in the market place for any customer to buy whose requirements are controlled by an industry standard.