

Supplier Delegated Inspection Program (SDIP)

1. Purpose

This work instruction outlines the specific instructions for the evaluation, selection, and monitoring of selected and qualified suppliers for AMT's Supplier Delegated Inspection Program (SDIP).

2. Scope

This procedure covers evaluation, selection and monitoring of suppliers for delegated inspection of product and processes, as well as the process for periodic verification of delegated product and disqualification of suppliers whose performance does not meet AMT's requirements.

3. General

Reference QS 40000 Records and Retention for the listing of records required per this document and their retention location. Reference QS 24201 Records.

Training performed in accordance with this document is recorded and acknowledged on QS 40003 Training Record.

Reference QS 40001 Definitions for a listing of definitions used throughout the quality system.

AMT evaluates and selects suppliers based upon their ability to supply product in accordance with AMT's requirements and those of AMT's customers in accordance with QS 27400 Purchasing and QS 37400 Supplier Qualification and Surveillance.

4. Procedure

4.1 Supplier **Qualification** Requirements - Initial

The supplier shall meet the following qualifications to be considered for SDIP.

- Approved and listed on AMT ASL in accordance with QS 37400 Supplier Qualification and Surveillance.
- No open delinquent supplier corrective actions
- Less than 1% Escape Rating overall based on a minimum of 6 month rolling average. Vendor tagged nonconformances are excluded from the vendor's acceptance rating.
- Less than 1% Escape Rating for product or process to be delegated based on a minimum of 3 consecutive receipts from a minimum of 3 manufacturing runs. Vendor tagged Nonconformances are excluded from the vendor's acceptance rating.
- The supplier's QMS shall have a documented process detailing the requirements for Supplier Delegation Inspection Program (SDIP), including the establishment of process controls, monitoring for process effectiveness, and qualification and removal of delegated personnel.
- Additionally, AMT may consider the following when evaluating a supplier for delegation:
 - Risk of escapement of defects to AMT customer
 - Results of previous on-site audits at supplier
 - Criticality of product
 - Customer requirements for inspection (source inspection, etc)

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Upon delegation, the supplier is notified with a formal letter. Signed acknowledgement of delegation by the supplier is kept on file at AMT.

Upon receipt of signed acknowledgement, Quality Engineering updates QC Items (see exclusions below) within Syteline to identify the product and supplier as Source Delegated and updates QC Codes to include supplier delegation (QC-16). Contractual requirements including documentation of delegated product are included within AMT's Purchase Order.

Exclusions include any Hexcel or Avcorp product/processes which per customer contract may not be delegated.

4.2 Supplier Requirements and Responsibilities

The supplier shall ensure that all contractual obligations as listed on AMT's Purchase Order are fulfilled, including AMT P.O. Terms and Conditions and QS 40025 Supplier Quality Requirements notes.

The supplier shall maintain a documented process detailing the requirements for Supplier Delegation Inspection Program (SDIP), including the establishment of process controls and monitoring for process effectiveness. Any changes to released process must be submitted to AMT.

SDIP personnel must be authorized by training which includes visual assessments to ensure employee has prerequisites sufficient to be able to perform their duties. Requalification of training and vision shall be performed periodically. A list of SDIP personnel will be maintained and any changes must be submitted to AMT.

Delegation Inspection Program shall be performed on each release of product after final inspection and as close to shipment as practical by a delegated SDIP inspector. The completion of the verification activity shall be recorded.

The Supplier must request approval for the use of sub-tier suppliers and sampling.

4.3 Monitoring and Maintenance of Delegated Suppliers

Quality Engineering reviews supplier performance metrics weekly. If a supplier on delegated status fails to maintain the initial requirements defined in Section 4.1, a review is performed by Quality Engineering which takes into consideration risk and repetition of the instances. The Quality Engineer determines appropriate action.

Guidelines for action to be taken as a result of the review by Quality Engineering are as follows:

- Corrective action (in accordance with QS 28501 Corrective Action) is required if the supplier has not maintained the overall requirement for 2 sequential months. Corrective action may be requested upon initial failure to maintain the requirement at the discretion of the Director of Quality
- Request Supplier Quality Engineer to perform a product audit at supplier
- Additional inspections at AMT Receiving Inspection may be imposed (ex. 100% inspect next 3 shipments)
- Removal of delegation of the part or supplier

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4.4 Disqualification / Removal of Delegation

Failure of the supplier to respond to requests for corrective action may result in the removal of the supplier's delegated status.

Disqualification may occur in the event of violation of the stated requirements. Additionally, AMT may retract supplier delegation at any time, for any reason.

4.5 AMT Receipt of Delegated Product or Processes

Upon delegation of a supplier, Quality Engineering notes delegation status within Syteline for all items procured from the supplier with exception of any noted exclusions.

Upon receipt of delegated product or processes, inspection is performed in accordance with QS 28200 Inspection and Verification. Certification paperwork is reviewed for accuracy and completeness.

4.6 AMT Periodic Review of Delegated Product or Processes

Verification of supplier delegated product/ processes shall be performed twice a year per delegated supplier through either desktop product audits or onsite product audits at the supplier. When verification can be performed in-house by AMT Receiving Inspection, request for a desktop product audit will be added to the receiver as a Special Inspection Note.

Receiving Inspection shall perform the product audit in accordance with QS 40081 Delegated Supplier Product Audit Checklist. Full certification packets including supplier manufacturing orders may be requested through Purchasing or Supplier Quality as needed to verify conformance to customer engineering and PO requirements. Where appropriate, onsite supplier product audits will be performed by the Supplier Quality Engineer and incorporated into the annual supplier audit schedule.

Inspection is performed in accordance with QS 28200 Inspection and Verification.

Evidence of periodic review and acceptance will be noted on the inspection receiver, completed checklist and on the Periodic Verification tab in the Special Inspection Note Log.

5. References

Normative References

D6-82479 Appendix A, Addendum 1

AS9100C: 2009-01, Section 7.4 Purchasing

AS9100:2009-0 Section 7.4.3 Verification of Purchased Product

AS9100:2009-01 Section 8.2.4 Monitoring and Measurement of Product

AS9117 Delegated Product Release Verification

Quality System References

BMS 10000 Business Management System Manual

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QS Document QS 37401

QS 24201	Records
QS 27400	Purchasing
QS 28200	Inspection and Verification
QS 28501	Corrective Action
QS 37400	Supplier Qualification and Surveillance
QS 40000	Records and Retention
QS 40001	Definitions
QS 40003	Training Record
QS 40025	Supplier Quality Requirements
QS 40081	Delegated Supplier Product Audit Checklist

6. Revision History

Rev	Description	Date	Approval
New	New Document	12/13/12	David Luprypa
A	Incorporate AS9015. Revised supplier criteria.	1/29/13	David Luprypa
B	Revised user representatives Moved sections for clarity Reworded requirements in all sections to further define and document process Section 3, 5 – Added QS 40003 Training Record	3/17/15	Colin Bixby
C	Added exclusions to Section 4.1 Created new Section 4.6 for Periodic Review of Delegated Product	8/25/15	Colin Bixby
D	Updated requirements of Section 4.6	8/15/16	Colin Bixby
E	Added QS 40081 Delegated Supplier Product Audit Checklist Revised reference as AS9117 supersedes AS9105, reviewed for conformance Renamed and revised section 4.2 Supplier Requirements and Responsibilities to comply with AS9117 requirements	1/8/18	Colin Bixby

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7. Approvals (Signatures on file)

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Date: _____ 1/8/18 _____

QA Approval: Supplier Quality Engineer

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Date: _____ 1/8/18 _____

Approved by Document Owner: Director of Quality

Signature: _____ Colin Bixby _____

Date: _____ 1/8/18 _____

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