Your Logo Here	CONTROL OF NONCONFORMING PRODUCT		
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I PURPOSE

The purpose of this procedure is to provide for a system and instructions, and to assign responsibilities for:

- Identification, documentation, and disposition of nonconforming and suspect products,
- Control of reworked products, and
- Requesting customer concession through Engineering Approved Product Authorization (EAPA) process.

II APPLICATION

This procedure applies to all materials, components, subassemblies, and finished products.

This procedure concerns Quality Control, Production, Materials Control, and Contracts.

III DEFINITIONS

Nonconforming Product: Product or material that does not conform to customer requirements or specifications.

Suspect Product: Product or material with unknown or uncertain inspection status.

IV PROCEDURE

1 General

1.1 It is a general COMPANY NAME Inc. policy that all nonconformances be documented, regardless of how insignificant they seem or how easily they can be repaired. Nonconformance reports are an invaluable tool in tracking performance and trends that

give indication where and when cost effective improvement projects should be implemented.

2. Identification and Documentation

2.1 QC inspectors and production personnel are responsible for identifying nonconforming products in the course of their inspection activities. In addition, all other personnel are encouraged to watch for and identify nonconforming products regardless of their other responsibilities.

2.2 Only the receiving clerk and QC personnel are authorized to initiate nonconformance reports. All other personnel report identified nonconformances to Quality Control.

2.3 Whenever a nonconformance is identified, it is documented in a nonconformance report. A model of the nonconformance report form is enclosed at the end of this procedure. The top block of the report form is designated for identification of the nonconforming product, and the department, area, and operation where the nonconformance occurred. The next block of the report describes objective facts characterizing the nonconformance.

2.4 After the nature of the identified nonconformance is documented, the affected product is labeled with a red REJECTED sticker or tag and the product is segregated. The pink copy of the report is attached to the product. Labeling and segregation must be effective to prevent nonconforming products from being used or shipped.

3. Nonconformance Review and Disposition

3.1 Nonconforming products may be

- Reworked to meet the specified requirements;
- Accepted as-is and shipped with customer authorization;
- Repaired without meeting specification and shipped with customer authorization;
- Regraded, with or without repair, for alternative applications; or
- Scrapped.

3.2 The disposition decision may be made on two different levels depending on the nature of the nonconformance and the decision itself:

- When it is obvious that a product must be scrapped or regraded, or when it can be easily reworked without degrading its quality and appearance, a QC inspector and a production supervisor are authorized to decide jointly (both signatures are required) what should be done with the nonconforming product. The decision is documented and authorized in the DISPOSITION block of the nonconformance report.
- If a repair would in any way affect quality, or if there is a possibility for an accept-as-is decision, the evaluation and disposition are made jointly by Quality Control and Production and, when the product is designed in-house, Design Engineering. The

disposition decision is documented and authorized in the DISPOSITION block of the nonconformance report.

3.3 When the disposition is to ship nonconforming products (usually accept-as-is and repair decisions), the box in the DISPOSITION block designated E.A.P.A. REQUIRED / YES / NO is checked YES. Otherwise NO is checked.

3.4 Products that are in any way different from currently approved, cannot be shipped without customer authorization (refer to Engineering Approved Product Authorization).

4. Control of Reworked Product

4.1 Nonconforming products may be reworked to meet specified requirements. However, rework may not be visible on exteriors of parts intended for service applications (i.e., parts that will be distributed to dealers and others as maintenance and repair parts).

4.2 All rework operations are documented in written rework instructions. The instructions explain rework operations and/or processes, and determine how the reworked products will be inspected or tested to verify that they comply with specified requirements.

4.3 When rework is basically a repetition of one or more production processes, the instructions may be issued by production supervisors. When new and/or complex processes are used, Production Engineering and Quality Control are involved in developing rework instructions.

5. Reinspection

5.1 Before reworked products are used in production or are shipped, they are thoroughly inspected by QC to verify that they comply with the same requirements as originally specified. The manner and scope of inspection are prescribed in the rework instructions.

5.2 Products that are repaired to be accepted with customer concession, or be regraded for alternative application or market, are also inspected to verify that they meet the modified (downgraded) specification. Regraded products are clearly marked to identify their new status.

6. Engineering Approved Product Authorization

6.1 When products, with or without repair, do not fully comply with specified requirements, but the defects do not compromise their function and usefulness, the customer is asked for the authorization to ship such products. Customers refer to such authorization a Engineering Approved Product Authorization (EAPA).

6.2 Subcontractor requests for EAPA are only forwarded to the customer after they have been reviewed and accepted by Materials Control and Quality Assurance.

6.3 EAPAs are recorded in the CLOSEOUT box of the nonconformance report, including the

authorized quantities and/or expiration dates.

7. Closing Out the Nonconformance Report

7.1 If the disposition decision is to regrade or scrap, the nonconformance report is closed out and filed at that point.

7.2 Rework and repair dispositions require that reinspection results be entered in the CLOSEOUT box of the nonconformance report. In addition, for repair decisions, the EAPA customer authorization is recorded.

7.3 For accept-as-is dispositions the EAPA customer authorization is recorded before the nonconformance report can be closed out.

8. Analysis of Nonconformance Trends

8.1 Quality Assurance categorizes, quantifies, and analyzes nonconformance reports to detect trends and identify improvement opportunities. These activities are regulated by Procedure QOP-14-01 Corrective and Preventive Action, and Procedure QOP-22-01 Continuous Improvement.

V ASSOCIATED DOCUMENTS

- Receiving Inspection — Oper. Proc. QOP-10-01
- In-Process Inspections — Oper. Proc. QOP-10-02
- Final Inspection — Oper. Proc. QOP-10-03

Insert **NONCONFORMANCE REPORT FORM** from file FRM1301.DOC