

## **IDS Terms and Conditions Guide**

### **Section Q**

**Clause Number: Q219P**

**Effective: 03/11/2009**

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#### **NONCONFORMING MATERIAL CONTROL AND DISPOSITION**

Seller shall maintain a system that clearly identifies, documents, controls, and segregates nonconforming material. Shipment of goods containing nonconformities is not allowed until all Material Review Board (MRB) actions have been properly completed.

Seller shall maintain, on a trend basis, a system of nonconformity level reporting for the purpose of demonstrating continuous improvements to the product quality.

Seller shall take prompt and effective action to correct and prevent recurrence of all nonconformities, inclusive of those that occur at Seller's subcontractors.

Seller of goods designed by Buyer must submit nonconformities that require "Use-As Is" or "Repair" disposition to Buyer for Material Review Board (MRB) disposition utilizing the Buyer's Rejection Report (RR) System accessed via Boeing CITIS/CARS account.

The Corrective Action Request System (CARS) can be accessed through the CITIS Gateway as follows:

- Log onto: <http://www.boeing.com>
- Select: "Secure Logon"
- Select "Portal Logon – Access to Gateway (CITIS)"
- Login to CITIS
- Under "My Products", select "SMAP Philadelphia"
- Under "My Products, SMAP Applications", select SM&P Applications"
- Select "CARS"

Note: A comprehensive user guide can be accessed on the "SM&P Applications" screen by selection <User Guides/Training> under the "Information Links" heading.

Seller of Boeing designed goods (build-to-print) may only perform "Rework" and "Scrap" MRB dispositions.

Seller of goods (except critical/process sensitive/flight safety parts, components, or assemblies) designed to Buyer's Specification or Buyer's Source Control Drawing (SCD) may perform MRB actions, including dispositions of "Use-As-Is", "Rework", "Repair", and "Scrap" on characteristics contained in the Seller's design products or processes, as long as the nonconformity does not adversely affect the fit, form, function, reliability, or safety and does not result in a departure from the Buyer's specified requirements (e.g. PC, SOW, CIDS, PIDS, SCD, Envelope Drawing, etc.).

Seller shall not perform MRB on critical/process sensitive/flight parts, components, or assemblies. This includes items or attributes designated on the engineering design as "critical", "process sensitive", and "flight safety", or if any of the following documents are invoked on the design documents: D8-0965, D210-11000-1, D8-1059, D210-10302, or D210-10558-1. Any nonconforming condition on a critical, process sensitive, or flight safety part, component, or assembly must be submitted for MRB disposition.

Regardless of design control (Buyer or Seller) all departures from the Buyer's specified requirements, or any nonconformity that may adversely affect the fit, form, function, reliability, or safety for the deliverable item must be submitted to Buyer for MRB disposition utilizing the Buyer's Rejection Report (RR) System accessed via Boeing CITIS/CARS account.

Seller delegation of Buyer's MRB to Seller's subcontractors is not permitted.

Seller performing MRB on Buyer's government contracts (e.g. V-22, CH-47, etc.) shall promptly notify the government representative who normally services Seller's facility to provide the opportunity to be included in the Seller's MRB process. If a government representative does not normally service Seller's facility, Seller shall furnish a copy of this contract to the nearest Defense Contract Management Agency (DCMA) office. In the event the Government representative or DCMA office cannot be located, Seller shall immediately notify Buyer's Authorized Procurement Representative. DCMA has the right of approval / disapproval on all MRB dispositions on all Buyer's government and commingled procurements.

When a nonconforming item is reworked or repaired it shall be subject to re-verification/re-inspection by the Seller to demonstrate conformance to the requirements and to assure no other nonconformity was incurred during the rework or repair process.

Items with disposition of "Scrap" shall be conspicuously and permanently marked (painted red) until physically rendered unusable. Scrap items shall not be shipped from Seller.

Seller's nonconforming material reports shall be maintained by the Seller and made available for review by Buyer and Buyer's Customers.

Buyer and Buyer's Customers reserves the right to dispute Seller's MRB actions and/or audit the Seller's MRB procedures, processes and documentation at any time during the performance of this contract.

When a nonconformance is discovered that may affect already delivered goods Seller shall notify Buyer promptly by a Seller generated disclosure letter sent to the Buyer's Authorized Procurement Representative with copy to the assigned Buyer's Supplier Quality Source Representative.