

BDS Terms and Conditions Guide
Section Q

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SUPPLEMENTAL QUALITY ASSURANCE REQUIREMENTS

1. **Change in Quality Management Representative**
Seller shall promptly notify Buyer's Authorized Procurement Representative of any changes in the management representative with assigned responsibility and authority for its quality system.
2. **Language**
Seller shall maintain an English language translation of (1) its quality manual, (2) operating instructions that implement the quality manual requirements, and (3) index of Seller's procedures that contain quality requirements. Buyer may require additional documentation to be translated, including but not limited to: shop orders, technical specifications, certificates, reports, and nonconformance documents.
3. **Change in Manufacturing Facility Location**
Seller shall immediately notify Buyer's Authorized Procurement Representative in writing of any change to the manufacturing facility location of the contracted part number or assembly. New First Article Inspection is required for any change to the manufacturing processes and/or manufacturing location. Re-qualification testing of functional products is required at Seller's expense for changes to the manufacturing processes and/or manufacturing location.
4. **Tooling**
When Seller receives or fabricates Buyer- or Buyer's customer-owned accountable tools, Seller must comply with the requirements of D950-11059-1, "IDS Seller Special Tooling Requirements".
5. **Seller's Inspection Options**
Seller shall perform 100% inspection for in-process and final inspection or Seller shall conform to requirements of document D1-8007 "Approval Guide for Supplier Statistical Plans" as may be amended from time to time.

A Seller that performs statistical methods for product acceptance at receiving, in-process or final inspection must have Boeing-approved procedures and/or plans, as required by D1-8007, prior to implementation of statistical methods.

Buyer reserves the right to conduct surveillance at Seller's facility to assess conformance to the requirements of document D1-8007, available at <https://suppliers.boeing.com> within the "Supplier Quality" webpage.

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6. Internal Quality Audits

At least annually, Seller shall conduct internal audits to ensure its quality management system requirements conform to contract quality requirements and are effectively implemented and maintained.

7. Control of Excess Inventory

Seller shall strictly control all inventory of Buyer's proprietary goods and services in excess of contract quantity in order to prevent goods or services from being sold or provided to any third party without prior written authorization from Buyer's Authorized Procurement Representative.

8. Defect Trending / Corrective Actions / Quality Improvements

Seller shall perform defect trending on a continuous basis for the purpose of identifying quality trends and illustrating continuous quality improvements. Seller shall document and trend all internal nonconforming conditions, investigate to establish root causes of negative trends, identify and implement corrective actions, and follow-up to ensure corrective actions were effective in eliminating the root causes. Seller shall also document and trend all external defects by recording and trending all products returned by Buyer and Buyer's customer that identifies the pertinent data (P/N, S/N, date rec'd, date shipped, reported problem, failure mode, investigation summary, parts replaced, etc), including root causes.

When there are three or more of the same defect / failure mode, a negative trend exists and additional investigation / analysis is required to be performed by Seller to determine the corrective action needed to eliminate the root cause of the negative trend.

Defect trending spread sheets shall be kept up-to-date by Seller and shared with Buyer and Buyer's Customer when requested.

Seller shall notify Buyer in a timely manner if Seller recommends that corrective action be taken by Buyer and/or Buyer's Customer to eliminate the cause of a negative trend.