CORPORATE MANAGEMENT SYSTEM		
	ASC SHIPBUILDING SUPPLIER QUALITY ASSURANCE MANUAL PROCESS OWNER: QUALITY ASSURANCE MANAGER - ASC SOUTH	APPLICABILITY **SHIPS**

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SUMMARY OF CHANGES

Updated with changes to reflect appropriate ASC Shipbuilding applicability

This document is also externally published on the ASC-S website www.asc.com.au.

ASC Shipbuilding Pty, LTD
(ASC-S)

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1. Table of Contents

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2. Purpose

The purpose of this manual is to assist Suppliers and Sub-contractors (“Suppliers”) in understanding ASC-S Quality/Defence requirements, compliance and expectations. This manual has been designed to provide information and guidance to assist Suppliers when providing goods, refurbishments and/or services to ASC-S.

3. Scope

This manual is applicable to all ASC-S purchases of goods and services under ASC-S's purchase order terms and conditions ("PO") in support of ASC-S projects, e.g. the Air Warfare Destroyer (AWD) project, Off-Shore Patrol Vessel (OPV) project etc. If there are any inconsistencies between this document titled Supplier Quality Assurance Manual and the terms and conditions of ASC-S's PO or contract with a Supplier, then the ASC-S PO or contract terms and conditions shall prevail.

The content and effectiveness of this manual will be monitored and evaluated on an on-going basis.

4. Definitions and Acronyms

A2LA	American Association of Laboratory Accreditation
ASC-S	ASC Shipbuilding Pty, Ltd (ASC South)
AWD	Air Warfare Destroyers (Project)
CAPA	Corrective And Preventive Action
CASG	Capability, Acquisition and Sustainment Group
COC	Certificate of Conformance
CTCL	Critical
DIFOT	Delivered in Full On-time
ECQMS	Enterprise Compliance Quality Management System (ASC-S Document Management System)
ILAC	International Laboratory Accreditation Co-operation
IMTE	Inspection Measuring and Testing Equipment
ITAR	International Traffic in Arms Regulation
ITP	Inspection and Test Plan
MSDS	Material Safety Data Sheet
NATA	National Association of Testing Authorities
NCR	Non-conformance Report
OPV	Offshore Patrol Vessel
OQE	Objective Quality Evidence
PO	ASC-S Purchase Order
PQMP	Project Quality Management Plan
RAN	Royal Australian Navy (end Customer)
RCA	Root Cause Analysis
SCAR	Supplier Corrective Action Request (SCAR)
SDRL	Supplier Data Requirement List
SQAM	Supplier Quality Assurance Manual

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5. ASC Vision, Mission and Values

Vision: To be the leading designer, builder and maintainer of naval ships in Australia.

Mission: To safely build and maintain Australia's frontline naval ships to world class performance and quality standards.

Values:

- Safety: Safety is paramount; the safety of ASC-S employees, contractors and all who visit our facilities will never be compromised.
- People Performance: To perform in our complex technical and business environment, ASC-S will work with integrity and as a team to collaborate effectively with customers, partners and suppliers.
- Customer Commitment: ASC-S operates with output-centric teams, focused on the delivery of our commitments (cost, schedule, technical performance and quality) to our customers. We are also committed to maintaining outstanding working relationships with those we serve.
- Continuous improvement: ASC-S is focused on remaining competitive and as such, we are committed to continually improve all aspects of the business, even those that are already achieving world's best practice. Our commitment to improve our processes, skills and knowledge is relentless.

6. General Expectations of ASC-S Suppliers

ASC-S expects Suppliers to share our commitment to meeting our customer(s) the CASG and the RAN requirements for quality, technical performance and on-time delivery. This can be achieved through flexibility in assisting ASC-S to meeting its end goal which should be enforced by implementing continuous improvement initiatives and business continuity plans.

All suppliers are responsible for ensuring compliance to the requirements contained in this manual and are responsible for the quality, timeliness and integrity of delivered goods and services including those provided by their ‘Sub-tier Suppliers/Manufacturers/Mills’.

All delivered products and services must comply fully with ASC-S's quality requirements including the provision of appropriate OQE documentation as agreed in the corresponding ASC-S PO or contract.

All OQE for commodity items and refurbishments must comply with the ASC-S Attributes as defined in Sections 24;25 of this document.

7. Right of Access

During the course of the contract between ASC-S and the supplier, ASC-S may (with reasonable notice) require access to the supplier manufacturing/production and inspection areas and/or the supplier’s sub-tier suppliers, manufacturers/Mills manufacturing, production and inspection areas for the purpose of ‘Quality Audits’ and for assessing manufacturing/production and inspection processes capability to meet ASC-S PO/contract requirements.

8. ISO 9001:2015 Requirements for Products and Services (Requirements Review / Contract Review)

Purchase Orders (PO) Goods/Services/Refurbishments:

Suppliers are expected to have in place a ***PO Requirements Review (RR)*** procedure/process or check list (reference: ISO 9001:2015 Section 8.2.2 & 8.2.3 Determining/reviewing the Requirements for Product and Services and 8.2.3.2 Retention of Documented Information). Refer to Annex 4**:** ASC-S PO Requirements Review template example/guidance checklist document.

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Contract/Technical Procurement Specifications Review:

Suppliers are expected to have in place a **'*Contract/Technical Requirements Review (RR)*'** procedure/process /matrix (reference: ISO 9001:2015 Section 8.2.2 & 8.2.3 Determining/reviewing the Requirements for Product and Services and 8.2.3.2 Retention of Documented Information).

A typical ***Contract/Technical Procurement Specification Requirements Review Matrix*** must address/indicate compliance or otherwise against contract, technical and quality requirements as specified in the ASC-S contract/specifications.

Note*: If a supplier is uncertain about any aspect of what ASC-S has ordered, the supplier must immediately contact ASC-S and resolve this uncertainty prior to incurring any costs and committing to supply.*

9. Inwards, Outwards and In-process Goods Assurance/Controls

Suppliers to ASC-S are expected to have in place adequate procedures for the management of goods inwards, goods outwards and in-process quality assurance/inspection activities.

Suppliers must ensure that goods undergo an adequate level of checks and balances (e.g. visual inspections, traceability checks, sample dimensional inspections) as applicable during production and prior to delivery to ASC-S.

10. Control of Sub-tier Suppliers

It is a requirement that all ASC-S direct suppliers maintain effective control over their sub-tier suppliers (including manufacturers/mills).

Direct suppliers to ASC-S must (on request) provide to ASC-S the necessary OQE to confirm that their sub-tier suppliers have been adequately assessed and are approved to supply.

The supplier must flow down all ASC-S PO requirements (e.g. technical/OQE/ traceability requirements) to their sub-tier suppliers (manufacturers/mills).

11. Purchase Order Nominated Critical (CTCL) Items

When supplying Critical (CTCL) Items suppliers are expected to:

1. Source items from ASC-S authorised manufacturers/mills only; or
2. Propose manufacturers/mills for ASC-S approval by providing evidence that the manufacturers/mills have 'Material Manufacturer' approval certified by independent certification bodies e.g. BV, Lloyds, GL, NK, ABS, DNV, TUV, etc. or provide evidence of detailed review and approval by the direct supplier e.g. audit reports, visit reports, inspection reports, test reports; or
3. Ensure that items are independently sample tested by a NATA or equivalent testing house (e.g. A2LA) IAW criteria defined by ASC-S, with test reports (OQE) provided to ASC-S. **Note:** This approach will qualify individual batch deliveries only, not the sub-tier/manufacturer/mill.
4. ASC-S may also consider undertaking a quality audit/review of the 'Supplier, Manufacturer or Mill' manufacturing processes on a case by case basis.

Refer to: **Annex 1 -** CTCL Approval Rules for Suppliers & Sub-tiers

12. Inspection and Testing Planning (ITP) Applicability/Controls

Where a PO or ASC-S Contract requires a supplier to submit to ASC-S an ITP the supplier's ITP document will be subject to ASC-S approval and must be submitted prior to commencement of work.

As part of ASC-S's approval of the Supplier's ITP, ASC-S may add 'Hold' and 'Witness' points at its discretion, and:

- Where hold and witness points have been allocated the supplied must inform ASC-S of the upcoming event with appropriate notice.
- Hold points are not to be conducted without an ASC-S representative present unless the hold point has been formally waived by ASC-S.
- Witness points may be conducted without ASC-S's presence as long as appropriate notification has been provided.
- The ITP document must contain sufficient information to identify what inspection and/or testing will be carried out to meet 'Contract/PO' requirements.

Refer to: Annex 2 - Inspection and Test Plan (ITP) example/template.

13. ISO 9001: 2015 Section 8.5 Production and Service Provision (Records)

Suppliers shall be able to identify outputs when it is necessary to ensure the conformity of products and services to ASC-S.

Unless otherwise stated in the purchase order or contract, records must be retained for a minimum commercial period specified under the Australian Product Liability law (7 years).

14. ISO 9001:2015 Section 7.1.5 Monitoring and Measuring Resources

Suppliers are required to maintain fully calibrated IMTE equipment used to ascertain compliance with ASC-S 'Purchase Order/Contract' requirements e.g. pressure gauges, micrometres, vernier callipers, scales, jigs, fixtures, tools, dies, tape measure, etc. The supplier calibration system must be fully compliant with the requirements of ISO 9001:2015.

IMTE calibration must be performed by NATA accredited laboratories or equivalent (e.g. A2LA, etc.) and certificates must be NATA (or equivalent) endorsed.

The supplier's/subcontractor's IMTE calibration system/procedures must ensure that "an assessment" of the validity of previous measuring results is undertaken when an IMTE is found to be defective or out of calibration.

ASC-S must be notified in the event of potential non-conforming products and services delivered as a result of an out of calibration IMTE.

Mutual Recognition for Test Laboratories

ASC requires all testing (mechanical, chemical, non-destructive or calibration testing) to be performed by and/or traceable back to a suitable laboratory accredited to ISO 17025. Acceptable national certification bodies will be members of the International Laboratory Accreditation Co-operation (ILAC). The approved Australian certification body is the National Association of Testing Authorities (NATA), which is a member of ILAC. All International testing laboratories shall be affiliated with ILAC.

15. Product Marking/Traceability/ Packaging and Preservation

Where required in the Contract/PO each delivered item must be identified with the following information (where applicable):

- Purchase Order/Contract Number and Revision Number
- PO Line/Item Number
- Item Description
- ASC-S Part Number (NATO Stock Number or ASC-S catalogue/part Number)
- Quantity
- Manufacturer's part number, including identification of the original equipment manufacturer and country of origin

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- Controlled goods identification (non ITAR)
- Serial Number,
- Batch Number,
- Rubber Hardness,
- Rubber Cure Date,
- Use By/Shelf Life,
- Date Of Manufacture,
- Expiry Date,
- Software Version Number,
- Cleanliness Certification Statement,
- Weight Certification Statement.

16. Supply of Hazardous Materials and Hazardous Substance

When a hazardous material or substance is to be delivered to ASC-S, the Supplier must provide 'Material Specification' and/or MSDS.

Hazardous materials: Materials which because of its chemical, biochemical, microbiological or radiological properties, temperature or state of compression could in sufficient concentration cause:

- Harm to human health and safety or personal injury
- Property damage
- environmental harm or environmental nuisance

These include, but are not limited to, hazardous substances, dangerous goods and scheduled poisons

Hazardous Substances: These are hazardous substances that are listed on Safe Work Australia - Hazardous Substances Information System (HSIS) found at http://hsis.ascc.gov.au or determined to be a hazardous substance by the manufacturer or importer of the substance.

17. Sustainability

ASC sustainability's vision is to successfully carry out ASC's operations to minimise our environmental footprint and positively influence social, workforce and business outcomes.

As such, ASC values the consideration of the impacts on the environment, society and cost across the full lifecycle of products and services supplied to ASC. Where available the supplier will provide ASC with sustainability information for their operations.

18. Counterfeit Products - Risk Mitigation and Prevention

All Materials, hardware, Mechanical Items, Electronic Parts, Assemblies and Products, as well as any test equipment or device used to qualify or test these items, can be certified using one of the following methods to ensure they contain no counterfeit items:

- By obtaining a Certificate of Conformance from the OEM/Supplier to the effect that the supplied item has been subject to due diligence and contains no counterfeit material; or,
- By obtaining an independent assessment by a recognised authority or institution to the effect that the item does not contain any counterfeit material.

Supply Chain and Inventory management shall where possible establish traceability controls to ensure that only non-counterfeit supplies are used.

Only approved suppliers and sub-tier supplier/manufactures to be used, know your sources of material – OEM or their authorised distributors.

WHEN COUNTERFEIT /SUSPECT COUNTERFEIT ITEMS ARE DETECTED THESE SHALL BE IMMEDIATELY REPORTED TO “ASC SUPPLY CHAIN/QUALITY MANAGER”.

19. Technical Information and International Traffic In Arms Regulations (ITAR)

As a large defence contractor, ASC-S is bound by many Technology Agreements and licenses covering an extensive range of data, software, goods and services (Controlled Technology) that it imports, exports, transfers in-country and uses itself. Technology agreements and Defence Trade Controls, do:

- Impose strict conditions on ASC-S’s use of the Controlled Technology it procures;
- Expose ASC-S, its employees, contractors, suppliers, etc. to severe penalties for non-compliance, including multi-million dollar fines, lengthy prison terms and bans from accessing the technology ASC-S needs to complete its contracts.

As part of the contract with ASC-S, the Supplier may be provided with Commercial-in-Confidence Technical Information and other Technical Information (or components/Materials) that are be subject to ITAR export control restrictions and ITAR handling procedures.

All technical information must be handled strictly in accordance with stipulated restrictions and signed confidentiality agreements.

ITAR restricted items will be clearly identified as “ITAR Controlled Technology”. ITAR Controlled Technology cannot be disclosed to any unauthorised persons or commercial parties including employees, subcontractors, consultants, suppliers or sub-tier suppliers/manufacturers.

ITAR and other technical information provided by ASC-S may only be used by the recipient in accordance with the terms of the contract between ASC-S and the recipient, or, in the absence of a contract, it may only be used strictly for the purposes for which it was provided. The unauthorised disclosure, reproduction or use of such data/components is prohibited by law, and severe penalties apply.

On completion of the contracted activities, the original information/technical data and any copies must be returned to ASC-S on request.

WARNING!! ASC-S expects its Employees, Contractors and Suppliers to comply at all times with ASC’s requirements for protecting Controlled Technology from loss and unauthorised use and transfer.

20. Handling of ASC-S supplied Materials

Customer (ASC-S) supplied materials must undergo the same level of ‘Inwards Goods Assurance Inspection’ checks and traceability control as that of any other materials purchased by the supplier.

Where required, ‘Inwards Goods Inspections’ must include sample dimensional inspection, visual inspection and marking/traceability checks (validated against the delivered certification/OQE).

Material traceability must be maintained up until the point of use in production.

Unused material (including off cuts/remnants) must be marked and remain fully traceable up until the point of use in the supplier's production or return to ASC-S.

21. Supplier Qualification Questionnaire (Evaluation and Approval)

ASC-S maintain an Approved Suppliers List which is linked to specific items, commodities and equipment that 'Suppliers' are approved to supply.

The Approved Suppliers List (ASL) consists of companies that have been assessed as having the capability and willingness to work together with ASC-S to fulfil ASC-S requirements/business needs.

Supplier Approval Process: As part of the Supplier Approval Process, all new ASC-S Suppliers must complete a 'Supplier Qualification Questionnaire(SQQ)' which must be submitted together with supporting OQE before ASC-S will enter into a PO with a new Supplier. The complete SQQ document can be accessed at www.asc.com.au, *Partnerships-Supply Chain*.

ASC-S Approved Supplier's List (ASL) - Repository ASC-S CONTROL/MRP System:

To be included in the ASC-S approved suppliers list, suppliers will undergo systematic levels of reviews and checks which may also include on-site qualification quality audits/reviews by ASC-S SQA and Supply Chain Departments.

Once suppliers have been approved to supply, ASC-S SQA and Supply Chain Departments may conduct regular quality audits/supplier visits to ensure the supplier can consistently meet ASC-S 'Quality/DIFOT' requirements.

Suppliers will remain on the ASC-S Approved Suppliers List so long as they continually supply Quality goods and services in a timely manner.

22. Supplier Quality Performance Review Program (SQPR)

ASC-S operates a 'Supplier Quality Performance Review Program' (CMS-52175) which is aimed at improving the quality and timely delivered of products, services and OQE documentation (DIFOT).

The SQPR program involves reviews of objective material CONTROL/MRP data (acceptance/receipts) also including other available information .e.g. customer- supplier relationship, responsiveness to requests, SCAR resolution times etc. This combined data is analysed by Quality and Supply Chain departments to determine supplier performance over a period of time.

This program is focused on supplier developmental activities and involves monitoring and analysing the overall performance of suppliers on a monthly or yearly basis.

Supplier Rating Guide: Suppliers are continuously monitored, measured and rated (on a scale from A to D).

A = 85% – 100% (Very Good)

B = 75% – 84 % (Good)

C = 65% – 74 % (Improvement Required)

D = < 64 % (Poor) Review Supplier ASL status

The supplier 'Quality Performance Program' is complemented by a proactive 'Supplier Audit Program' based on a twelve month 'Audit Schedule'.

23. Monitoring Supplier On-time Delivery Performance (Metrics)

ASC-S Supply Chain has implemented a 'Supplier On-time Delivery Performance System' (Metrics) that is designed to monitor the supplier's ability to meet agreed lead times. This system utilises real time data obtained from the ASC-S CONTROL/MRP system.

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ASC-S Suppliers are expected to meet agreed on-time delivery targets at all times. In the event of unforeseen circumstances that may impinge on the Suppliers ability to meet contracted delivery dates, the supplier must notify ASC-S as soon as possible.

24. OQE Requirements/ Attributes Definition/Delivery

OQE Requirements: OQE forms a critical path in ensuring the items/services delivered meet ASC-S technical and contractual requirements. OQE requirements for individual items are specified in the Purchase Orders or Contract unless otherwise stated.

OQE Attributes Definition: The Master List of OQE Attributes for Commodities supplied to ASC-S can be found at www.asc.com.au*, Partnership-Supply Chain*.

ASC-S OQE attributes are defined in CMS-50503.

Delivery of OQE for ASC-S: OQE must be delivered in an electronic format (PDF) directly to the 'Buyer' unless otherwise agreed.

25. OQE Requirements for Refurbishments

PO for the refurbishment of ASC-S plant and equipment will require an Opening and Closing report to be provided as part of the delivered OQE. This report should include photos that clearly capture the condition of plant and equipment as received, a clear list of parts required to refurbish the plant and equipment and photos of the refurbished item prior to dispatch to ASC-S. The OQE requirement for refurbishment documents defines the applicable OQE for each type of item to be refurbished.

The OQE Applicability Matrix document lists the OQE that needs to be considered by the supplier at the time of quotation. The supplier is required to complete this document and provide it to ASC-S for approval prior to commitment to supply. It is to be noted that the supplier must annotate the PO number and revision No on the document.

Note: Both the OQE Applicability Matrix document and the OQE requirements for Refurbishment document are available in the ASC website (www.asc.com.au*, Partnership-Supply Chain*).

26. ASC-S Quality Requirements for Fasteners

Fastener material specification, dimensional specification and delivery conditions (e.g. surface treatment) must be clearly stated in the ASC-S PO and must be fully complied with.

Fastener Threads:

Must be sampled inspected by the manufacturer/supplier to ensure conformance to specified 'Engineering/Standards' requirements.

Fastener Surface Treatment:

- Where specified, plating, galvanising, non-treatment etc. must be sample inspected by the manufacturer/supplier to ensure complete coverage and conformance to specified Engineering/Standards requirements.
- ASC-S PO/contract specified Critical (CTCL) Threaded Fasteners:
- Where the requirements of Sections 11 & 12 cannot be met, suppliers are expected to source ASC-S PO/contract specified critical (CTCL) threaded fasteners from manufacturers listed in the DOD *MIL-HDBK 57 Listing of Fasteners Manufacturer's Identification Symbols.*
- Threaded fasteners must be marked IAW Standards specified in the 'Contract/PO', e.g. carbon steel fasteners to ISO 898 -1 & ISO 898 -2, stainless Steel Fasteners to ISO 3506-1 & 3506-2, unless otherwise specified.

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- Where marking is required, threaded fasteners must be identified by the manufacturer's marking symbol (including material grade) unless otherwise specified.

Note: *For guidance, threaded fasteners manufacturer's marking symbols are listed in DOD Handbook MIL-HDBK 57 (latest revision) - Listing of Fasteners Manufacturer's Identification Symbols.*

27. ASC-S Quality Requirements for Shelf Life Products

Shell life products must comply fully with ASC-S OQE attributes.

The information supplied on the product CoC must contain the following:

- Purchase Order Number/Contract Number,
- Line Number/Item Number,
- Item Description,
- ASC Part Number (NATO Stock Number or ASC Catalogue Number),
- Quantity,
- Manufacturer's Part Number.
- Lot traceability No or Batch No
- Shelf life expiration date/use by date (IAW specification)

Shelf life products must have a minimum of 85% of shelf life remaining upon receipt at ASC-S, unless agreed otherwise with ASC-S.

Examples of Shelf life products are:

- Synthetic rubber products
- Epoxies
- Paints
- Adhesives
- Sealants
- Fastener locking compounds

28. Supplier Corrective Action Request (SCAR-CMS-54079) Major NCR

ASC-S Quality/Supply Chain will raise/issue a SCAR to a supplier when a 'Major NCR' has been identified against a supplier product or service.

A SCAR is normally associated to a faulty/defective product, service, quality management system element, or contractual non-conformance that adversely affects any of the following:

- Program or Customer Schedule or cost;
- Fit, form, function, performance, or interchangeability ;
- Health, environment, or safety;
- Reliability, maintainability, or service life;
- Effective use or operation;
- Weight or appearance (when a requirement or factor);
- Direct or indirect conformity to other contractual, regulatory, or legal requirement.

When a SCAR is issued to a supplier, the supplier is required to report the following:

- Containment & Remedial Action;
- Root Cause Analysis (RCA);
- Underlying Root Cause(s);
- Corrective and Preventive Action (CAPA).

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Major NCR Definition* : The absence of, or a total breakdown of, a product, service, quality management system element, contractual requirement or any nonconformity where the effect is judged to be detrimental to the integrity of the product or service provided or to ASC-S contractual position or reputation.

Major SCAR - Response Timeframes:

The initial supplier response (action plan) and SCAR completion time frames are defined below:

SCAR	Supplier Timeframe to respond/provide an Initial Action Plan (Business Days)	SCAR Completion Timeframe
Major NCR	3 days	10 Days*

Note: 1 *Completion timeframes that exceed nominated times must be approved by the ASC-S Quality Representative.*

Note 2: *A major NCR (SCAR) may have a significant impact in the 'Approved Supplier Status' within the ASC-S ASL, e.g. the supplier may be made restricted, watch-listed, or de-listed.*

Note: the rules for managing supplier restriction are contained in the ASC website (www.asc.com.au*, Partnership-Supply Chain*)

Refer to: **Annex 3** - Supplier Corrective Action Request (SCAR) Form FM-54147

29. Work Health and Safety and Environment (WHS & E)

Suppliers are responsible for all aspects of WHS&E connected with the goods and services supplied to ASC and must at their own cost comply with all WHS&E related legislation (including the WHS Commonwealth Act and associated Regulations) that is in any way applicable to the goods and services supplied, including in respect of their sub-tier suppliers or subcontractors.

Suppliers must demonstrate to ASC that they have the necessary knowledge, ability and resources to comply with all applicable WHS&E legislation and, on request, must provide ASC with all necessary information to allow ASC to properly assess the supplier's capacity to provide goods/services in accordance with all relevant WHS&E legislation.

Suppliers providing services at ASC sites will also be required to demonstrate compliance through:

- Work, Health & Safety Management Plans
- Environmental Management Plans
- Competency and licensing of personnel
- Risk Registers and Assessments

Suppliers must notify ASC immediately of any incident or event occurring in connection with the supply of goods or services to ASC that is in breach of or is notifiable under the relevant WHS&E legislation.

ASC requires suppliers to provide a copy of their environmental and WHS policies detailing environmental and safety commitments. ASC highly recommends suppliers maintain ISO 14001 and ISO 18001 or AS/NZS 4801 certification to demonstrate commitment to environmental and safety performance or a system based on those requirements.

30. Management of Supplier and Sub-tier Supplier Changes

Suppliers are required to ensure major changes to existing contract/PO arrangements etc. are formally communicated to ASC-S well in advance of the change activity to allow ASC-S Quality and Supply Chain departments to expeditiously review the supplier status in the ASC-S ASL.

Type of Supplier Changes	Potential impact on supplier deliveries to ASC-S (DIFOT)	Formal notification to ASC-S required?
Closure of Australian manufacturing facility in favour of overseas sources, manufacturers, etc.	ASC-S Products being sourced overseas (including ITAR). New management and personnel not fully aware of ASC-S processes and SQAM Requirements.	Yes
New ownership, new management or new production/engineering supervision	New management and personnel not fully aware of ASC-S processes and SQAM Requirements.	Yes
Moving to new facilities to that previously audited by ASC-S.	New Management and Personnel not fully aware of ASC-S processes and SQAM Requirements.	Yes

Note: Quality and Supply Chain departments may need to conduct a review/audit of the new supplier or sub-tier supplier status in order to assess its impact on ASC-S deliveries (DIFOT).

31. Customer/Supplier Relationship and Feedback

ASC-S senior management is fully committed to maintaining a good relationship with all our Suppliers and Subcontractors.

ASC-S believes that without the assistance and commitment of our suppliers the requirements specified in this manual cannot be adequately achieved.

Suppliers should contact ASC-S Supply Chain/Quality personnel in the event that any requirement contained in the ASC-S Contract/PO or this manual is not fully understood.

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Annex 1: CTCL Approval Rules for Suppliers & Sub-tiers

Rules for ASC-S Critical (CTCL) Commodities/Materials - Sub-tier Supplier/Manufacturer/Mill Approval (Refer to FM-50645)

Material Manufacturer Approval- What it means

Approval of Manufacturers (AOM) is a qualification scheme for manufacturers of materials. The objective is to verify that the manufacturer can produce specific grades or types of materials that conforms to the DNV/Lloyd´s/GL etc. rules.
In order to be approved, the manufacturer must demonstrate and submit documentation to the effect that the necessary manufacturing, testing and inspection facilities are available and supervised by qualified personnel.

The Approval of Manufacturer does not concern management systems, and has therefore nothing to do with ISO 9001. The scheme is rather a technical product approval, quite similar to Type Approval, which basically implies that the design approval is done once, and this approval is made valid for all subsequent components of identical design.

In order to meet ASC-S CTCL (Critical Product) requirements, at least one of the following criteria needs to be met:

Check	Review Items
□	*Objective Evidence (certificate) to indicate that the Supplier/Manufacturer/Mill has obtained product approval (e.g. Type testing) by independent bodies e.g. DNV, Lloyds, NK, KR, ABS, GL, SGS, BV, TUV etc.*
□	*Objective Evidence (OQE) indicating that the particular supplier/manufacturer/mill is an approved supplier to e.g. US Navy, US DoD, Electric Boat Corporation(EB), Bath Iron Works(BIW), Northrop Grumman Corporation(NG), New Port News(NN), UK MoD, Shell, BP etc.*
□	*Objective Evidence (OQE) indicating that the ASC-S direct supplier (or other party) has conducted audit(s) of the sub-tier supplier/manufacturer/mill* ***manufacturing*** *and* **testing** *facilities/processes (including independent product testing to verify compliance with the product standards) and with demonstrated OQE indicating satisfactory results.*
□	*Independent Product testing (certificate) by a NATA or Equivalent Testing House (e.g. A2LA) IAW ASC-S Engineering Department defined criteria (this is to qualify individual batch deliveries only, not the manufacturer/mill).*

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Annex 2: Inspection and Test Plan (ITP) Example/Template

COMPANY NAME/LOGO: ***ABC Widget Pty Ltd***

Client:	ASC Pty Ltd			ITP No: 047 Date: 12 June 2013	ITP Rev No. 01 Page 1 of 4
Contract / Purchase Order/Work Order Pack /No & Revision:	A0001235-Rev 01	Compiled By:	John Brown	Quality System: ISO 9001:2008	
Contract/ Purchase Order Line Item No:	00085	Checked By:	Peter Smith	Accreditation No: 1234/2007	

ITP Description	Manufacture and balance impeller	List of Drawings & Revision	2-209-Rev01 2-210-Rev02 2-211-Rev 0	Legend	QC	Quality Control	W	Witness Point
					PD	Production Supervisor	R	Record/Doc Required for MDR
					H	Client Hold Point (Client to be notified)		

MDR= Manufacturers Data Report (Objective Quality Evidence (OQE) required) WOP= Customer Work Order Pack

Item No.	Activity	Applicable Procedure	Acceptance Criteria	Verifying Document	ITP	Company	Client **Assigned** Hold Points		Date
					Legend	Initials/Sign	Legend	Signed	
1	Receipt inspection of materials	ABC 1245-1	Standards/customer specifications	Stock status	PD				
2	Dimensional Check (Confirm Tool Calibration)	NES 747 Pt. 2 C11 Clause 1104	NES 747 Pt. 2 C11 Clause 1204	Certificate	PD				
3	Visual Inspection	NES 747 Pt 2 C11 Clause 110	NES 747 Pt 2 C11 Clause 1205	Certificate	PD				
4	Review Delineated areas for NDR	NES 747 Pt 2 C11 Clause 8	TS-90-4	Drawing 2-209 Rev 01	PD				
5	Dye-penetrant examination Pre-machining	NES 729 Pt 4	NEST 747 Pt 2 C11 Clause 1206, 1207	Certificate	QC R				
6	Heat Treatment	NES 747 Pt 2 C11 Clause 0601	Furnace validated to NES 746	Certificate	PD R				
7	Material Compliance – Casting Mechanical Properties	AS 1391 – 1991	NES 747 Pt 2 C11 Clause 0501 (Table 3)	Certificate	QC R				
8	Dimensional Check Post-machining. (Confirm Tool Calibration)	Accuracy Control Sheet 2013-3	Drawing 2-2019 Rev 01	Certificate	QC R				
9	Dye-penetrant examination Post-machining	NES 729 Pt 4	NES 747 Pt 2 C11 Clause 1206, 1207	Certificate	QC R				
10	Identify / mark Casting	NES 747 Pt 2 C11 Clause 1403	NES 747 Pt 2 C11 Clause 1402	Certificate of Conformance	PD R				
11	Balance Impeller (Confirm Calibration of Test equipment)	ISO 1940	Grade 2.5	Certificate	W QC R				
12	Final inspection and review of MDR-Client to be advised.	Release Inspection 2013-13	Customer PO/WOP	CoC/MDR	H QC R	QC	**H**		
13	Preservation/packaging/shipment	Procedure 2013-1	NES 747 Pt 2 C11 Clause 1501		PD QC				

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Annex 3: ASC-S Supplier Corrective Action Request (SCAR) Form FM-54147

SECTION 1: ASC-S to Complete

Supplier Name: **Address:**		**SCAR No:**	
		Date SCAR Issued to Supplier:	
		ASC-S Audit No:	
SCAR Category, (Major):		**SCAR Level:**	**MAJOR**
Supplier/ Vendor No:		**Assigned to Supplier Quality Representative** **Name:** **Email:**	
AS/NZS ISO 9001:2015 Accreditation Body:	**License No.**	**Supplier Last Reviewed by ASC-S date:**	
Certifying Body required to be Notified	Yes / No		
ASC-S SQA Quality Representative: **Name:** **Email:**		**Date Supplier Initially notified by ASC-S :**	
Problem/NCR Description: (Part No/Issue/Process/details/Quarantine NCR No, etc.) ***Note:*** *If necessary, Insert Appendix Page(s) & Attach Photos/Sketches/Additional Information etc.*			

SECTION 2: Supplier to Complete

Containment and Remedial action: **Note:** *SCAR Major NCR - Initial response (Action Plan) to ASC is due in 3 working days from date notified.*		
Completed by (Name): **Position:**	Date:	Comments:

SECTION 3: Supplier to Complete/ASC-S to Approve

Root Cause Analysis RCA (Details)/Primary Root Cause(s), e.g. 8 D, Failure Mode Effect Analysis (FMEA), Process Flow Diagram, 5W2H (who, what, where, when, why, how and how many), Tap Root® etc.		
Underlying Root Cause(s) Details/Secondary Root Cause(s): **Note:** *If needed attach working documents*		
Root Cause Determined by : **Name:** **Position:**	Date:	Comments:
Corrective action:		**Estimated completion** Date:
Preventive action:		**Estimated completion** Date:
Completed by: (Supplier) Name:	**Date:**	**Comments:**
Approved by: (ASC-S Quality representative) Name:	**Date:**	**Comments:**

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Annex 4: ASC-S PO Requirements Review Template (Commodities)

Generic PO Requirements Review Template (Commodities)

Check	Review Items	Applicability (Yes/No) /Comments
□	Are descriptions, including part numbers correct? Does the description accurately describe the material/part quoted? Are you able to identify required material or part number from the description and do they reflect the initial quote?	
□	Do you have a copy of all required documents e.g. catalogue sheets, contract, drawings, specifications including current material standards and dimensional standards listed in the order?	
□	Are all technical requirements on the PO complete and correct e.g. load/ pressure rating /testing acceptance criteria, correct seals/O-rings/liner material for the application including delivery condition e.g. annealed, zinc plated, coated, etc.?	
□	Have all the specified technical requirements/standards specified been fully understood?	
□	Are all OQE attributes defined and understood e.g. MTC type 3.2,3.1, LCS, CoC, CTCL (Critical), FPT, PT, UBSL, RCD, MSDS, etc.? Do you know the location of the ASC-S Master List of OQE Attributes and Supplier Quality Assurance Manual as listed in the PO?	
□	Is there a requirement for LCS or MTC to be independently certified by a NATA registered body (or equivalent, e.g. A2LA)?	
□	Are there any specific requirements for sub-tier supplier/ manufacturer/mill approval from ASC, i.e. critical (CTCL) prior to accepting the PO e.g. material manufacturer/mill approval from independent material type testing certification bodies, e.g. Lloyds, DNV, BV,GL,NK, ABS, TUV, MoD, DoD, etc.?	
□	Is there a requirement for traceability/marking tracing material to MTC?	
□	Where welding is specified, is there a requirement for structural welds to be visually inspected and signed off by a W.T.I.A. (or equivalent) welding supervisor/inspector accredited to ASC 1796/AS1554 certificate10 (or equivalent) and; can this condition be fully met?	
□	Can **all** PO defined OQE/technical requirements be delivered as specified? Are there any conflicting or unclear information that requires clarification from ASC-S Supply Chain/Quality?	
□	Are prices listed on purchase order correct?	
□	Are delivery dates listed on purchase order correct and achievable? If not has ASC-S been notified?	
□	Are all delivery terms listed on purchase order correct and acceptable?	

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