

Anders Bredenberg – 11/21/18

#### 4<sup>th</sup> QTR Summary:

#### Notes that may require action:

- 1) QOP 81-01, point 3 states that only the most recent control plan is available to assemblers, however, this is not true. All Control plans are kept on any given card, and when a control plan is edited, that new version is uploaded to the card alongside the old one(s). Dave has created an IT project to only allow assemblers to see the most recent control plan.
- 2) QOP 82-02, point 6 mentions DBA. This should be changed to DVA.
- 3) QOP 84-01, point 2.1, and 2.2 mentions DBA, this should be changed to ECIS.
- 4) QOP 85-04, point 6 and onward are not applicable in DM. Consider specifying that this only applies in CR.

#### Notes:

- 1) Brenda advised that when a new tool is purchased, it is brought directly to her office before anything else is done. From there, she consults the manufacturer's manual if one is available, and sets up a calibration / maintenance schedule based on that, and the projected number of uses in a given time period.
- 2) Production reviews quantity, lead time and customer need date when receiving new orders, though this is primarily a sales function.
- 3) Observed T Irvin receiving part IDs 401047, and 900265. No issues.
  - a) T Irvin advised that when damage is found at the receipt stage that it is noted on the delivery receipt and it moved to the hold shelf.
  - b) T Irvin advised that when an incoming inspection requires QCC approval, Brenda is emailed and must inspect before receiving.
  - c) T Irvin walked me through the receiving process. Found no obvious issues.
- 4) Brenda advised that she has not had any recent parts added to the system that require investigation into CTQ elements.
- 5) K Yates walked me through the picking process. No obvious issues.
  - a) Observed K Yates picking SO 105622. No issues.
  - b) Observed M Segura Picking SO 107303. No issues.
- 6) Observed production. All seemed to be using the log in screen.
  - a) Observed G Engstrom building WO 106629. No issues.
  - b) Observed J Euritt building WO 107078. No issues.
- 7) Observed QA checking WO 106901. No issues.
  - a) QA was using log in screen.

11/24/18 ATB  
Rena

# QM 8.1 Operational planning and control

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Quality Manual	8 – Operation	
Section 8.1	Section Revision: A	Revision Date: 3/30/2017
<b>8.1 – Operational planning and control</b>		
Approved By: Dave Zirkelbach		Date: 3/30/2017

## GENERAL POLICY

Planning of product realization processes includes determination of requirements and quality objectives for products and services applicable to a product distribution-only environment; and establishment of processes, and documents, and to provide resources specific to the product. The plan also defines requirements for records necessary to demonstrate process and product conformity.

## PROCEDURAL POLICIES

### 1. Product requirements and quality objectives

1.1 Product requirements and quality objectives (if applicable) for product are defined and communicated in customer orders submitted to Dee Electronics.

### 2. Product realization planning

2.1 Product realization planning includes, as applicable:

*Development of adequate and capable processes,*

*Identification of special processes and consideration of associated risks and consequences,*

*Establishment and implementation of appropriate process control measures,*

*Development of instructions, documents, and training for process operators, and*

*Requirements for records necessary to demonstrate process conformity.*

2.2 Product realization plans are established in collaboration between the President, CEO/Treasurer, Vice President of Operations, Operations staff, and Quality Assurance. The plans are defined in various types of documents, such as process flowcharts, work instructions, work orders, control plans, operator instructions, process validation reports, etc.

### 3. Product verification and validation planning

3.1 Product verification, validation, monitoring, measurement, and inspection plans determine the inspection program (if applicable) for a product or service. This includes:

*Any applicable Identification of inspection points,*

*Any applicable Inspection scope, frequency, and method,*

*Any applicable Acceptance criteria, and*

*Any applicable Requirements for records necessary to demonstrate product conformity.*

3.2 The President, Vice President of Operations, Vice President of Sales, Quality Assurance, Production Supervisor, and Distribution Supervisor are responsible for development of any applicable product verification plans. The plans are defined in various types of documents, such as specifications, special handling instructions, work orders, purchasing documents, inspection procedures, and so forth. Documents defining the inspection program for a product (if applicable) are collectively referred to as control plans.

CW

# QOP 81-01 Operational planning control BB

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QMS Operational Procedure		QOP-81-01	236663 812
Section 8.1	Section Revision: B	Revision Date: 2/26/2018	
Operational planning and control			
Approved By: Dave Zirkelbch		Date: 6/21/2017	

## I PURPOSE

The purpose of this procedure is to provide for a system and instructions, and to assign responsibilities for creating assembly Control Plans.

## II APPLICATION

This procedure applies to all assemblies. This procedure concerns Assembly and Quality Assurance departments.

## III PROCEDURE

1. DEE creates a Control Plan for each assembly or applicable assembly family that includes a PFD Process Flow Diagram, PFMEA, Control Plan, Work Instructions, and linked or relevant specifications and client requirements.
2. The PFMEA is created and identifies higher risk processes or components or CTQ Critical to Quality aspects of assembly. Client CTQ Critical to Quality issues or aspects for assembly are requested by DEE and included in PFMEA/Control Plan where applicable. Where there is a high risk process or component identified in the PFMEA, the following steps are taken:
  - 2.1 High risk process – identify poke yoke/error proofing methods to eliminate risk, which could be systems or jigs, etc...
  - 2.2 High risk component – request a Certificate of Analysis for CTQ aspect of component from supplier or request a PFMEA/Control plan from supplier or identify specific incoming inspection criteria and utilize for incoming inspection.

2. 2.3 High risk process involving a tool or device with calibration requirements – identify a proactive assessment process to ensure proper calibration. An example would implementation of an in-process quality inspection or measurement which proactively assesses proper calibration.

2.4

**Cedar Rapids – Quality will sign off PFMEA of all control plans**

- Not true. All previously uploaded CP's are on the card.*
3. Control Plan is linked in System to Assembly Part # and only the most current version of the Control Plan is available to users.

1. CW, Walk through the process, include high risk step.

2. BB, when is the calibration schedule set up?

1/21/18 ATB  
Reas

# QM 8.2 Requirements for products and services

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Quality Manual	8 - Operation	
Section 8.2	Section Revision: A	Revision Date: 3/30/2017
<b>8.2 - Requirements for products and services</b>		
Approved By: Dave Zirkelbach		Date: 3/30/2017

## GENERAL POLICY

Orders are reviewed to ensure that product and order requirements are defined and can be met, and to resolve any incomplete or conflicting requirements. Verbal orders are confirmed before acceptance. Order amendments and changes are likewise reviewed and are communicated to all relevant functions. Order reviews are recorded.

Arrangements for communication with customers relating to product information, order handling, and customer feedback and complaints are defined and implemented. Where appropriate, operational procedures and instructions for these activities are established and implemented.

## PROCEDURAL POLICIES

### 1. Customer Communication

#### 1.1 Inquiries and Order Handling

*1.1.1 Sales department is responsible for receiving customer inquiries and orders. Orders are reviewed and further processed by Inside salespeople. The President, CEO/Treasurer, Vice President of Sales, Purchasing Manager, or Product Management may be called to assist with the review of orders as appropriate.*

*1.1.2 Handling of order amendments is controlled to the same extent as the handling of initial orders. Amendments are reviewed to verify that the new or modified requirements can be met, and a confirmation of acceptance is sent back to the customer.*

## 1.2 Customer feedback and complaints

*1.2.1 Customer Service/Inside Sales, Field Sales, and Sales Management is responsible for receiving and processing customer feedback and complaints. All received material customer communication is recorded in the customer Internal Quality Audit/Management Corrective and Preventive Action Form.*

*1.2.2 Customer feedback and complaints that are entered into Corrective Actions, are reviewed and closed out by the President, CEO/Treasurer, Vice President of Sales, Vice President of Operations, or Quality Assurance Coordinator.*

## 2. Determination of requirements for products and services

2.1 Dee Electronics determines requirements specified by the customer, to include requirements for delivery and any applicable post-delivery activities and applicable statutory and regulatory requirements applicable to the product and any additional requirements considered necessary by the organization. General recurring requirements are documented in our customer database, and order specific requirements are documented in the order information. Part/Customer specific special requirements are noted in our Part/Customer special handling instructions database.

2.2 Unstated requirements, where known, (example: part container must be labeled to identify the part) are determined and are either part of our normal processes, or notated on order, customer, or part handling requirements.

2.3 Any additional requirements are determined.

## 3. Review of the requirements for products and services

*Procedures exist to control the methods and practices used to complete customer contract reviews and contract amendments.*

- 1. Before submission of a Quotation or acceptance of an Order, the quotation and order are reviewed. This review ensures that all contracts (verbal and written) adequately define and document the specified requirements.*

2. *Differences between contract or order requirements and those in the tender are resolved. Dee Electronics has the capability to meet contract or order requirements.*
4. Changes to requirements for products and services

Amendments to contracts are defined and communicated to all affected functional groups. Records of contracts, amendments and contract reviews are maintained.

**DEE performs the following communication with customers (clients), but is not limited to:**

1. Routinely providing information regarding the services that DEE offers and provides, as well as the various types of products DEE can support and supply. This information is communicated via newsletters, live verbal communication, emails, along with RFQ submissions, on our website, as well as other modes of communication.
2. If DEE will be handling or controlling customer (client) property, DEE will communicate with client and set up a process/system for tracking and processing it, and
3. Establishing specific requirements for contingency actions, when relevant. DEE maintains both an Emergency Action plan as well as EHS Environmental, Health, and Safety Plan, as well as containment action process, to provide for a general/overall contingency plan for various situations, but DEE also communicates specifically to clients regarding contingency actions when necessary.

# QOP 82-01 Customer Communication

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QMS Operational Procedure	QOP-80-01	
Section 8.2	Section Revision: A	Revision Date: 6/21/2017
<b>Customer communication</b>		
Approved By: Dave Zirkelbach		Date: 6/21/2017

## I PURPOSE

The purpose of this procedure is to provide for a system and instructions, and to assign responsibilities for receiving and processing customer feedback and complaints.

## II APPLICATION

This procedure applies to all material customer feedback and complaints. This procedure concerns Inside Sales/Customer Service, Field Sales, Sales Management, and Quality Assurance.

## III PROCEDURE

### 1. Receiving and logging customer feedback and complaints

1.1 All after-sale customer communication, whether written or verbal, are forwarded to the Sales/Customer Service department. Verbal communication by phone is documented in a Call Report, established during, or immediately following, the conversation with the customer.

### 2. Processing customer feedback and complaints

2.1 When customer feedback or complaints are noted in Call Reports, the President and Vice President of Sales reviews the customer feedback/complaint information, and determines what type of response is appropriate. Complaints regarding product nonconformity are handled via a Corrective Action/Return Material Authorization (CAR/RMA) process via Inside Sales/Customer Service.

2.2 If the part is manufactured in Des Moines, then an additional corrective action will be entered into the Des Moines systems. At this time, for systematic purposes, Des Moines is the Mfg and Cedar Rapids becomes the customer of Des Moines. Cedar Rapids will continue to be the only point of contact with the client.

# QOP 82-02 Determination of requirements for products and services

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QMS Operational Procedure	QOP-82-02	
Section 8.2.2	Section Revision: A	Revision Date: 6/21/2017
<b>Determination of requirements for products and services</b>		
Approved By: Dave Zirkelbach		Date: 6/21/2017

## I PURPOSE

The purpose of this procedure is to provide for a system and instructions, and to assign responsibilities for processing and review of customer orders.

## II APPLICATION

This procedure applies to all customer orders. This procedure concerns Sales, Warehouse, and Quality Assurance departments.

## III PROCEDURE

1. Dee Electronics' sales activities generates interest in new orders and products.
2. Sales contacts receive customer inquiries by phone, fax, mail, or electronic mail.
3. Sales and Operations management review the inquiries and product requirements and prepare a quote.

4. After reviewing material availability, costing, delivery dates and all other customer requirements, the President, CEO/Treasurer, or Vice President of Sales sign off on the quotation. The quotation is then communicated to the customer either verbally or in writing.

5. When the customer responds there may be changes to the quotation. Sales will resolve any such differences with appropriate parties prior to accepting an order.

6.

Cedar Rapids: Orders are reviewed by Account Administrators/Inside Salespeople and are authorized electronically before forwarding to Credit Department or Purchasing, as appropriate.

1. Des Moines: Received orders are verified to the quotation for cost, quantity, and any special requirements and entered using DBA system.

*Change to DVA?*

- **If a PPAP or 1st Article Approval is required, the PPAP/1st Article Procedure/flowchart is followed in conjunction with all other applicable procedures**

7. Sales contacts verify that requirements not specified by the customer, but necessary for intended or specified use, and requirements dictated by laws and regulations are known.

8. Changes to orders are received and authorized by Sales, Sales management, or the President, CEO/Treasurer as necessary. Authorized changes to the orders are updated to reflect the changes.

9. The completed quotation (CR Only), order, and sales invoice are quality records.

1. *IS this accurate, given the integration?*

W/20/18 ATB

Reas

# QM 8.4 Control of externally provided processes, products and services

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Quality Manual	8 - Operation	
Section 8.4	Section Revision: A	Revision Date: 3/30/2017
<b>8.4 Control of externally provided processes, products and services</b>		
Approved By: Dave Zirkelbach		Date: 3/30/2017

## GENERAL POLICY

Dee Electronics evaluates its suppliers and purchases from those that can satisfy applicable quality requirements. Quality performance of suppliers is monitored and evaluated. Purchasing documents clearly and completely describe ordered products. Purchasing documents are reviewed and approved prior to release. Purchased products are verified before they are shipped.

## PROCEDURAL POLICIES

### 1. General

1.2 Dee Electronics evaluates and selects suppliers on the basis of their ability to meet defined organizational requirements. Dee Electronics defines the type and extent of control it exercises over suppliers. Dee Electronics has established and maintains quality records of acceptable suppliers.

1.3 Purchasing documents contain data clearly describing the product ordered, including but not limited to quantity, part number and/or other precise identification. Dee Electronics reviews and approves purchasing documents for adequacy of specified requirements before release.

## 2. Type and extent of control

2.1 When processes that affect product conformity are outsourced (performed by an external party), special controls are implemented to ensure that these processes meet specified requirements. Such controls may include, as appropriate: evaluation and pre-qualification of suppliers; assessment of supplier realization processes and quality system; monitoring of supplier quality performance; requirements for inspection, testing or other records demonstrating product conformity; or containment and verification of the supplied product.

## 3. Information for external providers

3.1 Purchased products are inspected by receiving personnel. This includes verification of product identity and quantity, visual inspection and, where applicable, verification that all requested certificates and quality records are available. Designated products are further inspected with additional inspection process.

3.2 The President, CEO/Treasurer, Vice President of Operations, Vice President of Sales, and Vice President of Quality are responsible for selecting appropriate methods for purchased product verification and acceptance.

3.3 When verification of purchased product is to be performed at supplier's premises, purchasing documents specify the intended verification arrangements and method of product release.

# QOP-84-01 General

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<b>QMS Operational Procedure</b>	QOP-84-01	
Section 8.4	Section Revision: A	Revision Date: 6/21/2017
<b>General</b>		
Approved By: Dave Zirkelbach		Date: 6/21/2017

## **I PURPOSE**

The purpose of this procedure is to provide for a system and instructions, and to assign responsibilities for evaluation and monitoring of suppliers.

## **II APPLICATION**

This procedure applies to evaluation and monitoring of vendors supplying parts that are resold to customers. This procedure concerns Purchasing and Quality Assurance.

## **III PROCEDURE**

### 1. Supplier Evaluation

1.1 Cedar Rapids location Purchasing Manager maintains a record of acceptable vendors for products and services that affect quality, as well as records of any vendors utilized under emergency procedures. Emergency purchases may take place when:

1. Product is not available from approved vendors.

2. Product is identical to that available from approved vendors.

3. Emergency purchase is approved by Purchasing Manager.

1.2 Suppliers utilized under emergency procedures are considered for approved status when the transaction proves to be satisfactory to Dee Electronics and Dee Electronics' customer, and after the prospective supplier has undergone the vendor approval process.

1.3 Manufacturers or Distributors of parts/components requested by manufacturer part number are approved as acceptable vendors, provided they are approved by President, CEO/Treasurer, or Purchasing Manager to be added as an approved Vendor. They are subject to monitoring for quality and delivery.

1.4 Vendors providing quality products or services prior to the initiation date of our quality system are grandfathered into the Acceptable Vendor/Supplier List without being subject to the vendor evaluation process. The vendor approval process consists of one or more of the following:

*1. Financial and Qualitative Review/approval done by CEO/Treasurer, President, or Purchasing Manager 2. Customer-specified Vendor 3. Evidence of ISO9001:2015 Certification 4. Part Sample or Drawing verification*

2. Quality Performance Monitoring

2.1 After approval, an acceptable vendors is continuously monitored for on-time delivery and conforming product. Records are kept electronically, accessible from ECIS (Cedar Rapids) and DBA (Des Moines).

*Change to ECIS?*

2.2 Product determined to be nonconforming upon receipt is reported to the Quality Control Coordinator via the Corrective Action (CAR/RMA) Form in DBA. Subcontractor corrective action, if necessary, is documented in the subcontractor's performance record and followed-up.

*ECIS*

3. Approved Vendor List

Purchasing in Cedar Rapids location is responsible for maintaining a list of acceptable suppliers in the Vendor Master Listing. The list is updated and authorized by Purchasing, and the CEO/Treasurer or President.

# QOP-84-02 Type and Extent of Control *Receiving*

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QMS Operational Procedure	QOP-84-02	
Section 8.4	Section Revision: A	Revision Date: 6/21/2017
<b>Type and Extent of Control</b>		
Approved By: Dave Zirkelbach		Date: 6/21/2017

## I PURPOSE

The purpose of this procedure is to provide for a system and instructions, and to assign responsibilities for evaluation and monitoring of suppliers.

## II APPLICATION

This procedure applies to evaluation and monitoring of vendors supplying parts that are resold to customers. This procedure concerns Purchasing and Quality Assurance.

## III PROCEDURE

### 1. Verification methods

1.1 Following methods and approaches are used for verification and acceptance of purchased product:

- *Receiving inspection,*
- *Additional Inspection,*
- *Source inspection,*

- *Supplied evidence of product conformity (this may be in the form of inspection, testing, or process control records, or certificates supplied with the product);*
- *Confidence in supplier's quality system and product verification program (this may be based on supplier's quality system certification, supplier audits, and satisfactory quality performance history).*

1.2 The President, CEO/Treasurer, Vice President of Operations, and Quality Assurance is responsible for selecting appropriate verification and acceptance methods for specific products. The selection is based on:

*Criticality and importance of the product;*

*Availability of product verification records or certificates from the supplier or an independent third party;*

*Knowledge of, and/or confidence with the supplier's quality management system and product verification program.*

1.3 Product verification and acceptance methods to be applied are specified in purchasing documents, Additional Inspection Master Database, procedures, or supplier files. This information is communicated to Receiving prior to the arrival of purchased product.

1.4 Receiving inspection is applied to all purchased components.

- 1.5 Additional Inspection is applied to components with previous corrective action issues deemed significant, critical components, and shipments of a new parts added to our system. When Additional Inspection is required, the 2 X 1 Dee Incoming Product Label will reflect an "X", as well as this part is noted in our Additional Inspection Required database.

2. Receiving inspection

- 2.1 Upon unloading of deliveries, receiving clerk counts the number of delivered units, checks marking and identification of packages, and inspects all packages for any signs of tampering or damage. If all these checks and inspections are satisfactory, he or she signs the delivery receipt. If not, any shortages or damages are noted on all copies of the delivery receipts.
- 2.2 Next, the received packages are moved to the designated receiving area and the packing slips (if any) are removed from packages. The goods are

counted, their part numbers are verified against the purchase order and the packing slip, and the goods are examined visually for any signs of damage.

2.3 If no other product verification activities are required, the goods are moved to appropriate material putaway staging areas, and then are putaway in designated inventory storage areas.

4. 2.4 If Additional Inspection is required but not done immediately, the goods are segregated in a HOLD Area or on a Cart, requiring additional inspection.

2.5 If a nonconforming product is identified, the receiving person moves the product to a HOLD area, and initiates a nonconformity report. The product is labeled with a CAR/RMA label, the CAR/RMA number is marked on the sticker. Quality Control Coordinator is notified.

### **3. Additional Inspection**

3.1 Receiving is unable to receive in product until any additional Incoming Inspection requirements are completed.

3.2 As applicable, receiving additional inspection comprises:

*Review of packaging/part markings, material certificates, source inspection records, compliance certificates, or other such documentation delivered with the product;*

*Visual inspection to detect any damage or other visible problems;*

*Taking measurements and testing as required; and*

3.3 When products pass the inspection, they are moved to appropriate putaway staging areas, and then putaway in a designated storage area. Quality records established during the receiving inspection are entered.

3.4 If products fail the additional inspection, the Quality Control Coordinator is notified and a Car/Rma is entered.

### **4. Source inspection**

4.1 Where purchased product verification is to be performed or witnessed at the supplier's location, this should be specified in purchasing documents.

This also applies to cases where source inspections are performed or witnessed by customers.

5.1 Where product is sent to have a process completed, Dee Electronics marks said part for incoming inspection and places product specific inspection notes on each product. The following processes Dee has outsourced on a part specific basis:

- 1) Powder coating – visual inspection
- 2) Printed Circuit Board Assembly – visual inspection
- 3) Braising / Soldeing – visual inspection
- 4) Milling – visual inspection
- 5) Cut conduit – measured inspection

1. Verify labels used in DM (2X1's) old style is in use
2. What is done for damages found ~~at~~ at delivery?
3. Walk through the receiving process.
4. What is done for parts that need QA inspection?

Observed T Irvin receiving Part IDs  
401047, 900265. NO ISSUES.

11/20/18  
ATB  
Reas

# QM 8.5 Production and service provision

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Quality Manual	8 - Operations	
Section 8.5	Section Revision: A	Revision Date: 3/30/2017
<b>8.5 - Production and service provision</b>		
Approved By: Dave Zirkelbach		Date: 3/30/2017

## GENERAL POLICY

Product and process information and appropriate work instructions are established and are communicated to relevant personnel. Operations and production processes are monitored and controlled, and are validated where appropriate. Equipment used in distribution processing and for monitoring and measurement activities are maintained. Methods for product release and delivery are defined.

Materials, components, and parts are identified. When required, traceability of materials and processes is recorded and maintained. Inspection and test status of product is identified to ensure that only product that has passed the required inspections is dispatched.

Customer-supplied products, if ever maintained, are controlled in the same manner as are purchased products. If ever maintained, Customer-owned tools, equipment, software, or other property are marked to indicate ownership. Any Loss, damage, or unsuitability of a customer's product is recorded and reported to the customer.

Appropriate handling, storage and preservation methods are implemented to prevent product damage or deterioration. Receipt and dispatch to and from storage areas are controlled. The condition of products in stock is regularly assessed.

## PROCEDURAL POLICIES

## 1. Control of production and service provision

### 1.1 Product and process information

Product and process information required by process operators is communicated through the work order, electronic forms, or is included in work instructions.

### 1.2 Work instructions

1.2.1 Work instructions and workmanship standards may be in the form of electronic manuals, electronic procedures, or electronic instructions on forms. They instruct on how to carry out a process or perform an operation or task. The need for work instructions is evaluated on the basis of criticality, importance and complexity of the process; the ability to verify results of the process; operator qualifications; and history of quality problems associated with the process. Workmanship standards are provided when acceptability of the process output can only be determined by comparison with a standard sample.

### 1.4 Measuring and monitoring equipment

1.4.1 Requirements for measuring and monitoring equipment are determined by Executive Management and Quality Assurance. This is in accordance with process control and product verification programs defined in product realization planning.

1.4.2 Dee Electronics has established and maintains documented procedures to control, calibrate and maintain inspection, measuring and monitoring equipment it uses to demonstrate the conformance of product to the specified requirements. Measuring and Monitoring equipment is used in a manner which ensures that the measurement uncertainty is known and is consistent with the required measurement capability. Measuring and Monitoring equipment include (but are not limited to) scales, calipers, and wire processing equipment.

#### Control Procedure – Dee Electronics:

- Selects appropriate Measuring and Monitoring equipment that is capable of the necessary accuracy and precision,
- Identifies Measuring and Monitoring equipment and specifies frequency of checks,

- Maintains calibration records for Measuring and Monitoring equipment,
- Assesses the validity of previous inspection and test results when Measuring and Monitoring equipment is found to be out of calibration,
- Provides suitable environmental conditions for calibrations, inspections and tests,
- Safeguards Measuring and Monitoring equipment from damage, abuse and unauthorized adjustment.
- A robust hiring process is in place to ensure Team Members are competent and require all specific qualifications per each individual task

#### 1.5 Process monitoring and control

Dee Electronics has identified and planned the order fulfillment, distribution and servicing processes which directly affect quality, and ensures that these processes are carried out under controlled conditions. These controlled conditions include:

- Documented procedures defining the manner of order fulfillment, distribution and servicing,
- Use and availability of suitable equipment, and a suitable working environment,
- Compliance with reference standards, codes, quality plans and/or documented procedures,
- Monitoring and control of suitable process parameters and product characteristics,
- Approval of processes, equipment, tools, and technology, as appropriate,
- Criteria for workmanship, which is stipulated in the clearest practical manner,
- Suitable maintenance of equipment to ensure continuing process capability,
- Process Environment and performance,
- Process Output

#### 1.6 Product release and delivery

1.6.1 Products are released for delivery only after all specified activities have been satisfactorily completed and conformity of the product has been verified.

#### 1.7 VALIDATION OF PROCESSES

##### 1.7.1 Special processes

There are no special processes in use at Dee Electronics.

## 1.7.2 Validation

Dee Electronics validates any processes for production and service provision where the resulting output cannot be verified by subsequent monitoring and measurement, and as a consequence, deficiencies become apparent only after the product is in use or the service has been delivered.

## 2. Identification and traceability

### 2.1 Product identification

2.1.1 Where appropriate, documented procedures have been established and maintained for identifying the product by suitable means from receipt, during all stages of order fulfillment, and throughout product realization.

2.1.2 During all stages of receipt, putaway, and order fulfillment, products are identified by labels, or the labeled containers in which they are held.

### 2.2 Traceability

2.2.1 Dee Electronics maintains traceability under certain circumstances, as described in the written procedures, but traceability is not required of Dee Electronics by any other entity. Records of traceability are maintained in accordance with procedures.

### 2.3 Inspection status identification

2.3.1 The inspection and test status of product is identified by suitable means, which indicates the conformance or nonconformance of product with regard to inspection and tests performed. The identification of inspection and test status is maintained, as identified in the documented procedures, throughout the order fulfillment process to ensure that only product that has passed the required inspections and tests (or released under an authorized concession) is dispatched.

2.3.2 Distribution/Order fulfillment and Assembly personnel authorized to carry out inspections and testing are responsible for identifying product inspection status. All personnel handling products are responsible for maintaining the identification.

2.3.3 Incoming products that have passed the receiving inspection are moved to putaway staging areas/carts. Products that have not passed receiving inspection are moved to a Hold Area.

2.3.4 Status of an in-process inspection is identified by current location and labeling of product or assembly, as well as electronic verification records resulting from bar code scanning/computer verification or written records. Each subsequent step verifies the that previous step was completed correctly.

2.3.5 Products that pass the final inspection are placed in Shipping Process Carts/Pallets area that is designated and used only for this purpose. In addition, products passing final inspection have an electronic Ship Authorization Record.

2.3.6 Products that fail any inspections or tests are moved to identified Hold Areas. Whenever a nonconforming product is identified, the nonconformity is documented using a Corrective Action Report (CAR/RMA) Form.

### 3. Property belonging to customers or external providers

#### 3.1 Receiving

3.1.1 Customer-supplied products (or personal data) are received and inspected following the same procedure that applies to purchased products, i.e. In the event the supplied products fail receiving inspection, or are not suitable for any other reason, the customer is contacted and a record is created in the Incoming Inspection log, along with a Corrective Action.

#### 3.2 Marking, storage, and handling

3.2.1 Marking, storage, handling, and preservation of customer supplied products or personal data follow the same procedures that apply to purchased products.

3.2.2 Customer-owned tooling and returnable packaging are permanently marked so that ownership of each item is visually apparent.

3.2.3 Customer's software, documents, and other intellectual property are protected to the same extent as would internal Dee Electronics' documents of similar content, unless there are contractual requirements for special measure to protect customer's intellectual property.

### 3.3 Special requirements

3.3.1 When specified in a contract, special handling instructions from customers will take precedent over the company's standard procedures.

### 3.4 Loss or damage

3.4.1 Customers are contacted in the event of loss, damage, deterioration, or unsuitability of their products or personal data.

## 4. Preservation

### 4.1 Product handling and preservation

4.1.1 Dee Electronics provides methods of handling product in order to maintain conformity to requirements and prevent damage or deterioration.

### 4.2 Storage

4.2.1 Dee Electronics uses designated storage areas to prevent damage and deterioration of product, pending use or delivery. Appropriate methods are stipulated for authorizing receipt to and dispatch from such areas. In order to detect deterioration, the condition of product held in stock is assessed at appropriate intervals.

4.2.2 Products with limited shelf life are assessed via Cycle counting assessment. Products are rotated in the stockroom to ensure that the oldest product is used first.

4.2.3 Product stockroom areas are controlled using an inventory management system. The system can report available in stock quantities, product location, and turn-over times. The system is used to optimize and minimize inventory levels.

### 4.3 Packaging and labeling

4.3.1 Primary packaging are boxes, bags or other packaging in which products are presented to the end users.

4.3.2 Secondary packaging, if applicable, are cardboard boxes, pallets, or other additional packaging intended to contain and protect products for shipping and transportation.

4.3.3 Dee Electronics controls packing, packaging and marking processes (including materials used) to the extent necessary to ensure conformance to specified requirements.

4.3.4 Packing/Shipping department is responsible for selecting secondary packaging and labeling. The materials selected are compatible with requirements of commonly used carriers and for intended means of delivery (ground, sea, air). Any customer specific packaging instructions are documented in our system Customer Master Special Handling instructions, and are viewed at several points during our order fulfillment process, including Final Authorization.

#### 4.4 Shipping and delivery

4.4.1 Shipping of products is initiated by the customer order. The order identifies the shipping address, shipping due date, products to be shipped, handling requirements, and transportation mode or carrier. Before products are dispatched, the order fulfillment process controls verify that the shipment contains the same products and quantities as specified in the customer order, and that customer requirements and/or carrier requirements are met. Only order lines that have been Final Ship Authorized and signed off by the shipping department personnel can be loaded for shipment.

#### 5. Post-delivery activities

DEE performs the following pre- and post-delivery activities, as required:

1. Periodic review of On-time Delivery Performance and Quality of Delivery Performance,
  2. Review of client requirements, conveyed in Purchase Orders, Verbal Request, Supply Agreements/Contracts, and Policies,
  3. Review of Client feedback received via email, via on-site visit, etc...
  4. Risk assessment, PFMEA, CTQ (Critical to Quality) identification and development of inspection plan, error-proofing, and proactive mitigation of potential quality/failure issues,
  5. Warranty execution, subject to the terms agreed upon with each client,
  6. General support requirements by client request, which can include but not limited to: providing samples, evaluating cost savings alternatives, VAVE ideas, coordination of technical support by component material factory staff, assisting with required documentation, etc...
6. Control of changes

DEE reviews and controls changes for production or service provision to ensure conformity with requirements.

- The Client Revision Level is verified upon receipt of their purchase order in various ways depending on the client and their specific methodology of managing revisions. If there is a change, DEE will inquire with client if a First Article Approval process should be initiated.
- If we are informed of a change by DEE's supplier (DEE proactively sends out inquiries to suppliers periodically asking if there have been any changes to material, production plant, design, etc... in the past or planned for the future), DEE will notify our client to determine how they would like to deal with the change. If proceeding with the change, then a new revision level is identified and a First Article Approval process initiated.
- DEE periodically and proactively asks our clients to verify that the revision level we are showing as the latest one is in fact the correct latest one, and if not, request an updated drawing or specification to review. If there is a change, DEE will inquire with client if a First Article Approval process should be initiated.
- If a supplier notifies DEE of a significant change in their ability to meet DEE's requested due date, DEE proactively communicates with client about what delivery date options we have so that client and DEE work out a mutually acceptable due date or action plan to address any shortfall, and updates our systems accordingly.
- If a client's demand changes significantly (either via a Purchase Order due date change, Purchase order Qty change, or Forecast change), DEE is monitoring these changes and when there is a substantial change, contacts the client to discuss if the change was intended or not. If the change was intended, DEE works with the client on an action plan that is mutually agreeable to address the change in demand, and updates our systems accordingly.
- If DEE's client indicates there will be a Revision change in the future, DEE initiates First Article Approval procedure for the new revision.
- If DEE is going to change a supplier manufacturer of a component or is going to change the material, production location, tooling used, etc... DEE will submit a Request for Change communication to our client for review. Based on that review and approval, DEE will initiate a First Article Approval procedure.

# QOP-85-01 Control of production and service provision

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<b>QMS Operational Procedure</b>	QOP 8.5.1	
Section 8.5.1	Section Revision: A	Revision Date: 7/11/2017
<b>Control of production and service provision</b>		
Approved By: Dave Zirkelbach		Date: 7/11/2017

## I PURPOSE

The purpose of this procedure is to provide for a system and instructions, and to assign responsibilities for production and service provision.

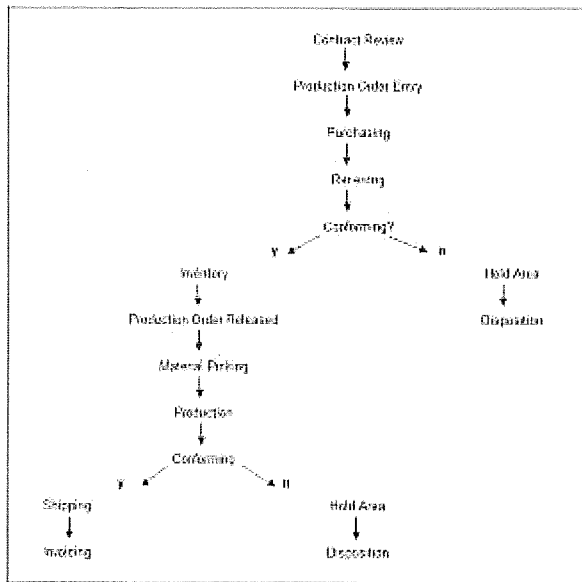
## II APPLICATION

This procedure applies to customer orders for parts. The order fulfillment process at Dee Electronics begins with the receipt of customer order and ends when product is shipped in accordance with customer requirements.

The overall Responsibility and Authority for activities related to this element of the standard have been assigned to the President. Team members are charged with the responsibility to implement the procedure as written, and have been granted appropriate freedom and authority to do so.

## III PROCEDURE

1. The servicing method of Dee Electronics is identified on the following Process Flow Chart.



1.1. Modifications of the Process Flow Chart may be suggested via the Team Member Concern Form and are handled per procedures for Corrective and Preventive Action.

1.2. Appropriate equipment provisions (e.g., information systems, scanning equipment, and scales) are selected by the President to meet process flow requirements and ensure that customer requirements are adequately defined and fulfilled. Such equipment is utilized and maintained per Dee Electronics and manufacturer's instructions, as applicable.

1.3. New equipment additions may be suggested via the Team Member Concern Form and are handled per procedures for Corrective and Preventive Action.

1.4. The President, Vice President of Operations, and Vice President, Sales ensures that all personnel implicated on the Process Flow Chart maintain a suitable, safe, organized, and clean work environment.

1.5. The President ensures that all personnel implicated in the process flow follow documented procedures and customer specified packaging requirements.

1.6. The process flow is monitored and evaluated for continued effectiveness via statistical data compiled and analyzed per procedures for Statistical Techniques.

1.7. Personnel implicated in the process flow are adequately trained to meet specified servicing requirements per procedures for Training.

## 2. Validation of processes for production service provision

2.1 The need for work instructions and workmanship standards for a given process is determined on the basis of the following considerations:

*Importance of the process*

*: Work instructions are desirable for processes that are critical to our operation.*

*Complexity of the process*

*: Work instructions are desirable for more complex processes.*

***History of quality problems:*** *Work instructions may be developed for processes that have a history of quality problems, especially when these problems can be associated with the lack of adequate instructions.*

2.2 The need for work instructions for other than order fulfillment processes is determined on the basis of the importance and complexity of the process or task; the level of education, experience and training of personnel; and the degree and depth of the instructions already provided in the quality manual and operational procedures.

## 3. Issue and authorization

3.1 Work instructions are normally issued by the President, Vice President of Operations, or Vice President of Sales. However, Quality Assurance or Production Supervisor may issue work instructions and workmanship standards, regardless of where they are used.

## 4. Format, control and distribution

4.1 Work instructions can be in the form of electronic procedures.

4.2 Irrespective of their format, work instructions are electronic and located with the electronic user forms they are associated with.

# QOP-85-02 Identification and Traceability

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QMS Operational Procedure	QOP-85-02	
Section 8.5	Section Revision: A	Revision Date: 7/11/2017
<b>Identification and Traceability</b>		
Approved By: Dave Zirkelbach		Date: 7/11/2017

## I General

1.1 Purpose: The intent of this procedure is to describe the process for Product Identification and Traceability at Dee Electronics

1.2 Scope: This procedure pertains to all products purchased, stored and distributed by Dee Electronics.

## II Responsibilities

1. The overall Responsibility and Authority for activities related to this element of the standard have been assigned to the President. Team members are charged with the responsibility to implement the procedure as written, and have been granted appropriate freedom and authority to do so.

## III Procedure

1. Identification at Dee Electronics is accomplished by a unique numerical identifier on a 2" X 1" Product Label affixed to each package of product upon receipt.
2. With the exception of products that were purchased prior to the labeling system being put into place, and product returned from customer that is

not traceable to Dee Purchase Order, the Product Label also bears the Dee Electronics Purchase Order number.

3. Where traceability is a contractual requirement, the product is traceable to the original purchase order if the product is specific / unique to a finished good and specific quantity to that finished good.
4. Inspection status – All inspections are recorded in an electronic database. Inspection instructions are communicated to relevant personnel via computer database information.
5. Received goods are verified against PO/packing slips and are checked for visual damage. Additional inspection requirements are indicated and defined by the inspection database. Nonconforming products are routed to the HOLD area and await disposition per procedures for the “Control of Nonconforming Product.”
6. In-process inspections are conducted by inventory personnel at the time orders are released to production. This includes quantity counts and visual inspections. Nonconforming items are routed to the HOLD area.
7. Final inspections include verification of packaging requirements. Final inspection authority is held by shipping personnel and recorded via authorization identification. By virtue of the controls implicit in the process flow, final inspectors are ensured that previous inspections are completed when appropriate paperwork is received. Nonconforming products are routed to the HOLD area. Nonconforming orders are repackaged, recounted, and/or rescanned, as applicable.

# QOP-85-04 Preservation

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<b>QMS Operational Procedure</b>	QOP-85-04	
Section 8.5	Section Revision: A	Revision Date: 7/11/2017
<b>Preservation</b>		
Approved By: Dave Zirkelbach		Date: 7/11/2017

## **I PURPOSE**

The purpose of this procedure is to provide for a system and instructions, and to assign responsibilities for product handling and preservation activities.

## **II APPLICATION**

This procedure applies to all products involved with Dee Electronics' processes.

This procedure concerns Receiving/Putaway, Picking, Packaging, and Shipping departments.

## **III PROCEDURE**

### **Responsibilities**

The Responsibility and Authority for this element of the standard has been assigned to the Vice President of Operations and the Warehouse Supervisor. Team members are charged with the responsibility to implement the

procedure as written, and have been granted appropriate freedom and authority to do so.

## Product Handling

1. Warehouse Personnel check product condition upon receipt.
2. Segregate nonconforming product.
3. Place conforming product in appropriate warehouse areas.
4. Place nonconforming product in an area clearly marked HOLD AREA.
5. When necessary, utilize ESD (ElectroStatic Discharge) precautions to safeguard components that could be damaged by electrostatic discharge.

6. **When handling printed circuit board, if one is dropped, it shall be moved to the hold shelf for appropriate disposition with the assumption of internal damage.**

## Preservation

1. Date-sensitive materials are stored and rotated from stock using FIFO methods to prevent degrading or deterioration.
2. Products with shelf-life issues or "use-by" dates are utilized prior to expiration or scrapped. During cycle counting, date sensitive products will be evaluated and scrapped if beyond date expiration.
3. Condition of product is checked during inventory.

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# 8.6 – Release of products and services

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Quality Manual	8 – Operation	
Section 8.6	Section Revision: A	Revision Date: 6/19/2017
<b>8.6 – Release of products and services</b>		
Approved By: Dave Zirkelbach		Date: 6/19/2017

## GENERAL POLICY

Dee Electronics evaluates its suppliers and purchases from those that can satisfy applicable quality requirements. Quality performance of suppliers is monitored and evaluated. Purchasing documents clearly and completely describe ordered products. Purchasing documents are reviewed and approved prior to release. Purchased products are verified before they are shipped.

## PROCEDURAL POLICIES

### 2. Verification of Purchased Product

2.1 Purchased products are inspected by receiving personnel. This includes verification of product identity and quantity, visual inspection and, where applicable, verification that all requested certificates and quality records are available. Designated products are further inspected with additional inspection process.

2.2 The President, CEO/Treasurer, Vice President of Operations, Vice President of Sales, and Vice President of Quality are responsible for selecting appropriate methods for purchased product verification and acceptance.

2.3 When verification of purchased product is to be performed at supplier's premises, purchasing documents specify the intended verification arrangements and method of product release.

## 4. MONITORING AND MEASUREMENT OF PRODUCT

### 4.1 Product verification

4.1.1 Inspection and testing program for a product is defined by customer orders, purchasing documents/orders, inspection and testing procedures, and so forth. Documents defining the inspection and testing program for products are collectively referred to as control plans. Section 7.1 of this manual defines the process for establishing control plans.

4.1.2 **Verification of purchased product:** All purchased products are subjected to a visual inspection by the receiving clerk, and then some designated products are subjected to a more detailed additional inspection.

4.1.3 **In-process inspections:** In-process inspections may be in the form of product verification by bar code scanning equipment, or human visual review documented electronically. Each subsequent process verifies that the previous process was completed correctly. The focus is on defect prevention rather than detection..

4.1.4 **Final inspection:** Customer orders are subjected to the final authorization inspection. The shipping department reviews the order against all customer special handling requirements. Only customer orders that pass the final inspection can be shipped.

### 4.2 Inspection, test and monitoring records

4.2.1 Results of inspections are recorded and evidence of conformity with the acceptance criteria is maintained.

# QOP-86-01 Release of product services

BB  
PICK  
QA

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QMS Operational Procedure	QOP-82-04	
Section 8.2	Section Revision: A	Revision Date: 7/11/2017
<b>Release of products and services</b>		
Approved By: Dave Zirkelbach		Date: 7/11/2017

## I PURPOSE

The purpose of this procedure is to provide for a system and instructions, and to assign responsibilities for performing and recording in-process inspections.

## II APPLICATION

This procedure applies to products throughout the order fulfillment cycle. This procedure concerns Picking and Quality Assurance.

## III PROCEDURE

### 1. Scope and responsibilities

In-process inspections include operator self-inspections throughout the production process. Also, additional in process verifications are performed as required by the Work Instructions.

### 2. First-Time-Buy Part and Production Assembly inspection

## 1st Article Procedure Flow Chart

In an effort to reduce risk for the client, Dee Electronics will perform a 1<sup>st</sup> article inspection on all new parts when the part is assessed as a high risk part, regardless if the client requires one or not. "Part" is identified as any new finished good added to the Dee system and includes component off the shelf parts, custom parts, and Dee assembled / manufactured parts. The following ways are used to flag a part as high risk; therefore, requiring 1<sup>st</sup> article inspection:

1. Each part is scored upon entry into the Dee system based upon cost, product category, and customization.
2. When Dee management deems the part warrants a 1<sup>st</sup> Article Inspection
3. When the client requires a 1<sup>st</sup> Article Inspection
4. All Dee assemblies require 1<sup>st</sup> Article Inspection

The elements of each 1<sup>st</sup> Article Inspection will vary from part to part, but each and every 1<sup>st</sup> Article will have the following steps performed:

1. Sales and Quality will work together to identify the quantity of the first purchase / build
2. Verify measured elements of part from the print (if a print is supplied)
3. Identify CTQ elements of said part. Below are a few ways to identify CTQ elements:
  1. Sales will identify if the client has any CTQ elements
  2. If assembly, Production and Quality will perform a PFMEA Risk Analysis of the build
  3. Quality will study the print to identify any CTQ elements
  4. Quality will physically assess the part in house to identify any CTQ elements
  5. Quality will use historical corrective actions for similar parts for CTQ elements

When a new part is identified as not high risk; therefore, not requiring 1<sup>st</sup> Article Inspection, the following steps are still performed by the warehouse during the first incoming inspection:

1. Ensure the part received matches the part number on the packing slip and PO.
2. Inspect for visual damage on the outer box, and inside the box
3. Attempt to verify the part is the correct part by reading Dee's internal description of the part.
4. If there is a print or picture, then the print / picture is verified against the part received.

When the 1<sup>st</sup> Article Inspection is completed, the results will be filed and uploaded to the Inventory Card. The elements identified to pose risk will then be translated into Incoming Inspection by one of two means:

1. When a CTQ element is identified, Dee will ask the mfg to supply a C of A for the specific element of the CTQ. Incoming Inspection will require the C of A to be shipped with the product, and a warehouse personnel will find the C of A and confirm it was sent. If no C of A was sent, then the Warehouse will follow Dee's Control of Non-Conforming Product (QOP-83-01). The C of A could ask for any of the following as examples (or anything else, below are just a few examples):
  1. Verify measurements
  2. Verify for damage
  3. Verify unit powers
1. If the C of A will not be provided by the Mfg, then Dee will attempt to perform risk reduction methods of said CTQ element in house during Incoming Inspection. Incoming Inspection will identify who, and what, will be performed before the part can be received into Dee's system. If the part does not pass inspection, then Dee's Control of Non-Conforming Product will be followed.

### 3. Picking Process

2. 1.
- Personnel picking parts verify each item associated to the work instructions is correct as picked.
  - Personnel also visually inspect parts as they are picked as appropriate and feasible.

3. 4. All in-process inspections required during the assembly process are noted in the assembly work instructions. Appropriate records of assembly in-process inspections are kept.

#### 4. 5. Quality Check Process

As product is moved throughout the production process any in-process quality inspection is verified as required by the work instructions. Any required in-process check is then documented / recorded and stored per production order.

Quality Audit is a Final Inspection process that is performed based upon the documented requirements in the Work Instructions.

#### 6. Release of product

Completed product is routed to the Quality Assurance queuing area where the Quality Assurance inspector verifies the product is conforming to the work instructions and requirements. If conforming, the product is released to ship and documented electronically.

#### 7. Nonconforming product

If a product is found to be non-conforming, Quality Assurance is notified and moves the product to a HOLD area.

#### 8. Design, Material, Plant, or Process changes

DEE works to proactively identify historical and future Plant / Part / Material / Process / Design changes.

Each month an automated email is sent to Suppliers asking for any historical or future Plant Changes or Part Design Changes. Whenever the supplier answers Yes to any of the questions, then the Sr. VP of Sales and VP of Quality are notified of the entry via automated email. Immediately following the receipt of information, the following action items occur:

1. The system will automatically tag the part as High Alert which stops any further quoting, order entry, and picking of the part without approval from upper management.
2. DEE, upon learning of a potential or historical change, will immediately and formally notify our client.

At this time, Sales and Quality will work together to identify the following:

1. If the change already occurred, then the following will happen:
  1. Quality will analyze historical corrective actions for trending data.
  2. Sales will analyze the information and identify if the client needs to be notified
1. If the change has not occurred yet, then the following will happen:

1. Quality will assess risk of the part. If part is identified as a high risk part, then the part will be tagged requiring 1<sup>st</sup> Article Inspection, and the procedure for 1<sup>st</sup> Article Inspection will be performed.
2. Sales will analyze the information and identify if the client needs to be notified.
3. Quality will update the card with appropriate notes from the review.
4. A change of plant, material, design, or process will trigger a revalidation or a new 1<sup>st</sup> Article approval process, verified with the client

1. BB, Questions or concerns? Recent examples?

2. Walk through Pick Process.

K Yates observed picking S/O 105622. NO ISSUES.

M Segura observed picking S/O 107303. NO ISSUES.

3. Observe Production.

G Engstrom Building w/o 106629. NO ISSUES. Using Login.

J Eyratt Building w/o 107078. NO ISSUES. Using Login.

4. Observe QA.

R Quigley QA'ng w/o 106901. Using Login.

# QM 8.7 Control of nonconforming outputs

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Quality Manual	8 – Operation	
Section 8.7	Section Revision: A	Revision Date: 3/30/2017
<b>8.7 – Control of nonconforming outputs</b>		
Approved By: Dave Zirkelbach		Date: 3/30/2017

## GENERAL POLICY

Nonconforming product is identified, documented, evaluated, and prevented from being used or shipped. Appropriate actions are taken when product nonconformity is identified after delivery. When appropriate, corrective and preventive actions are implemented to prevent recurrence of identified nonconformities.

The quality system described in this section of the Quality Manual conforms to the requirements of the ISO 9001:2015 standard: Element 8.7 – Control of Nonconforming Outputs.

### 1. RESPONSIBILITY AND AUTHORITY (R&A)

The R&A for carrying out quality system activities related to this element have been assigned to the President. All associates have the responsibility to carry out their work assignments in accordance with the quality policy and quality system documentation. The associates have been granted appropriate authority to complete the activities assigned in order to meet specified requirements.

### 2. CONTROL OF NONCONFORMING PRODUCT

Dee Electronics has established and maintains documented procedures to ensure that nonconforming product is prevented from unintended use or installation. This

control provides for identification, documentation, evaluation, segregation, disposition of nonconforming product, and notification to the functions concerned.

2.1 Review and Disposition of Nonconforming Product – Dee Electronics has defined the responsibility for review and authority for the disposition of nonconforming product. Nonconforming product is reviewed in accordance with documented procedures. Where applicable, it may be reworked to meet the specified requirements, accepted without repair by concession, rejected/returned, or scrapped. Dee Electronics does not do Repair. When nonconforming product is corrected, it is subject to re-verification to demonstrate conformity to the requirements. .

2.2 Where required by contract, the proposed use of product which does not conform to specified requirements is reported for concession to the customer or customer's representative. The description of the nonconformity that has been accepted is recorded to denote the actual condition. Reworked product is reinspected in accordance with documented procedures.

### 3. PRODUCT RETURNS

3.1 When product nonconformity is detected by the customer after delivery or use has started, the customer is instructed to return the product, and a Return Authorization/Corrective Action (RMA/CAR) is issued by Inside Sales (Customer Service).

# QOP-87-01 Control of nonconforming outputs

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<b>QMS Operational Procedure</b>	QOP-87-01	
Section 8.7	Section Revision: A	Revision Date: 7/11/2017
<b>Control of Nonconforming Product</b>		
Approved By: Dave Zirkelbach		Date: 7/11/2017

## I PURPOSE

The intent of this procedure is to describe the process at Dee Electronics for the Control of Nonconforming Product (Section 8.7 of ISO 9001:2015).

The overall Responsibility and Authority for activities related to this element of the standard have been assigned to the President. Team members are charged with the responsibility to implement the procedure as written, and have been granted appropriate freedom and authority to do so.

## II APPLICATION

This procedure pertains to actions taken when product fails to pass any inspection and/or test.

## III PROCEDURE

1. Upon receipt, if products are nonconforming (damaged, part number wrong, count wrong, etc.), Purchasing, Quality Assurance Coordinator, and Sales, when appropriate, are notified. The Quality Control Coordinator or Receiving Personnel records the nonconformance if nonconformance is traceable to supplier error. Product is labeled with Non-Conforming label and then moved to a HOLD AREA.
2. If product is found to be nonconforming after being received, it is labeled with Non-Conforming label, and then moved to a HOLD AREA to await disposition. Corrective Action Report (CAR)/RMA document identification is noted on labeling when the document record has been created.
3. The Quality Control Coordinator determines the disposition of nonconforming product (disposition may also be delegated to the Warehouse Supervisor).
4. Disposition alternatives include:
  1. Shipping to customer after receiving customer concession,
  2. Returning to supplier,
  3. Stocking in inventory for future sale,
  4. Scrapping
5. When customers accept the order by concession without repair, Sales records the acceptance on the original order in the ECIS database. Details of the concession include identification of the customer representative, the date of the concession and a description of the order as accepted. The record of concession without repair is a retained quality record.
6. Returned goods are given an RMA # approval by Quality Control Coordinator or Purchasing and recorded in the ECIS database. Quality Control Coordinator dispositions customer-returned goods as stated above in paragraph 4.
7. Product nonconformances are investigated for root causes, analyzed for trends, and discussed in Management Review.
8. Nonconforming orders (e.g., improper scanning, inappropriate product numbers, or inaccurate counts) are refilled, recounted, and rescanned by warehouse personnel.
9. PRODUCT RETURNS: If a product nonconformity is detected by the customer after delivery or use has started, the customer is instructed to return the product, and a Return Authorization/Corrective Action (RMA/CAR) is issued by Inside Sales (Customer Service), approved by Quality Control Coordinator.

1. *Receiving, Walk Through Process.*

# Suggestions