PURPOSE: To define TMI's requirements and methods for control, corrective action, disposition, and reporting of suppliers' nonconforming product at all production phases

SCOPE: Applies to all TMI suppliers

EXPLANATION:

1) A nonconformance is defined as any part or process that does not meet the required specifications per drawing and / or inspection standard.
2) The REJECTION NOTIFICATION FORM is TMI Development's method for reporting Phase 1 stage nonconforming product to its suppliers and for requesting supplier countermeasure, rework, or replacement parts. 3) The QPR / QPI (Quality Problem Report / Quality Problem Information - TMI Appendix 17C) is TMI's method for reporting mass production stage nonconforming product to its suppliers and for requesting supplier countermeasure activity related to the nonconformance being reported.

NOTE: Response procedures and methods for nonconforming product will differ according to the location of detection of the nonconformance - internally at supplier versus externally at a TMI facility.

RELATED DOCUMENT(S):

MANAGEMENT QUALITY REVIEW (MQR) (TMI SQAM Section 21)

REQUIRED DOCUMENT(S):

REJECTION NOTIFICATION FORM - APPENDIX 17E
AMENDMENT TO PARTS REJECTION NOTIFICATION FORM - APPENDIX 17F
PROBLEM INVESTIGATION FORM - APPENDIX 17G
NOTICE OF SUSPECTED SHIPMENT OF NONCONFORMING PRODUCT - TMI APPENDIX 17A
COUNTERMEASURE REPLY FORM - TMI APPENDIX 17B
QPR / QPI (QUALITY PROBLEM REPORT / QUALITY PROBLEM INFORMATION) - TMI APPENDIX 17C
SUPPLIER REJECT RETURN NOTIFICATION FORM - TMI APPENDIX 17D

RESPONSIBILITIES:

A) INTERNAL DETECTION AT SUPPLIER FACILITY WITH SUSPECT PRODUCT SHIPPED TO A TMI FACILITY -

1) At the point that nonconforming product is identified internally, the supplier must determine the likelihood of nonconforming product being shipped to TMI. If it is determined that suspect product has been shipped, positive recall must be conducted. The supplier should immediately notify TMI - QC by faxing a NOTICE OF SUSPECTED SHIPMENT OF NONCONFORMING PRODUCT (TMI Appendix 17A or its approved equivalent) to TMI. The formal notice must be followed by a phone call to the customer confirming receipt.

NOTE: A QPR will not be issued in the instance of the supplier's initiation of the nonconforming product activity unless that activity fails to prevent the nonconformance's impacting TMI production

or finished product.

2) The supplier must negotiate requirements for sorting and rework with TMI - QC at this time.

3) The supplier may be required to submit a COUNTERMEASURE REPLY FORM (TMI Appendix 17B or its approved equivalent) to TMI - QC within 2 weeks after the original notification indicating the cause of the nonconformance and the corrective actions taken to prevent recurrence.

B) EXTERNAL DETECTION BY TMI AT TMI FACILITY (PHASE 1) -

1) All Phase 1 nonconformances will be reported to the supplier by TMI Development QC through issuance of a REJECTION NOTIFICATION FORM. The following information will be included on the notification form:
   a) Contact person
   b) Form control number
   c) Issue date
   d) Part number and name
   e) Supplier name
   f) Quantity of product rejected
   g) Shipping invoice number
   h) Detailed description of nonconformance using pictures or sketches

2) Upon receiving a "Rejection Notification Form" the supplier must acknowledge receipt by signing the form and returning it TMI Development QC by fax within 24 hours. Countermeasures, rework status, replacement part delivery timing, and disposition instruction for nonconforming product must also be reported at this time. The supplier must then complete a "Problem Investigation Form" within 5 working days of receipt of the "Rejection Notification Form".

   NOTE: Redelivery dates must be negotiated and agreed upon by TMI Development PC in advance of shipment.

3) In the case of replacement parts being found to be nonconforming, TMI Development QC will issue an "Amendment to Parts Rejection Notification Form". Supplier response to this document is the same as the original notification.

4) In the case of nonconforming product to be returned to the supplier, the supplier must furnish return carrier name and authorization number to TMI Development QC. Returning of any nonconforming product to the supplier will be done **at supplier cost**.

C) EXTERNAL DETECTION BY TMI AT TMI FACILITY (PHASES 2 & 3):

1) All mass production nonconformances will be reported to the supplier by TMI - QC through issuance of a QPR / QPI (TMI Appendix 17C) based, at minimum, on the following:

a) QPR (Quality Problem Report)

CATEGORY	OCCURRENCE	EXAMPLE
Safety or Regulation	1	Loose bolts, sharp edges or burrs, faulty airbag connections
Function	1	Adjuster failure, noise, interference
Fit (Dimension)	2 in 2 days	Flotation, gaps
Appearance	5 in 1 day / 5 in 5 days	Flaws, color, grain, wrinkles

b) QPI (Quality Problem Information) - Any occurrence that does not meet the above criteria

2) TMI - QC will notify the supplier immediately by phone of any major quality problems (i.e. – safety, critical parameter, controlled item, large volume of any single defect, etc.) and the need for immediate sort activity. Major quality problems must be reported by QPR and will require cleanup sorting. All other quality issues will be considered as minor occurrences and must be reported by QPI. The QPR or QPI must be faxed or e-mailed to the supplier contact by noon of the following work day.

3) TMI - QC will furnish the following information when issuing a QPR / QPI:

a) The name of the supplier company and the specific quality contact to which verbal notification was made and who acknowledged sort requirements and responsibilities
b) QPR / QPI number
c) Reply due date (10 working days maximum from initial notification or as specified by Plant QC)
d) Full written description of the nonconformance - part name, part number, model, style, color, RH vs. LH.
e) Date and method for finding problem / found by whom
f) Production code or lot number from defective parts
g) Occurrence (1st time vs. repeat)
h) Visual description of nonconformance (with sketch or pictures)
i) Indication of need for sorting and initial sort responsibility
j) Results of in house sort time / rework / rejection
k) DMI (Damaged Material Instruction) or reject tag number / RMA number

4) Upon receiving the QPR / QPI the supplier must make immediate contact with TMI - QC if any disagreement exists with the issuance of the QPR or QPI or with sort requirements, responsibilities, or results.

5) Upon receiving the QPR / QPI the supplier has 24 hours from receipt to make the initial response by filling out the "Temporary Countermeasure Plan" section of the form and returning it to TMI - QC unless otherwise specified. In cases of some QPI, TMI - QC may forego the requirement for response. The immediate response must include the following:

a) Sorting results at the supplier location
b) Temporary countermeasure and containment plan
c) Plan implementation date for countermeasure

d) Ship date, shipping ID number for countermeasured parts
e) Initialed acknowledgment of sort requirements and responsibilities as specified by TMI QC

6) Permanent countermeasure activity must be reported by the supplier within 10 working days or per TMI Plant QC's specified timing. Countermeasure activity is reported by use of a "Countermeasure Reply Form" (or its customer approved equivalent). The countermeasure reply must include the following:

a) Root cause of nonconformance
b) Permanent countermeasure activities to prevent recurrence
c) Confirmation of countermeasure effectiveness
d) Implementation date of permanent countermeasures
e) Ship date and identification method for permanently countermeasured parts
f) Attachments as needed
g) Approvals by both QC and MFG managers
h) Approval by PE if a process change is required
i) Submission of a PCR if a process change is required

7) The supplier must then attach a copy of the QPR / QPI to the countermeasure reply and submit the package to the customer by the due date indicated on the QPR / QPI. Submission is made to the TMI - QC contact as indicated on the QPR / QPI.

8) The supplier must make verbal notification of shipment of countermeasured product to TMI - QC. Any special labeling requirements should be negotiated at this time.

NOTE : Failure to respond to QPI's may result in the issuance of a QPR. Response per the due date is necessary even if a permanent countermeasure has not been implemented. In this instance the supplier must submit an expected completion or followup date and resubmit per that date. Failure to respond to QPR will result in MQR (Management Quality Review) activity.

D) SORT AND REWORK

1) The supplier's first priority must be containment of nonconforming product, and all sort activity resulting from nonconforming product will be the responsibility of the supplier. All costs related to sort activity resulting from supplier nonconformance and conducted within TMI facilities, or its customer facilities, by TMI employees (as sorters, trainers for support personnel, or supervisors to support personnel) will be charged back to the supplier at rates established by TMI accounting. Down time at TMI resulting from supplier nonconformance will also be charged to the supplier at rates established by TMI accounting.

2) Sort activity must continue at both the supplier and TMI facilities until the supplier is certified to be free of any nonconformance. Minimum requirement shall be receipt of three consecutive clean shipments unless otherwise specified by TMI plant QC.

3) Rework or replacement of nonconforming product will be conducted per TMI's requirements and approvals.

4) When reworking parts at TMI, the supplier should maintain adequate records to indicate both the activity and the results. Records of results must be submitted to TMI plant QC at each occurrence.

E) RETURN OF NONCONFORMING PRODUCT TO SUPPLIER -

1) Nonconforming product will be segregated, reviewed, and dispositioned at least weekly by TMI plant QC.

2) In occurrences of large volume rejection based upon a single defect, immediate disposition may be required.

3) TMI plant QC will notify the supplier of the return by sending written notification of nonconforming product to be returned using a Supplier Reject Return Notification form (TMI Appendix 17D).

4) The supplier must respond with RMA (Return Material Authorization) within 48 hours of receipt. The RMA response must include supplier's instruction for return carrier and the account number for any special or expedited carriers - i.e. FedEx, UPS, etc.

5) If the supplier fails to issue an RMA within 48 hours of a TMI request, TMI reserves the right to return the product in any means necessary to the supplier at supplier cost.

6) The supplier must reconcile ship schedules to meet demand based upon returned product volumes.

REVISION	REVISED DATE	SECTION	UPDATING DESCRIPTION
0	07/09/01	ALL	Initial Release
1	05/20/03	ALL	Revision Record added
2	10/15/03	17	Under RESPONSIBILITIES – B.2 thru 5 - Added instruction and responsibilities for sort activity. Under SORT & REWORK - C.1 thru 4 - Clarification of minimum sort requirement and all sort charges. Under RETURN – D.4 – added carrier instruction to RMA. RMA form revised.
3	12/20/03	RESP – B –2, 3, 4, 5 / C – 1, 2, 3 / D - 4	Added clarification of sort responsibilities
4	6/28/04	SCOPE, EXPLANATION, RESPONSIBILITIES	Added requirements for Phase 1 / Corrected ECR Appendix 16C / Added Appendices 17E and 17F.