

## BDS Terms and Conditions

Clause Number: Q219EE  
Effective: 12/02/2015  
Page 1 of 2

### REPORTING AND SHIPMENT OF NONCONFORMING GOODS

Seller shall maintain a documented process that identifies and controls nonconforming goods and shall take prompt and effective action to correct and prevent recurrence of all nonconformities, inclusive of those that occur at Seller's subcontractors. Nonconformities, including those occurring at Seller's subcontractors, which do not affect customer-specified requirements and do not impact schedule are to be dispositioned by Seller including replacement or rework to print. If Seller is uncertain as to the effect of nonconformity on customer-specified requirements, contact the Buyer's Authorized Procurement Representative.

Shipment of goods containing nonconformities is not allowed until all disposition actions have been properly approved and completed.

When nonconformities are identified, Seller shall submit to Buyer, for Buyer/Buyer's Customer disposition, any proposed "Repair" or "Use-As-Is" dispositions using the Boeing Supplier Portal application to Message Courier address "VM-SNR-ELS [1496601]" with the below required information.

The following minimum data, as applicable, shall be submitted with each nonconformance (as part of the supplier's internal nonconformance document or added to the Message Courier submittal). Acceptance/Qualification level test failures regardless of proposed disposition shall be reported within 24 hours of occurrence. Incomplete submittals will be returned for completion. A Boeing NCR number will be provided back to Seller via Message Courier and is to be referenced in all affected shipments. For problems accessing Message Courier, contact the Buyer's Authorized Procurement Representative.

- \*a) Complete Part Number as appears on Boeing Purchase Order (PO),
- \*b) Boeing PO number, PO Revision number, and PO Line Item number
- c) Serial Number, if applicable,
- d) Statement of nonconformity (is condition),
- e) Applicable specification or drawing number and revision, specification paragraph, requirement or drawing number/sheet/zone violated (should be condition),
- f) Quantity nonconforming,
- g) Manufacturing or Test Phase/Environment the nonconformity occurred at/in,
- h) Seller proposed disposition,
- i) Cause of nonconformity,
- j) Corrective Action(s) implemented,

## BDS Terms and Conditions

**Clause Number: Q219EE**  
**Effective: 12/02/2015**  
**Page 2 of 2**

- k) All supporting data, analyses, reports, and photographs.

\*Supplier is requested to enter nonconforming P/N, PO and Line Item in Message Courier submittal subject line.

When follow-up/final submittals are required, reference shall be made using the Boeing provided NCR number and include the following applicable information/data:

- l) Indication of the lowest level of assembly where the nonconformance occurred (subsystem, unit, subassembly, module, circuit or part), failed part number, part name, part manufacturer, part serial number, lot number, date code.
- m) Failed/Nonconforming item Part Number and Serial Number (if different from the reported Boeing PO Part Number), and indication of whether the failure of the part or item in question constitutes a primary or a secondary (collateral or induced) failure. If failed item is Buyer Furnished, so indicate.
- n) Final Disposition, supporting data, analyses, reports, and photographs, root cause(s) of nonconformity, containment, and corrective and/or preventive action(s) implemented.
- o) Results of investigations, failure analyses, rework/retesting performed as result of disposition.

When nonconformance reporting requirements are imposed by Supplier Data Requirements List / Data Item Description (SDRL/DID), those SDRL/DID requirements take precedence over this clause.