IASG SANCTIONED QS-9000:1998 THIRD EDITION INTERPRETATIONS

(Previously Released: July 1, 2001)

Effective date: **July 1, 2002**

(<u>Underlined</u> are the changes/additions to the Interpretations in the previous 07-01-01 release.)

To be used by DaimlerChrysler/Ford Motor Company/General Motors Recognized Accreditation Bodies QS-9000 Qualified Registrars, Suppliers and Interested Parties with QS-9000:1998 Third Edition.

IASG QS-9000:1998 Sanctioned Interpretations will only be updated based on substantial need, and not more frequently than once every six months. QS-9000:1998 Third Edition requirements are not revised by these interpretations, the latter's purpose being to provide clarification and assistance relative to implementation issues of the QS-9000:1998 Third Edition requirements.

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IASG <u>E-MAIL ADDRESS</u>: Questions <u>should</u> be submitted through http://www.QS-9000.org.

I. INTRODUCTION

A. IASG Membership

The International Automotive Sector Group (IASG) is an international ad hoc working group consisting of representatives from:

1. Big Three Recognized Accreditation Bodies (Four)

2. QS-9000 Qualified Registrars (currently five from the Independent Association of Accredited Registrars, IAAR, one representing IQNET and one representing the IIOC.)

3. DaimlerChrysler/Ford Motor Company/General Motors Supplier Requirements Quality Task Force (Three).

The group meets periodically to discuss and resolve interpretation issues relative to the QS-9000:1998 criteria and third party registration of auto suppliers to QS-9000:1998. The attached interpretations are recognized by the DaimlerChrysler, Ford Motor Company, General Motors Supplier Quality Requirements Task Force, the participating ISO 9000:1994 Accreditation Bodies and QS-9000:1998 qualified registrars.

The current participating members of the IASG are:

- Big Three Recognized Accreditation Bodies: Randy Dougherty, RAB; Thomas Facklam, TGA; Steve Keeling, JAS-ANZ (PAC).
- DaimlerChrysler/Ford Motor Company/General Motors Supplier Quality Requirements Task Force: Hank Gryn of DaimlerChrysler; Russ Hopkins of Ford Motor Company; Joe Bransky of General Motors.
- QS-9000 Qualified Registrars: From the IAAR: Peter Lake (IASG Contact), Garnett Davis, Michael Hochschwender, Bill Vosburg; From IIOC: Peter Herrmann; From IAAR and IQnet: Malcolm Phipps.

This release is sanctioned, and its interpretations considered binding, by the DaimlerChrysler/ Ford Motor Company/ General Motors Supplier Quality Requirements Task Force. The sanctioned interpretations are effective as of the date shown in parentheses at the end of the heading related to each sequential reference number.

B. How To Communicate

To submit questions or issues to the IASG for consideration, e-mail inquiries, in English, to the **IASG E-mail Address via internet at www.QS-9000.org.** To obtain a copy of the latest **IASG Sanctioned QS-9000 Interpretations**, they may be accessed on the Internet World Wide Web at http://qs9000.asq.org/sancl.html.

The interpretations and other information such as an updated list of qualified QS-9000 accreditation bodies, qualified QS-9000 registrars, or QS-9000 registered suppliers, may be obtained from the American Society for Quality, ASQ, at 1-800-248-1946 or 414-272-8575, or obtain a copy from the ASQ QS-9000 Web Site at http://qs9000.asq.org/compdir.shtml.

In Europe contact Carwin Continuous, Ltd. at Telephone No. 44-1-708-861333 or Fax No. 44-1-708-867941.

II. QS-9000 INTERPRETATIONS

A. General

A current IASG clarification is labeled by a sequential reference number and a letter referring to the category in which it is found. Subsequent changes in an interpretation will show the same category/sequential number, but a new "Revision" date is so noted in the Table of Contents. **The sanctioned interpretations are effective as of the date shown in parentheses at the end of the heading related to each sequential reference number.** Dates are shown in month/day/year format. All references are to QS-9000:1998 Third Edition, unless otherwise stated.

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IASG Sanctioned QS-9000 Interpretations:

Responses to which the IASG have agreed, are grouped by the following categories:

- **Applicability (A)**
- **Implementation (I)**
- **Section I: Criteria: Subdivided by the 20 QS-9000 Elements within Section I (C)**
- **Section II: Company-Specific Requirements (C)**
- **Appendices A – J (AP)**
- **Glossary (G)**
- **Process (P)**
- **Registration/Accreditation (R)**
- **Training (T)**
- **Information (INF)**

Any questions for the IASG should be directed to the IASG E-mail Address on the World Wide Web at http://www.QS-9000.org.

Because these interpretations are a binding extension of the DaimlerChrysler/Ford Motor Company/General Motors Quality System Requirements, QS-9000:1998 Third Edition, they should be a part of every QS-9000 supplier's Contract Review documentation, and every QS-9000 qualified registrar's audit information file.

B. International Auto Sector Group (IASG) Protocol

1) All IASG QS-9000 interpretations must be processed at the issue level as follows:

   Step 1: "New" Issue presented to the IASG for discussion – May include only the question.
   Step 2: "Draft" language distributed to the IASG members for consensus – This would include questions and draft answers by members of the IASG or from a submission.
   Step 3: "Agreed" status is achieved after consensus of all members – the "Agreed" date applied is the meeting date.
   Step 4: Incorporation into the "IASG Sanctioned QS-9000 Interpretations" document.
   Step 5: The sanctioned interpretations document is distributed to stakeholders, IASG members, all QS-9000 recognized accreditation bodies, all accredited registrars' associations with membership represented and the public.

2) Representatives from DaimlerChrysler, Ford Motor Company and General Motors must, individually, agree with interpretations and IASG decisions prior to completing Step #3 above.

3) All discussions, tentative decisions, and minutes resulting at and from the IASG meetings are considered confidential to the working group, and are treated as such until the "Agreed" status is reached and Step #5 above is initiated.

4) The IASG retains final approval of IASG membership, configuration and size of the group. No substitutes, alternates or back-up company representatives are permitted to attend.

5) Attendance at IASG meetings is critical and is expected. Repeated absences may result in being replaced. The IASG will not typically schedule far in advance.

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C. TABLE OF CONTENTS OF SANCTIONED QS-9000 INTERPRETATIONS

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D. INTERPRETATIONS AND INFORMATION ITEMS

General Information

1. AIAG WEBSITE: http://www.aiag.org/quality

Other general information and links to OEM websites relative to QS-9000 may be available at the above AIAG website.

2. Sanctioned Interpretations Submissions: http://www.QS-9000.org

As stated in this document in the introductory language, the IASG receives and looks at all submissions of substance, but does not and cannot respond to them individually. In most cases we find the interpretation can be reached correctly by discussions with your registrar or by them with their accreditation body. Continued submissions are accepted – please use the website (http://www.QS-9000.org) so that communication to others on the IASG is facilitated.

SECTION I: ISO 9000 – BASED REQUIREMENTS (C)

Element 4.1 Management Responsibility

C1 Certification Body/Registrar Notification (4.1.6.1) (01/22/99)

General Motors Level II Containment is treated the same as "Level II Controlled Shipping".

C8 General Motors "Level II Containment" (4.1.6.1) (02/29/00)

"New Business Hold-Quality" replaces "Level II Containment" as the status which requires GM suppliers to notify their certification body/registrar.
NOTE: "New Business Hold – Quality" status is an additional status level for GM suppliers following Level II Containment.

Element 4.6 Purchasing

C9 Supplier Development (4.6.2.1) (07/01/01)

"Goal of subcontractor compliance" requires subcontractors to achieve compliance within a defined period of time not to exceed 18 months from the effective date of this sanctioned interpretation. Minimum subcontractor compliance shall be certification by an accredited certification body to a current version of the ISO 9000 Quality Management Series of Standards, excluding ISO 9003; plus any requirements specified by the customer. Assessment by an OEM or an OEM-approved second party will be recognized as meeting subcontractor compliance requirements to 4.6.2.1.

Note: The second note under 4.6.2.1 referencing "prioritization" does not negate this requirement.

Element 4.9 Maintaining Process Control

C7 Maintaining Process Control (4.9.2) (11/01/99)

The intent of this requirement is based on the maintenance of the process and not the level of the indices' value. To maintain (or exceed) requires two components:

(1) Monitoring of the process over time to verify capability and stability; and
(2) If the process is capable and stable, then to verify that the process meets the requirements as described in PPAP I.2.2.9.3.

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Element 4.11 Control of Inspection, Measuring and Test Equipment

C2 Calibration Laboratory Requirements, (4.11.2.b.1) (01/22/99)

Due to a current lack of suppliers of accredited calibration services for calibration laboratories, compliance to QS-9000:1998 Third Edition laboratory requirements, 4.11.2.b.1, may be satisfied if the supplier has a documented plan to assure that, effective January 1, 2001, the supplier is fully in compliance with QS-9000:1998 Third Edition cl. 4.11.2.b.1 requirements.

More information is available in a QS-9000 Laboratory Requirements Self Study Guide available from AIAG at (USA) 248-358-3003 and on the AIAG website at http://www.aiag.org/quality.

C3 Test Equipment at Work Station (QS-9000, cl. 4.11.2) (01/22/99)

Individuals verifying gages at their in process work station do not have to comply with the requirements for test laboratory if they are not calibrating equipment at their work station. If individuals are calibrating equipment, they shall be included in the laboratory organization.

C4 Design and Development Parts (QS-9000 cl. 4.10.7 and 4.11.2.b.1) (01/22/99)

The requirements of cl. 4.10.7 and 4.11.2.b.1 apply only to production or service parts or production materials released by the customer for purchase or manufacture, including all testing for PPAP requirements. This excludes testing for parts or materials under design or development.

SECTION II: CUSTOMER-SPECIFIC REQUIREMENTS (C)

C5 Customer-Specific Requirements (QS-9000, Section II) (01/22/99)

Customer-specific requirements take precedent over the QS-9000 requirements.

C6 Appendix C: Special Characteristics (11/01/99)

Across from “Definition:” under CHRYSLER, above the symbol “DIAMOND - <D>” the wording is entirely replaced by:

“Identifies a Key Quality Characteristic of a part, system, process or test specification that is sensitive to variation with the potential of degrading customer satisfaction. For all Diamond characteristics, a process control plan is required.”

C10 Ford Motor Company Specific Requirements (07/01/02)

1. Third Party Registration Requirements: Unless waived in writing by Ford Motor Company for the supplier site, third party registration to QS-9000 or ISO/TS16949 is required to meet the “capable quality management system” element of Q1 2002. This is a global requirement effective February 1, 2002 for production suppliers to North America and Europe.

2. Manufacturing Site Assessment

    i. The QOS Assessment Guideline currently specified by QS-9000 Ford-Specific Requirements does not identify suitable metrics. Some Quality Operating System (QOS) metrics are given by the Manufacturing Site Assessment of Q1 2002, available through https://web.bli.ford.com/.

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ii. Tier 1 suppliers to Ford Motor Company are authorized to use the Manufacturing Site Assessment for sub-supplier evaluations per C9 of these Sanctioned Interpretations and per the Ford letter of authorization on https://web.bli.ford.com/. Note: if access to https://web.bli.ford.com/ is not available, Ford tier 1 suppliers can provide the necessary documents from the web site.

REGISTRATION/ACCREDITATION (R)

R1 Big Three Requirements for Third Party Registration to ISO/TS 16949 (02/29/00)

Information regarding ISO/TS 16949 and the IATF global automotive registration process may be found on the IATF International Automotive Office Bureau (IAOB) website at http://www.IAOB.org.

R2 Findings (01/01/00)

Registrar and Accreditation Body auditors are restricted to only three types of findings during an audit: "major non-conformances", "minor non-conformances" and "opportunities for improvement". No other form or type of finding may be issued.

R3 Probation and Delisting of Suppliers (03/31/00)

A supplier's registration will be placed on immediate probation * by their registrar if any of the following occur:

- The Registrar issues a major non-conformance **; or
- The supplier is notified by Ford Motor Company of "Q-1 Revocation", by DaimlerChrysler of "Needs Improvement" ("Quality Rating only – not Total Rating"), or by General Motors of "New Business Hold – Quality"; or
- Minor non-conformance corrective action is verified by the Registrar as not being effectively implemented within 60 days of the date identified; minor non-conformance closure may require on-site verification by the Registrar.

* Probation replaces the previously used term 'suspension' and is defined as notice given a supplier by their registrar that failure to take corrective action to eliminate the major or minor nonconformities, or Ford Motor Company "Q-1 Revocation", DaimlerChrysler "Needs Improvement", or General Motors "New Business Hold-Quality" will result in a supplier's certificate being revoked by their registrar (refer to clause R3.E, R3.F, R3.G).

** The QSA states "…a number of minor nonconformities against one requirement which when combined can represent a total breakdown of the system and thus be considered a major nonconformity." Additionally, minor nonconformances, which occur on successive surveillance assessments, should be viewed as a pattern. If a pattern of minor nonconformities occurs over successive assessments, it may represent a total breakdown of the system and a major nonconformance shall be issued.

A. If Probation results from the issuance of a major nonconformance, the registrar will notify the supplier in writing of the probation within five days of the issuance of the major nonconformance (whether or not an appeal is initiated).

B. If probation is warranted for any other reason, written notification will be provided to the supplier immediately.

C. In the event probation is the result of the Registrar issuing a major nonconformance or the supplier is notified by Ford Motor Company of "Q1 Revocation," by DaimlerChrysler of "Needs Improvement" ("Quality Rating only – not Total Rating"), or by General Motors of "New Business Hold – Quality," the supplier shall complete a corrective action plan. The supplier shall submit the corrective action plan to the Registrar and to the affected customer(s) within 10 business days of the date of the letter of notification of probation. The supplier corrective

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action plan shall be consistent with the affected customer(s) requirements including correction steps, responsibilities, timing information, and key metrics to identify effectiveness of the action plan.

D. If the certification is “corporate” then all sites under the corporate certification shall be placed on probation. If a “corporate” certification is placed on probation, it cannot be changed, such as being broken-up into many “site-specific” registrations. While on probation from QS-9000, “new” locations may be added to the corporate registration, or a location within a corporate certification may be removed if such location is completely “closed.”

E. If a supplier files an appeal with their registrar, the supplier and registrar will have 30 days from notification to complete the appeal process**.** The affected customer(s) shall be notified by the supplier of the appeal. At the completion of this 30-day period, if the probation is continued, the registrar will notify the ASQ database of the result, and the supplier will notify those customers that have required them to obtain QS-9000 registration.

F. Before any probation can be lifted, the registrar will conduct an on-site assessment of appropriate length to verify effective implementation of all corrective actions.

G. If probation is not lifted within four months of it’s issuance, the registrar shall revoke a supplier's certificate. Exceptions to this revocation shall be justified by the registrar in writing based upon the registrar's on-site review of the supplier corrective action plan's effectiveness and agreement obtained from:

- the affected customer(s), and
- the accreditation body(s) whose mark appears on the certificate.

The registrar shall provide the supplier in question a copy of this justification.

H. Registrars will notify the ASQ database of all probation, and of all registration de-listings for failure of the supplier to comply with QS-9000 requirements.

I. If a supplier transfers registration services from one registrar to another while a probation is pending resolution, the accepting registrar cannot register same supplier until the accepting registrar has conducted a complete registration assessment for which the on-site registration duration cannot be less than shown in the man-day table of Appendix H – regardless of the reason for the transfer.

J. Registrars may wait for a period, not to exceed five working days, after an audit event, before issuing a major non-conformance to a supplier.

K. (07/01/01) - If a supplier is placed on probation as defined in R3, and thereafter such probation is lifted by the registrar, the interval between subsequent surveillance audits shall not exceed 6 months for a minimum period of 18 months from the date the probation was lifted. For “Corporate” certificates, as a minimum, the site(s) established as the source(s) of the probation shall each be subject to this same surveillance requirement. This requirement shall survive a change of registrar or supplier site ownership.

R4 Changing Registrars (01/01/00)

When a registered QS-9000 supplier switches from one registrar to another, the supplier shall notify their current (previous) registrar, and their OEM customers. The supplier notification shall include a brief explanation to the OEM customer. If a supplier has been on probation, or delisted, from QS-9000 registration, that supplier shall notify any potential “new” registrar of this fact. The “new” or “accepting” or “transfer” registrar shall then notify in writing all OEM customers, as well as the current or past registrar, as to whether the “new” registrar has (or has not) “accepted/agreed” to take the supplier as a client.

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R5 Probation and Delisting of Certification Bodies and/or Accreditation Bodies (01/01/00)

It is expected that all QS-9000 qualified certification bodies/registrars and accreditation bodies follow, support, and enforce the supplier and third party system requirements of QS-9000. Violations can lead to probation and delisting. (See QS-9000, Third Edition, Appendix G.C.5)

R6 Clarification Regarding Automotive Representatives Oversight of a QS-9000 Audit Event (11/01/99)

The definition that takes precedence (especially regarding notice and client permission) is that found in Appendix B, i.e. the first definition quoted hereunder.

Appendix B, page 86, under INSTRUCTIONS TO SUPPLIERS CONCERNING THIRD PARTY REGISTRATION, paragraph 4, "Suppliers shall permit the certification body/registrar's audit team to be accompanied by representatives from a witnessing accreditation body, and DaimlerChrysler, Ford Motor Company or General Motors SQRTF representatives or their designees, without objection or a requirement for prior notice."

Appendix I.41 "REGISTRAR OVERSIGHT – QS-9000 recognized accreditation bodies shall: (bullet 5) "Allow, upon request, DaimlerChrysler, Ford Motor Company, or General Motors SQRTF representatives or their designees, to accompany accreditation bodies on witness audits of certification bodies/registrars, as automotive "Technical Expert Observers" if client permission is obtained, and if all potential issues regarding "confidentiality" and "conflict of interest" have been resolved."

R7 Joint Ventures, Mergers, Acquisitions (07/01/01)

A supplier shall notify its registrar of the following site changes: closure, transfer of ownership including merger, acquisition or joint venture. Notification shall be provided by the supplier to the registrar of record within 30 days from the time such site change was announced. Failure of the supplier to comply with the notification requirements shall result in a major non-conformity issued from the registrar of record, a major nonconformance which can only be closed by the registrar conducting a special on-site surveillance audit, up to and including a full audit.

Within 60 days of supplier notification to the registrar of record, such registrar shall complete the following: determine the timeliness, scope and extent of surveillance audit requirements; and if necessary, conduct a special surveillance assessment, up to and including a full audit.

R8 Expiration of ISO 9001:1994 and ISO 9002:1994 on December 15, 2003 - certificate language for QS-9000 certificates to be recognized after December 15, 2003 (07/01/02)

Any new or renewed QS-9000 certificate issued after July 1, 2002 shall not reference ISO 9001:1994 or ISO 9002:1994 other than in one of the following statements which must be included on the certificate: "Registered to QS-9000:1998 (Based on and including ISO 9001:1994)" or "Registered to QS-9000:1998 (Based on and including ISO 9002:1994)". All QS-9000 certificates with dates extending beyond December 15, 2003 shall comply with this wording by December 15, 2003. [All other aspects of Appendices G.A.13, I.18, and I.23 shall remain in effect.]

The Registrar may provide a letter to suppliers indicating that the above statement confirms the supplier is certified to ISO 9001:1994 or ISO 9002:1994 until December 15, 2003.

QS-9000:1998 certificates shall not reference ISO 9001:2000. Note: ISO 9001:2000 requires a separate certification.

QS-9000:1998 certificates shall not show an ending date later than December 14, 2006. Note: the current version of QS-9000 (TE supplement) and the current version of the semi-conductor supplement to QS-9000 shall also remain in effect until December 14, 2006.

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