

GUIDANCE HANDBOOK

BAE SYSTEMS Maritime Australia Supplier Quality Assurance Manual (SQAM) [Web Version]

Quality is: Right First Time Every Time

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ASC Shipbuilding Pty Ltd (trading as BAE Systems Maritime Australia)
Registered Office: Building 01, Level 2, 640 Mersey Road North, Osborne SA 5017
Registered in Australia No: 051 899 864
Tel: + 61 8 8480 8888
Fax: + 61 8 8480 8800
ACN: 051 899 864
ABN: 15 051 899 864

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CONTENTS

1.	PURPOSE	4
2.	SCOPE	4
3.	APPLICABLE DOCUMENTS	4
3.1	BAESMA DOCUMENTS	4
4.	ACRONYMS AND ABBREVIATIONS	5
5.	DEFINITIONS	6
6.	RESPONSIBILITIES	7
6.1	BAESMA SUPPLIER QUALITY ASSURANCE & SUPPLY CHAIN ORGANISATIONS	7
7.	INTRODUCTION & GENERAL GUIDANCE INSTRUCTIONS	7
7.1	BAESMA COMPANY VISION, MISSION, VALUES AND STRATEGY	7
7.2	GENERAL EXPECTATIONS OF OUR SUPPLIERS	8
7.3	RIGHT OF ACCESS	9
7.4	PO AND CONTRACT REQUIREMENTS REVIEW (TECHNICAL, QUALITY, COMMERCIAL)	9
7.5	INWARDS, OUTWARDS AND IN-PROCESS GOODS ASSURANCE/CONTROLS	9
7.6	CONTROL OF SUB-TIER SUPPLIERS/MANUFACTURERS/MILLS	10
7.7	PURCHASE ORDER NOMINATED CRITICAL (CTCL) ITEMS - ANNEX E	10
7.8	INSPECTION AND TESTING PLANNING (ITP) APPLICABILITY/CONTROLS	11
7.9	ISO 9001: 2015 SECTION 8.5 PRODUCTION AND SERVICE PROVISION (RECORDS)	11
7.10	ISO 9001:2015 SECTION 7.1.5 MONITORING AND MEASURING RESOURCES	11
7.11	MUTUAL RECOGNITION FOR TEST LABORATORY AND SUPPLIER FACILITY	12
7.12	PRODUCT MARKING/TRACEABILITY/ PACKAGING AND PRESERVATION	12
7.13	HAZARDOUS MATERIALS	13
7.14	HAZARDOUS SUBSTANCES	13
7.15	ENVIRONMENTAL SUSTAINABILITY	13
7.16	SUPPLIER PRODUCT APPLICATION AWARENESS	13
7.17	COUNTERFEIT PRODUCTS (SAFETY/SECURITY) - RISK MITIGATION AND PREVENTION	14
7.18	CONTROLLED MATERIAL/TECHNOLOGY	15
7.19	HANDLING OF CUSTOMER SUPPLIED MATERIALS	16
7.20	SUPPLIER QUALIFICATION (EVALUATION AND APPROVAL)	16
7.21	BAESMA APPROVED SUPPLIER'S LIST (ASL)	16
7.22	SUPPLIER QUALITY PERFORMANCE REVIEW (SQPR)	17
7.23	OQE REQUIREMENTS/ OQE ATTRIBUTES DEFINITION/ OQE DELIVERY	18
	NOTES ON OQE DELIVERY	18
7.24	OQE REQUIREMENTS FOR REFURBISHMENTS	18
7.25	BAESMA QUALITY REQUIREMENTS FOR FASTENERS	18
7.26	BAESMA SPECIFIED CRITICAL (CTCL) THREADED FASTENERS:	19
7.27	BAESMA QUALITY REQUIREMENTS FOR SHELF LIFE PRODUCTS	19
7.28	SUPPLIER CORRECTIVE ACTION REQUEST (SCAR/MAJOR NC)	20
7.29	WORK HEALTH SAFETY (OHS) AND ENVIRONMENTAL (OHS&E)	21
7.30	MANAGEMENT OF SUPPLIER AND SUB-TIER SUPPLIER CHANGES	21
7.31	SECURITY PROGRAM EFFECTIVENESS (CYBER SECURITY/SECURITY)	22
7.32	CONFIGURATION MANAGEMENT	23
7.33	CERTIFICATE OF CONFORMANCE (COC)	23
7.34	CUSTOMER/SUPPLIER RELATIONSHIP AND FEEDBACK	23

8.	ANNEXES.....	24
8.1	ANNEX A - SUPPLIER CORRECTIVE ACTION REQUEST SCAR FORM.....	24
8.2	ANNEX B - SUPPLIER SCAR ACTION PLAN FORM.....	25
8.3	ANNEX C – BAESMA COUNTERFEIT PARTS RISK ASSESSMENT MATRIX.....	26
8.4	ANNEX D - INSPECTION AND TEST PLAN (ITP) TEMPLATE EXAMPLE	27
8.5	ANNEX E - RULES FOR THE APPROVAL OF SUPPLIERS OF CRITICAL PRODUCTS (CTCL)	28
8.6	ANNEX F - CONTRACT REQUIREMENTS REVIEW TEMPLATE (EXAMPLE ONLY)	29
8.7	ANNEX G – CERTIFICATE OF CONFORMANCE (COC EXAMPLE ONLY).....	30

1. PURPOSE

The purpose of this manual is to assist Suppliers and Sub-contractors (Suppliers) in understanding BAE Systems Maritime Australia (BAESMA) Quality/Defence requirements, compliance and expectations. This manual has been designed to provide information and guidance to aid Suppliers when providing goods and services to all BAESMA projects.

2. SCOPE

This manual is applicable to the purchase of goods and services under ASC Shipbuilding Pty Limited (trading as BAE Systems Maritime Australia) Contracts and/or Purchase Orders (PO) requirements, including Terms and Conditions (T&Cs) in support of all BAESMA projects.

If there is any inconsistency between parts of this Supplier Quality Assurance Manual (SQAM) and BAESMA Contract or Purchase Order (PO) the BAESMA Contract or PO shall prevail.

For the management of program Security, the BAESMA, defence and government Security policies will prevail. In the event of inconsistency, refer to the BAESMA Supply Chain (SC) requestor for BAESMA Security function determination.

Note: This document is to be read in conjunction with the BAESMA Inspection and Assurance Codes Definitions (IACD) document available in the Supplier Portal. The IACD document contains the Objective Quality Evidence (OQE) definitions and notes as specified in the BAESMA Purchase Order (PO) or Contract.

3. APPLICABLE DOCUMENTS

3.1 BAESMA Documents

Document Number	Title
AS/NZS 4801	Occupational Health and Safety Management Systems
AS/NZS ISO 9001	Quality Management Systems Requirements (latest revision)
DEF STAN 05-57	Configuration Management of Defence Materiel
DISP	Defence Industry Security Program (www.defence.gov.au)
DSPF	Defence Security Principles Framework (www.defence.gov.au)
IACD	Inspection and Assurance Codes Definitions [Web Version]
ISO 14001	Environmental Management Systems
ISO 45001	Occupational Health and Safety (Supersedes AS/NZS 4801)
PSPF	Protective Security Policy Framework (www.protectivesecurity.gov.au)

4. ACRONYMS AND ABBREVIATIONS

Acronym/ Abbreviation	Meaning
A2LA	American Association of Laboratory Accreditation
AD	Authorised Distributors
AOM	Approval of Manufacturer
ASC Shipbuilding	ASC Shipbuilding Pty Limited (trading as BAE SYSTEMS Maritime Australia)
BAES AU	BAE Systems Australia Limited
BAESMA	BAE Systems Maritime Australia
CA	Corrective Action
CAPA	Corrective And Preventive Action
CASG	Capability Acquisition and Sustainment Group
CDRL	Contract Data Requirement List
CM	Certified Manufacturer
CoA	Commonwealth of Australia
COC	Certificate of Conformance
CTCL	Critical (PO defined critical parts, components, materials etc.)
DID	Data Item Description
DIFOTIS	Delivered in Full On-time In Specification
DoD	Department of Defence
DSPF	Defence Security Principles Framework
ERM	Enterprise Resource Management (BAESMA AVEVA)
FD	Franchised Distributors
GFE	Government Furnished Equipment
GFI	Government Furnished Information
i.a.w	In accordance with
ILAC	International Laboratory Accreditation Co-operation
IMTE	Inspection Measuring and Testing Equipment
ISM	Information Security Manual
ITP	Inspection and Test Plan
MSDS	Material Safety Data Sheet
NATA	National Association of Testing Authorities
NC	Non-conformance
OCM	Original Component Manufacturer
OEM	Original Equipment Manufacturer
OQE	Objective Quality Evidence
PO	Purchase Order and/or Contract
PQMP	Project Quality Management Plan
PSPF	Protective Security Policy Framework
RAN	Royal Australian Navy
RCA	Root Cause Analysis
RFE&T	Request for Evaluation & Test
SC	Supply Chain
SCAR	Supplier Corrective Action Request
SCCG	Security Classification Categorisation Guide
SDRL	Supplier/Subcontractor Data Requirement List
SQAM	Supplier Quality Assurance Manual
SQAR	Supplier Quality Assurance Representative
T&Cs	Terms and Conditions
UAT	User Acceptance Testing

5. DEFINITIONS

Term	Definition
Action Plan	An action plan provided by the Supplier to the BAESMA SQAR and BAESMA SC within 3 working days of SCAR receipt. The action plan shall include the Suppliers intended CA and timeframe for completing the SCAR.
Action to Prevent Recurrence	The Action to Prevent Recurrence is used to identify similar potential non-conformances to ensure they do not occur. The action taken needs to be confirmed as effective prior to the SCAR being closed.
Containment Action	Action taken to contain the initial non-conformance.
Corrective Action	CA is taken to eliminate or mitigate the root causes and prevent recurrence of an existing detected non-conformance, or other undesirable conditions or situations.
Deficiency	Process, product or service that is ineffective and requires investigation and improvement.
Disposition Action	Re-work, Repair, Return to Vendor/Supplier, Leave as is or regrade.
Major Non-conformance	The absence of, or total breakdown of a product, service, quality management system element, contractual requirement or any non-conformity where the effect is judged to be detrimental to the integrity of the product or service provided or to BAESMA's contractual position or reputation.
Minor Non-conformance	The non-fulfilment of a product, service, quality management system element, or contractual requirement where the effect is judged to not be detrimental to the integrity of the product or service provided.
Non-conformance (NC)	Non-fulfilment of a process, standard, drawing, PO or Legislative requirement.
OFI/RECOM	Opportunity for Improvement/Recommendation. An opportunity for a Supplier to improve a product, process, service, quality management system element or contractual requirement fulfilment. It is low risk, non-systemic non-compliance that is detected and corrected at the time of the audit/review/inspection or during a customer (BAESMA) and Supplier agreed timeframe.
Preventive Action	Action taken to eliminate the cause of a potential non-compliance or other undesirable potential situation.
Records	Records of completed SCAR and OQE as applicable.
Remedial Action	Action taken to remedy the identified deficiency/non-conformance.
Root Cause Analysis	Activity undertaken to investigate and identify the contributing factors that led to a non-conformance, or other undesirable event occurring. Some of the tools used to identify superficial or underlying root cause/s are: ICAM, FMEA, 8D, 5W2H, Mind Maps, Fishbone Diagrams, TapRoot® etc.
Supplier	BAESMA Suppliers, Sub-tier Suppliers, Vendors, Contractors and Subcontractors.

Term	Definition
Supplier NC/Deficiency	Failure to comply with a Contract or PO specification, process, standard or legislative requirement. An unusable product with potentially significant impact to product or personnel safety.

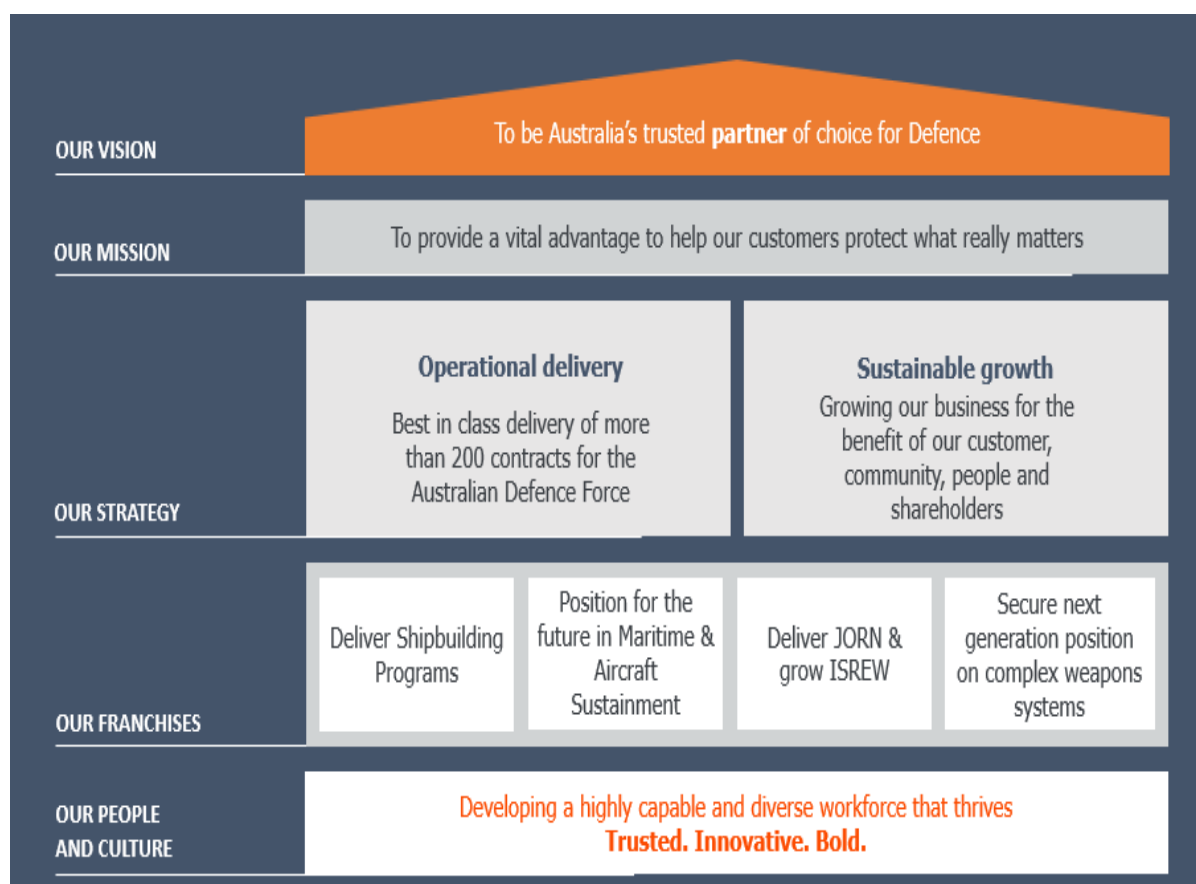
6. RESPONSIBILITIES

6.1 BAESMA Supplier Quality Assurance & Supply Chain Organisations

The BAESMA Supplier Quality Assurance function and the BAESMA Supply Chain function are to ensure the SQAM is communicated to Suppliers during and after the Supplier engagement phase.

7. INTRODUCTION & GENERAL GUIDANCE INSTRUCTIONS

7.1 BAESMA Company Vision, Mission, Values and Strategy



Our vision

To be Australia's trusted company of choice for Defence. We want to be known by our customer – and within our industry – for delivering on what we promise. To do that, we must remain focused on driving operational excellence, honing our competitive edge, and sharpening our focus on technological innovation.

Our mission

To provide a vital advantage to help our customers protect what really matters.

Our strategy

To focus on operational delivery and sustainable growth and focus on:

- **Occupational Health Safety and Environment (OHS&E):** We are committed to ensuring that the health and safety of our employees, contractors and all who visit our sites will never be compromised. We are committed to protecting and maintaining a healthy environment in which we operate.
- **People and Culture:** In order to effectively perform in our complex Defence oriented technical and corporate environment, we are committed to working with integrity and as a team to collaborate effectively with our customers, partners and Suppliers for delivering quality, safe and secure products and services.
- **Customer Focus:** BAESMA is customer focussed and as such, we strive to deliver on our commitments to customers with an emphasis on quality, schedule, cost, security and technical performance.
- **Continuous improvement:** We aim to remain competitive and are committed to continually improving all aspects of our business.

7.2 General Expectations of our Suppliers

We expect our Suppliers to share our commitment in meeting the standards required by CASG and the RAN of quality, technical performance and on-time delivery, i.e. Delivery in Full, on time, in Specification (DIFOTIS). This is achieved through flexibility in assisting BAESMA to meet its end goal by implementing continuous improvement initiatives and business continuity plans.

All Suppliers are responsible for ensuring compliance to the requirements contained in this manual and are responsible for the quality, timeliness and integrity of delivered goods and services including those provided by their sub-tier suppliers, manufacturers or mills.

All delivered products and services must comply fully with BAESMA Quality requirements including the provision of appropriate OQE documentation as agreed in any corresponding BAESMA PO.

All OQE for new and refurbished items must comply fully with the attributes defined in the PO by way of individual OQE attributes or DIDs (CDRL/SDRL).

Security requirements: Where applicable, DISP membership at the level determined by BAESMA or the CoA will apply, i.e. compliance with the DSPF, PSPF and ISM.

7.3 Right of Access

During the course of a PO between BAESMA and the Supplier, BAESMA may (with reasonable notice of no less than 10 working days) require access to the Supplier's manufacturing or production and inspection areas or the Supplier's sub-tier suppliers, manufacturers/mills manufacturing, production and inspection areas for the purpose of Quality Audits/Inspections and for assessing manufacturing or production and inspection process capabilities to meet BAESMA PO requirements.

Security: Where applicable, right of access will be required to premises, records and systems for BAESMA and CoA security representatives for the purpose of validating and assessing security measures, policies and processes.

7.4 PO and Contract Requirements Review (Technical, Quality, Commercial)

The Supplier is expected to carry out requirements reviews in accordance with the latest revision of ISO9001, e.g. ISO9001: 2015 Section 8.2.3 Review of the Requirements for Product and Services.

The Supplier shall be able to demonstrate to BAESMA that there are no ambiguities with the specified contractual requirements (Quality/Technical/Commercial). Where ambiguities are identified, the Supplier shall without delay, communicate with the BAESMA Supply Chain (SC) Representative to ensure any ambiguities are resolved and agreed upon prior to the Supplier committing to supply.

Suppliers are expected to have in place a Contract or PO Requirements Review (RR) procedure or process (preferably a *Requirements Review Matrix*) in order to demonstrate how the ISO9001 requirement are complied with in the Supplier Quality Management System (QMS).

A typical PO Requirements Review Matrix must address/indicate compliance or otherwise against requirements as defined in the Contract or PO (including technical specification, quality, commercial and T&Cs). Refer to **Annex F** for a Contract RR Template example.

Note: *If a Supplier is uncertain about any aspect of what BAESMA has ordered, the Supplier must immediately contact the BAESMA Supply Chain Organisation and resolve this uncertainty prior to incurring any costs and committing to supply any goods or services.*

7.5 Inwards, Outwards and In-process Goods Assurance/Controls

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

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

Security: Where applicable, Suppliers shall have in place a process that meets:

- Maritime Transport and Offshore Facilities Security Act 2003 and Regulations.
- Aviation Transport Security Act 2004 and Regulations.
- Criminal Code Act 1995 – measures to prevent espionage, sabotage, foreign interference and introduction of vulnerabilities.
- The above measures are to be implemented within all levels of the supply chain.

7.6 Control of Sub-tier Suppliers/Manufacturers/Mills

It is a requirement that all BAESMA direct Suppliers maintain effective control over their sub-tier suppliers (including manufacturers/mills), considering:

- Direct Suppliers to BAESMA must (on request) provide to BAESMA the necessary OQE to confirm that their sub-tier suppliers have been adequately assessed and are approved to supply.
- The Supplier must flow down (as required) all BAESMA PO requirements e.g. technical and quality OQE traceability requirements to their sub-tier Suppliers manufacturers/mills.

Security: Where applicable, as part of the delivery of goods and services intended for the CoA through BAESMA projects, suppliers are required to:

- Identify and document entities involved in all levels of the supply chain and advise BAESMA.
- Ensure that suppliers at all levels comply with all security requirements, including but not limited to:
- Applying for and maintaining membership of the DISP at the level required by the CoA and BAESMA.
- Obtaining and maintaining security accreditations for facilities and ICT systems.
- Obtaining and maintaining Australian Government Security clearances for nominated personnel.
- Implementing Protective Security measures consistent with the PSPF, DSPF, and ISM.
- Flow down all ASC and CoA security requirements to sub-tier suppliers of goods and services.

7.7 Purchase Order Nominated Critical (CTCL) Items - Annex E

When supplying Critical (CTCL) specified items, Suppliers are expected to:

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

ANNEX E – Rules for Approval of Suppliers of Contract or PO specified CTCL products.

Security: Where applicable, Suppliers of Security classified CTCL items are to have DISP membership at the level required by BAESMA Security. BAESMA Security may undertake a Security review at all levels of the supply chain to ensure security requirements are met for Security CTCL items. The Security review may require that the Supplier implement additional Security Risk mitigation strategies or controls sufficient to mitigate security risks.

7.8 Inspection and Testing Planning (ITP) Applicability/Controls

Where a PO requires the Supplier to submit an ITP, the Supplier's ITP document will be subject to BAESMA approval and must be submitted prior to commencement of work.

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

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

Annex D: BAESMA Template/Example of a Supplier Inspection and Test Plan (ITP).

Security: Where applicable, Security hold points will be required for the purpose of validating security measures as part of physical construction or production. Security witness testing may also be conducted by BAESMA Security representatives and/or CoA representatives. Hold points and witness testing will be conducted in accordance with CoA Security policies and procedures. Suppliers will provide a security hold point and witness testing plan that meets BAESMA and CoA notice of inspection requirements.

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

Suppliers shall be able to identify outputs when it is necessary to ensure the conformity of products and services to BAESMA requirements.

Unless otherwise stated in the PO, records must be retained for a minimum commercial period specified under the Australian Product Liability law.

Security: Where applicable, records under contract to CoA are required to be retained for the maximum of the following:

- As stated in the BAESMA, project Contract or PO.
- The minimum period set out by the National Archives of Australia.

7.10 ISO 9001:2015 Section 7.1.5 Monitoring and Measuring Resources

Suppliers are required to maintain fully calibrated Inspection Measuring and Testing Equipment (IMTE) used to ascertain compliance with BAESMA PO or Contract requirements e.g. pressure gauges, micrometres, Vernier callipers, scales, jigs, fixtures, tools, dies, tape measure etc. The Supplier calibration system must be fully compliant with the requirements of ISO 9001:2015.

- IMTE calibration must be performed by NATA accredited laboratories or equivalent (e.g. A2LA) and certificates must be NATA (or equivalent) endorsed.
- The Supplier's/subcontractor's IMTE calibration system/procedures must ensure that an assessment of the validity of previous measuring results is undertaken when an IMTE is found to be defective or out of calibration. BAESMA must be notified in the event of potential non-conforming products and services delivered as a result of an out of calibration IMTE.

Security: An event of potential non-conforming products and services may also be reportable as a Security incident to BAESMA Security and CoA where the event is a strategic material interest issue of the CoA or constitutes a Security incident under Defence or Commonwealth Security policy.

7.11 Mutual Recognition for Test Laboratory and Supplier Facility

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

Security: Where applicable, under Security of Information Agreements/Government Security Arrangements, BAESMA will accept mutual recognition of supplier facilities and personnel security arrangements for overseas suppliers subject to the security risk of the activity and as approved by the CoA.

7.12 Product Marking/Traceability/ Packaging and Preservation

Where required in the PO, each delivered item must be identified with the following information where applicable and as agreed with the buyer:

- Purchase Order and Revision Number;
- PO Line/Item Number;
- Material Certificate Number;
- Heat Number;
- Item Description;
- BAESMA Part Number (NATO Stock Number or BAESMA catalogue/part Number);
- Quantity;
- Manufacturer's part number, including identification of the original equipment manufacturer and country of origin;
- Controlled goods identification;
- Serial Number;
- Batch Number;
- Rubber Hardness;
- Rubber Cure Date;
- Use By/Shelf Life;
- Date Of Manufacture;
- Expiry Date;
- Software Version Number;
- Cleanliness Certification Statement;
- Weight Certification Statement;
- Supply of Hazardous Materials and Hazardous Substance; and

Note: When a hazardous material or substance is to be delivered to BAESMA, the Supplier must provide 'Material Specification' and/or Material or Substance Safety Data Sheet (MSDS) or Safety Data Sheet (SDS).

7.13 Hazardous materials

Suppliers are required to immediately notify BAESMA in the event of hazardous materials being used. These materials due to their chemical, biochemical, microbiological or radiological properties, or temperature or state of compression, could in sufficient concentration cause:

- harm to human health and safety or personal injury;
- property damage; and
- environmental harm or environmental nuisance.

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

Note: When a hazardous material or substance is to be delivered to BAESMA, the Supplier must provide 'Material Specification' and/or Material or Substance Safety Data Sheet (MSDS).

7.14 Hazardous Substances

Suppliers are required to immediately notify BAESMA in the event of hazardous substances being used.

Hazardous substances are listed on the Safe Work Australia Hazardous Substances Information System (HSIS) or determined to be a hazardous substance by the manufacturer or importer of the substance.

Note: Hazardous Materials/Substances shall be accompanied with Safety Data Sheets (SDS) when delivered to BAESMA.

7.15 Environmental Sustainability

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

As such, BAESMA values consideration of environmental, societal and cost impacts across the full lifecycle of products and services supplied to BAESMA. Where applicable, the Supplier will be required to provide BAESMA with sustainability information for their operations.

7.16 Supplier Product Application Awareness

The supplier must be made aware and be aware of the intended application for the delivered products or services as specified in the PO or Contract, i.e. awareness that products or services being sourced by BAESMA may be intended for '*static*' or '*dynamic*' environments that may be subject to:

- Corrosion;
- Shock;
- Noise;
- Vibration;

- Pitch and roll, etc.

Note: If the intended product/service application is not clear in the Contract or PO, this is to be identified, clarified and resolved with the Supplier prior to commitment to supply.

7.17 Counterfeit Products (safety/Security) - Risk Mitigation and Prevention

All materials, hardware, mechanical items, electronic parts, assemblies and products as well as any test equipment or device used to qualify or test these items must be certified by using one of the following methods to ensure they contain no counterfeit items:

- Ensuring use of approved Suppliers and sub-tier Suppliers/manufactures/mills with sure knowledge and use of sources of genuine material or their authorised distributors e.g. OEM, OCM, AD or FD.
- Use of Certificate of Conformance (CoC) obtained from the OEM/Supplier to the effect that the supplied item has been subject to due diligence and contains no counterfeit material; or,
- Obtaining an independent assessment by a recognised authority or institution to the effect that the item does not contain any counterfeit material.
- Utilising BAESMA Supply Chain and Inventory Management where possible to establish traceability controls to ensure that only non-counterfeit supplies are sourced and used.
- For counterfeit prevention measures, ref. ISO 12931 Performance criteria for authentication solutions used to combat counterfeiting of material goods.

Counterfeit Parts Risk Assessment Matrix (Refer to Annex C)

This matrix is to be considered when sourcing and purchasing parts to ensure that:

- Consideration is given as to the intended use of the parts and the **pedigree** of the source. This information is to be used to determine the level of risk.
- The risk level is then used to determine the level of traceability and verification required prior to the parts use.
- The BAESMA Business Unit (BU) Director and Director of Engineering in addition to Project Manager (PM) approval is required to use a supply source for safety critical products that are prohibited, or equipment with Level 4 requirements being applicable as defined in the Matrix at **Annex C**.
- **Security:** Where products, materials, hardware, mechanical items, electronic parts or assemblies are classified or sensitive, the Certificate of Conformance must also include security certification and/or security accreditation of the item to the level required by BAESMA Security and CoA. Certification and accreditation will be undertaken in accordance with PSPF, DSPF and ISM and associated security policy requirements. This includes supply of security documentation associated with the product which may include, but are not limited to, a security plan, system design and description document, system security plan, system security risk assessment and system security instructions.
- Counterfeit or suspected counterfeit items are also to be reported as a Security incident and are reportable to the CoA and the BAESMA Security function.

Note : *In the event of counterfeit or suspected counterfeit items or parts detected, these shall be immediately reported to BAESMA Supply Chain and Quality management for further investigation, including Containment, Disposition, root cause analysis (RCA) or Corrective and Preventive Action (CAPA).*

7.18 Controlled Material/Technology

As a Defence contractor, many Technology Agreements and licenses covering an extensive range of data, software, goods and services (Controlled Material/Technology) that it imports, exports, transfers in country and uses itself, bind BAESMA. These Technology Agreements and Defence Trade Controls:

- Impose strict conditions on BAESMA use of any Controlled Material/Technology it procures;
- Have the potential to expose BAESMA and its employees, contractors, Suppliers etc. to severe penalties for non-compliance, including multi-million dollar fines, lengthy prison terms and bans from accessing the technology BAESMA needs to complete its contracts.
- As part of the contract with BAESMA, the Supplier may be provided with Commercial-in-Confidence Technical Information and other Technical Information (or components/Materials) that are be subject to Controlled Material export control restrictions and Controlled Material/Technology handling procedures.
- All Technical Information must be handled strictly in accordance with stipulated restrictions and signed confidentiality agreements.
- Controlled Material will be clearly identified as Controlled Material/Controlled Technology. Controlled Materials/Controlled Technology cannot be disclosed to any unauthorised persons or commercial parties including employees, subcontractors, consultants, Suppliers or sub-tier Suppliers/manufacturers/mills.
- Controlled Material and other technical information provided by BAESMA may only be used by the recipient in accordance with the terms of the contract between BAESMA and the recipient, or, in the absence of a contract, it may only be used strictly for the purposes for which it was provided. The unauthorised disclosure, reproduction or use of such data/components is prohibited by law, to which severe may penalties apply.
- On completion of the contracted activities, the original information/technical data and any copies must be returned to BAESMA on request.

Note: Suppliers shall seek additional guidance by accessing the Australian Guide to Export Controls and Best Practices, published by the Australian Industry Group (AIG) and hosted on the Australian Department of Defence website at:

- <http://defence.gov.au/ExportControls/LifeSciences7.asp>
- http://www.defence.gov.au/ExportControls/ Master/docs/Australian_Best_Practice_Guide.df

WARNING! BAESMA expects its Employees, Contractors and Suppliers to comply at all times with BAESMA requirements for protecting controlled Material/Technology from loss and unauthorised use and transfer.

7.19 Handling of Customer supplied Materials

The Supplier Customer(s) supplied materials must undergo the same level of 'Inwards Goods Assurance Inspection' and traceability controls as that of any other materials purchased by the Supplier, and:

Where required, 'Inwards Goods Inspections' must include sample dimensional inspection, visual inspection and marking/traceability checks (validated against the delivered certification/OQE). Material traceability must be maintained up until the point of use in production. Any unused material (including off cuts/remnants) must be marked and remain fully traceable up until the point of use in the Supplier's production or return to BAESMA on request.

Security: Where applicable, materials which require higher levels of handling or accountability (e.g. materials for classified products etc.) will need to go through an approved destruction process if not returned to BAESMA. The BAESMA Security function is to verify full traceability and conduct inspection to validate controls applied.

7.20 Supplier Qualification (Evaluation and Approval)

BAESMA maintains an Approved Suppliers List (ASL), which is linked to specific items, commodities and equipment that Suppliers are approved to supply.

The Supplier ASL consists of companies that have been assessed as having the capability, willingness and minimum standard of approved security arrangements to work together with BAESMA to fulfil BAESMA requirements and business needs.

As part of the Supplier Approval Process, all new BAESMA Suppliers must complete a Supplier Qualification Questionnaire, which must be submitted together with supporting OQE. The Supplier submitted information will be assessed in accordance with internal BAESMA Quality and Supply Chain processes.

Security: The Supplier submitted security information will also be assessed in accordance with BAESMA and CoA security requirements.

Security requirements, in addition to the completion of Non-Disclosure Agreements/Deeds of Undertaking, will be completed to the satisfaction of BAESMA Security function and CoA prior to the provision of information, assets or technology.

The Supplier approval will be given before BAESMA will enter into a Contract or PO with a new Supplier.

7.21 BAESMA Approved Supplier's List (ASL)

To be considered for the BAESMA ASL, Suppliers will undergo systematic levels of reviews and checks which may also include on-site qualification quality audits/reviews by BAESMA Supplier Quality Assurance (SQA) and Supply Chain Functions as required.

Once Suppliers have been approved to supply, BAESMA Supplier Quality Assurance (SQA) and Supply Chain Functions (SC) may conduct regular quality audits/Supplier visits to ensure the Supplier can consistently meet BAESMA Quality Right First Time/DIFOTIS expectations.

Suppliers will remain on the BAESMA ASL so long as they continually supply compliant quality goods and services in a timely manner.

Security: Where applicable, Suppliers will also undergo security assessments which may include on-site visits/audits/reviews by the BAESMA Security function or CoA Security representatives.

7.22 Supplier Quality Performance Review (SQPR)

BAESMA Quality and Supply Chain Functions conducts regular Supplier Quality Performance Reviews (SQPR) which is aimed at continuously improving the quality and timely delivered of products, services and OQE documentation i.e. Deliver in Full on Time in Specification (DIFOTIS).

The SQPR involves reviews of objective 'Right First Time' data obtained from the BAESMA ERM System. The reviews also consider other available information e.g. 'Customer-Supplier' relationships, responsiveness to requests, Supplier Corrective Action Requests (SCAR) resolution times etc. This combined data is analysed by the BAESMA Supply Chain and Quality departments to determine Supplier performance.

The SQPR is complemented by a proactive Supplier Audit Schedule which is developed based on Supplier and product risks.

If a Supplier's quality performance rating falls to an unacceptable level, the Quality and Supply Chain Functions will determine what additional steps can be taken. Key factors such as a Supplier's overall performance, criticality of product, type and extent of issues the Supplier is experiencing, the cost of qualifying a new Supplier and the availability of other sources when determining necessary actions.

The BAESMA SQAR/SCR will advise the Supplier of any non-conformances or deficiencies detected including SCAR's and will request suitable RCA/CAPA as deemed necessary on a case by case basis. Where required, a BAESMA SQAR/SCR can provide guidance to the Supplier in developing suitable RCA/CAPA actions.

As a result of the Supplier Quality Performance Review (SQPR) and/or SCAR reviews, the Suppliers will be classified as:

- Good Performing Suppliers - Ongoing SQAR/SCR Supplier Monitoring
- Improving Suppliers - Supplier improvement action plan required
- Restricted Suppliers - Supplier Restriction Rules shall apply
- Delisted Suppliers - Suppliers will be removed from BAESMA ASL

Note: Detailed actions for each category will be determined and communicated to the Supplier as required.

Security: Where applicable, supplier review will be based on maturity against PSPF, DSPF and ISM requirements and compliance with core and supporting requirements (mandatory and guidance).

7.23 OQE Requirements/ OQE Attributes Definition/ OQE Delivery

OQE forms a critical path in ensuring the items/services delivered meet BAESMA technical, Quality and contractual requirements. OQE requirements for individual items are specified in the Purchase Orders or Contract DIDs (SDRL/CDRL) unless otherwise stated.

The list of OQE Attributes/Definitions for Commodities is supplied with the PO. BAESMA OQE attributes are defined in the PO.

Notes on OQE Delivery

The method for the delivery of OQE is to be specified in the PO and may include delivery through electronic file transfer protocol (eFTP), PDF files must be emailed directly to the BAESMA Buyer or delivered with the goods or both, unless otherwise agreed.

Commodity Suppliers are required to provide the Purchase Order (PO) specified Objective Quality Evidence (OQE) via E-mail with files in PDF/electronic format to a BAESMA nominated Outlook INBOX.

All PO specified OQE shall be provided in advance, or at least 3 days prior to the shipment of goods.

The title (or Subject line) of the E-mail is to be the BAESMA PO number and Line item.

It is advisable for all OQE to be checked for completeness/compliance by an independent co-worker prior to submitting to BAESMA.

Security: Where items are official, sensitive or classified, they are to be communicated/handled in accordance with the ISM, PSPF and DSPF (i.e. using accredited systems, couriers and methods of transport/transmission/communication).

7.24 OQE Requirements for Refurbishments

PO's for the refurbishment of BAESMA plant and equipment will require an Opening and Closing report to be provided as part of the delivered OQE. This report is to include (when required) photos that clearly capture the condition of plant and equipment as received, a clear list of parts required to refurbish the plant and equipment and photos of the refurbished item prior to dispatch to BAESMA. The OQE requirement for refurbishments is to be specified for each type of item to be refurbished.

BAESMA is to provide an OQE Applicability Matrix for refurbishments. This matrix lists the OQE that needs to be considered by the Supplier at the time of quotation. The Supplier is required to complete this document and provide it to BAESMA for approval prior to commitment to supply. It is to be noted that the Supplier must annotate the PO number and revision Number on this matrix document.

Security: Where applicable, refurbishments may need to be conducted in accordance with the DSPF, ISM and PSPF if the item to be refurbished is Official, Sensitive, Classified or otherwise a Controlled Item or Technology.

7.25 BAESMA Quality Requirements for Fasteners

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

Fastener threads must be sampled inspected by the manufacturer/Supplier to ensure conformance to specified Engineering or Standards requirements.

When specified, fastener surface treatment i.e. plating, galvanising, non-treatment etc. must be sample inspected by the manufacturer or Supplier to ensure complete coverage and conformance to specified Engineering or Standards requirements.

7.26 BAESMA Specified Critical (CTCL) Threaded Fasteners:

Where required, Suppliers are expected to source PO specified CTCL threaded fasteners from manufacturers listed in the DOD MIL-HDBK 57 Listing of Fasteners Manufacturer's Identification Symbols and from CTCL approved Suppliers/manufacturers. Threaded fasteners must be marked i.a.w Standards specified in the PO e.g. carbon steel fasteners to ISO 898 -1 & ISO 898 -2, stainless steel fasteners to ISO 3506-1 & 3506-2, unless otherwise specified.

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

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

7.27 BAESMA Quality Requirements for Shelf Life Products

Shelf life products must fully comply with BAESMA OQE attributes.

The information supplied on the product CoC must (where required) contain the following:

- Purchase Order Number/Contract Number and Revision Number;
- Line Number/Item Number;
- Item Description;
- BAESMA Part Number (NATO Stock Number or BAESMA Catalogue Number);
- Quantity;
- Manufacturer's Part Number;
- Lot traceability No or Batch No;
- Shelf life expiration date/use by date (i.a.w specification);
- Shelf life products must have a minimum of 85% of shelf life remaining upon receipt at BAESMA, unless agreed otherwise with BAESMA.

Examples of Shelf life products are:

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

Security: Where applicable, items shall include security classification, security certification and accreditation details.

7.28 Supplier Corrective Action Request (SCAR/Major NC)

BAESMA Quality and Supply Chain Departments will raise or issue a SCAR to a Supplier where a 'Major Non-Conformance' (major NC) has been identified against a supplied product or service.

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

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

Where a SCAR is issued to a Supplier, the Supplier is required to report the following:

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

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

Major SCAR/NC - Response Timeframes:

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

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

* Completion timeframes that exceed nominated times must be approved by the BAESMA SQAR.

Note: A major NC (SCAR) 'may have' a significant impact in the 'Approved Supplier Status' within the BAESMA ASL, e.g. the Supplier may be classified as: Good Performing Supplier, Improving Supplier, Restricted Supplier or De-listed Supplier.

Security: A Major NC/SCAR may also be raised in the event of breach of security controls.

Annex A - BAESMA Supplier Corrective Action Request (SCAR) Form

7.29 Work Health Safety (OHS) and Environmental (OHS&E)

Suppliers are responsible for all aspects of OHS&E connected with the goods and services supplied to BAESMA and must at their own cost comply with all Work Health Safety legislation and Environmental legislation (Australian Federal and South Australian legislation, including Acts, Regulations, Codes of Practice and relevant Australian Standards), where appropriate and in any way applicable to the goods and services supplied.

Suppliers who subcontract any supplies to a sub-contractor/sub-tier Supplier must equally apply the same conditions to the sub-contractor, sub-tier Supplier, manufacturer, or mill.

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

Suppliers providing services at BAESMA sites will be required to provide evidence that the following are developed, in use and regularly reviewed:

- OHS Management Plans.
- Environmental Management Plans.
- Competency and licensing of personnel.
- Risk Registers and Assessments.

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

BAESMA requires Suppliers to provide a copy of their OHS&E policies detailing environmental and safety commitments.

In most cases, the Suppliers will be required to maintain compliance with OHS&E standards/processes in line with ISO 14001, ISO45001, AS/NZS 4801 or equivalent certification to demonstrate commitment to OHS&E performance or a system based on those requirements.

7.30 Management of Supplier and Sub-tier Supplier Changes

Suppliers are required to ensure major changes to existing PO arrangements are formally communicated to BAESMA well in advance of the change activity to allow BAESMA Quality, Supply Chain and Security functions to expeditiously review the Supplier status in the BAESMA ASL.

Type of Supplier Changes	Potential impact on DIFOTIS Supplier deliveries to BAESMA	Formal notification?
Closure of Australian manufacturing facility in favour of overseas sources, manufacturers, etc.	BAESMA Products being sourced overseas (including Controlled Material/Technology). New management and personnel not fully aware of BAESMA processes and SQAM Requirements.	Yes
Moving to new facilities to that previously audited by BAESMA.	Management and Personnel not fully aware of BAESMA processes and SQAM Requirements.	Yes

New ownership, new management or new production/engineering supervision.	New management and personnel not fully aware of BAESMA processes and SQAM Requirements.	Yes
Supplier Name Change.	ASL Listing needs updating, impact needs evaluation by Supply Chain and Quality	Yes
Offshoring of data, information or assets or outsourcing to offshore entities.	These will also require notification to CoA and approval of BAESMA Security function and CoA prior to proceeding. The ASL Listing needs updating, impact needs evaluation by Supply Chain, Quality and security functions.	Yes

Note: Quality and Supply Chain departments may need to conduct a review/audit of the new Supplier or sub-tier Supplier status in order to assess its impact on BAESMA RFT deliveries.

7.31 Security Program Effectiveness (Cyber Security/Security)

The Security program for all BAESMA projects is to be managed in accordance with the Project Security Management Plan, Project Security Risk Assessment and Project Cyber Security Management Plan.

An element of the BAESMA Software Quality Assurance (SWQA) Program is to ensure that the cyber security program is effective and has been implemented in accordance with the Cyber Security Management Plan (CSMP). A cyber security C2M2-based *Organisational Mature Assessments* shall be undertaken along with audits to confirm compliance with the plan and ensure associated risks are being effectively managed.

Software management requirements flowed down to sub-contractors shall include fundamental Configuration Control documentation such as Version Description Documents (VDD) and Publications Accounting and Inventory Data System (PAIDS) documentation. These standards also apply to all GFM and GFI supplied equipment and materials. Any identified GFM Risk will be managed through the Risk Management Process.

Security: Where applicable, the BAESMA Security function and the CoA will review supplier security maturity assessments to ensure that security risks are adequately mitigated and measures in place to meet core and supporting requirements and mandatory controls.

The Supplier (and sub-contracted suppliers at all levels) will be responsible for costs arising from data spills or remediation required resulting from non-compliance with Commonwealth, Defence or ASC Security policy and instructions at no cost to BAESMA or the CoA.

Suppliers will have Security plans, Security Risk Management, training, policies and other structures and procedures in place to protect OFFICIAL, OFFICIAL: Sensitive or Classified information and assets from loss, compromise, interference sabotage destruction or unavailability.

Security impacts will be assessed in accordance with the Security Risk Assessment Matrix at Figure 1 Below:

Figure1: Security Risk Assessment Matrix

Likelihood	Consequence					
	Minimal	Minor	Moderate	Major	Severe	Catastrophic
Extreme	Moderate	Significant	High	Extreme	Extreme	Extreme
High	Low	Significant	High	High	Extreme	Extreme
Medium	Low	Moderate	Significant	Significant	High	Extreme
Low	Low	Low	Moderate	Moderate	Significant	High
Very Low	Low	Low	Low	Moderate	Moderate	Significant
Negligible	Low	Low	Low	Low	Low	Moderate

7.32 Configuration Management

Where changes to a Supplier product design or system design is carried out, i.e. changing the existing product design drawings, specifications baseline or carrying out a new product system/design baseline, the Supplier shall apply recognised configuration management system processes that comply with Defence Standard *DEF 05-57 Configuration Management of Defence Materiel*.

Where there has been a change to the design of a product or system that has been agreed between the Supplier and BAESMA, the Supplier shall immediately notify BAESMA in writing. This is to ensure that any of these changes will not affect the fit, form and function of the product or the system's design/application.

The supplier is also expected to have in place processes that will ensure adequate configuration control of Software, Firmware and UAT.

7.33 Certificate of Conformance (COC)

See **Annex G** for an example of a COC.

7.34 Customer/Supplier Relationship and Feedback

BAESMA is fully committed to maintaining an excellent relationship with all our Suppliers. BAESMA believes that without the assistance and commitment of our Suppliers the requirements specified in this manual cannot be adequately achieved.

Suppliers must immediately contact BAESMA Supply Chain function, Quality function or Security function in the event that any requirement contained in the BAESMA Contract, PO, or this SQAM document, is not fully understood. This include but not limited to Technical, Commercial, Quality, OHS&E and Security Requirements.

8. ANNEXES

8.1 ANNEX A - Supplier Corrective Action Request SCAR Form

SUPPLIER CORRECTIVE ACTION REQUEST (SCAR)			
SECTION 1: BAESMA to Complete			
Supplier Name:		SCAR / NC No.	
		Date SCAR Issued to Supplier:	
Supplier Address:		BAESMA Audit No.	
		SCAR Risk Rating:	
Supplier/ Vendor ID:		Assigned to Supplier/Company Quality Representative (SQR) Name: _____ Email: _____	
<u>AS/NZS ISO 9001 Accreditation Body:</u>		<u>License No.:</u>	Supplier Last Reviewed by BAESMA date:
Certifying Body required to be Notified:		Yes/No	
BAESMA Supplier Quality Assurance Representative (SQR): Name: _____ Email: _____			Date Supplier Initially notified by BAESMA : _____
NC Description: (Part No./Location/Process/details/Quarantine NC No), etc. Note: If necessary, Insert Appendix Page(s) & Attach Photos/Sketches/Additional Information etc.			
SECTION 2: Supplier to Complete			
Containment and Remedial action: Note: SCAR (Major NC) - Initial response (Action Plan) to BAESMA is due in 3 working days from date notified.			
Completed by (Name): Position:		Date:	Comments:
SECTION 3: Supplier to Complete-BAESMA to Approve			
Root Cause Analysis (RCA) Details/Primary Root Cause(s): RCA Tools: 8 D, Failure Mode Effect Analysis (FMEA), Process Flow Diagram, 5W2H (who, what, where, when, why, how and how many), Tap Root® etc.			
Underlying Root Cause(s) Details/Secondary Root Cause(s) Note: If needed attach working documents			
Root Cause Determined by : Name: _____ Position: _____		Date:	Comments:
Implemented Corrective action:			Completion Date:
			Comments:
Implemented Preventive action:			Completion Date:
			Comments:
Completed by Supplier Quality Representative Name:		Date:	Comments:
Approved by BAESMA Supplier Quality Representative -Name:		Date:	Comments:

8.2 ANNEX B - Supplier SCAR Action Plan Form

This ACTION PLAN form is applied to address/manage Supplier Major Non-conformances reported as Supplier Corrective Action Request (SCAR)

SUPPLIER CORRECTIVE ACTION REQUEST(SCAR) ACTION PLAN FORM					
SECTION 1 - BAESMA TO COMPLETE					
SCAR/NC Number:		Audit Number:		Response Due Date:	
BAESMA Task Owner:		Department:		Action Plan Date:	
SCAR/NC Description <div style="text-align: center; color: blue; font-size: 2em; transform: rotate(-30deg); opacity: 0.5;">Example Only</div>					
Discovery (Audit, Inspection, Tests, etc):	Source		SCAR/NC Risk Rating(Extreme/High/Medium):		
SECTION 2 - SUPPLIER TO COMPLETE					
Proposed Action Plan <div style="height: 150px;"></div>					
Supplier Quality Representative Name:				Proposed Completion Date:	
Note: The Supplier is required to conduct an initial review the SCAR and advise the intended corrective action plan and the proposed date for completing Sections 2&3 of the SCAR form. The Supplier is required to complete and return this Action Plan form within 3 working days of receipt and the SCAR form within 10 working days of receipt. If the Supplier is unable to meet this timeframe, the BAESMA Supply Chain/Quality Representative must be contacted to ensure that a mutually acceptable completion date is agreed upon.					

8.3 Annex C – BAESMA Counterfeit Parts Risk Assessment Matrix

ASC Shipbuilding Counterfeit Parts Risk Assessment								
Low Risk ← → High Risk								
Low Risk ↑ High Risk	Verify the Pedigree of the Source and the Products Application to determine the Level of Risk	Non-critical Applications	Short Product Life Expectancy/ Non Critical Applications	Product accessible to Field Repair	Application Critical	Alerts on Items	Field Work or Repair Impossible (eg. Satellites, etc.)	Mission Critical Safety Critical
	Original Component Manufacturer (OCM) or Certified Manufacturer	Level 1	Level 1	Level 1	Level 1	Level 2	Level 2	Level 2
	Franchised Distributor	Level 1	Level 1	Level 1	Level 2	Level 2	Level 2	Level 2
	Original Equipment Manufacturer (OEM) / Contract Manufacturer	Level 1	Level 1	Level 2	Level 2	Level 2	Level 2	Level 3
	Preferred Independent Distributor	Level 1	Level 2	Level 2	Level 2	Level 2	Level 2	Level 3
	Non-Preferred Independent Distributor	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 4
	Unknown Source	Level 3	Level 3	Level 3	Level 3	Level 3	Level 4	Level 4
	Supplier has Counterfeit Part Notification issued against them	Level 3	Level 3	Level 3	Level 4	Level 4	Level 4	Procurement Prohibited

Additional Guidance

Additional Purchasing Requirements

Level 1 – Low Risk

- Standard procurement process
- Supplier Certificate of Conformance (CoC), standard receipt inspection

Level 2 – Medium Risk

- Standard procurement process
- OCM/OEM CoC with specialist project inspection via RFE&T

Level 3 – High Risk

- Standard procurement process with additional Counterfeit Parts Ts&Cs added to Purchase Order (PO)
- OEM CoC, with specialist project inspection via RFE&T

Level 4 - Critical

- Standard procurement process with additional Counterfeit Parts Ts&Cs added to PO
- OEM CoC with specialist project inspection and test procedures selected and authorised by Project Design Authority

Responsibility & Accountability

- Procurement Officer
- Store person
- Procurement Officer
- Project Quality and Engineer perform inspection and test
- Procurement Officer
- Project Quality and Engineer perform inspection and test
- BU Procurement Manager
- Independent Nata Certified Test House performs inspections and tests.

8.4 Annex D - Inspection and Test Plan (ITP) Template Example

INSPECTION AND TEST PLAN (ITP) - **EXAMPLE ONLY**

NOTE: ITP FOR LARGE CONTRACTS WILL BE DETAILED IN DID QA 002 - INSPECTION AND TEST PLAN

Company Name/Address:	MYW Fabrication Pty Ltd, 25 J Howen Rd, Cavan SA				
Customer Name:	BAESMA Pty Limited Address: 640 Mersey Road North Osborne, SA 5017		ITP No./Revision No.:	059/Rev 01	
Customer Contract /PO /No:	NN 2564	Compiled By:	John Smith	Date:	15 July 2019
Customer Work Order No./Rev:	254NN/Rev 01	Checked By:	Peter Brown	Company Quality System:	ISO 9001:2015
				Accreditation No:	1234/NN - TQCSI

Description:	Fabricate Stiffeners/Bottom Assy	Drawings:	2-209-Rev02 2-210-Rev01	Legend	QC RD	Quality Control Internal	W	Custom Witness Point
						Production Dep.Supervisor	R	OQE Required in Work Order
Note: Witness Point activity may proceed in the event of customer non-attendance					H	Customer/Third Party Hold Point (Mandatory Attendance)		

Seq No.	ITP Activity Description	Applicable Internal Procedure/Doc.	Acceptance Criteria	Verifying Document	Company Internal		Customer		Third Party		Date
					Activity	Sign/Date	Insp	Sign	Insp	Sign	
1	WO Pack Requirements Review	RR review Matrix	BAESMA DRG	SP 009	PD	22/05/2019					
2	Receipt Inspection of materials and consumables	Purchase Order (PO) N257 Rev1/Customer Work Order	Receipt Proc 03	Material in ERM Stock	QC	22/05/2019					
3	Welding Procedures Nominated	WPS NN253 Supplied by Customer	SP 234 Rev2	Boiler Maker Supervisor	PD	26/05/2019					
4	Welder Qualifications	Spec 234 Rev2	ISO 5817 B	NATA Test Results	QC	26/05/2019	W	SM	W	JS/LLOY	27/05/19
5	Welding	WPS236	ISO 5817 B	Welding Supervisor Cert 10	PD	22/7/2019					
6	Final Inspection	Work Order/Internal Proc	Work Order	Quality Inspector	QC	22/08/2019	H	SM	H	JS/LLOY	22/08/19
7	Review of OQE	Quality 235 Rev 2	Work Order	Quality Inspector	PD/QC	23/08/2019					
8	Packing and despatch	Despatch 236 Rev 1	Work Order	Warehouse Supervisor	PD	24/08/2019					

8.5 Annex E - Rules for the Approval of Suppliers of Critical Products (CTCL)

PO/CONTRACT NOMINATED CRITICAL (CTCL Products/Parts)

To be approved to supply Contract or Purchase Order (PO) nominated Critical Commodity Products (CTCL) to BAESMA, the Supplier/Sub-contractor is required to comply with at least one of the following criteria:

1. Objective Evidence (certificate) to indicate that the Supplier/Manufacturer/Mill has obtained product approval/Approval of Manufacturer (AOM*) by independent bodies e.g. Lloyds, NK, KR, ABS, DNV-GL, SGS, BV, TUV etc.
2. Objective Evidence (OQE) indicating that the particular Supplier/manufacturer/mill is an approved Supplier to e.g. UK MoD, BAES, US Navy, US DOD, Electric Boat Corporation (EB), Bath Iron Works (BIW), Northrop Grumman Corporation (NG), New Port News (NN), Shell, BP, etc.
3. Objective Evidence (OQE) indicating that the BAESMA direct Supplier (or other party) has conducted audit(s) of the sub-tier Supplier/manufacturer/mill manufacturing and testing facilities/processes (including independent product testing to verify compliance with the product standards) and with demonstrated OQE indicating satisfactory results.
4. Independent Product testing (certificate) by a NATA or equivalent testing house (e.g. A2LA) i.a.w. BAESMA Engineering Function defined criteria (this is to qualify individual batch deliveries only, not the manufacturer/mill).
5. BAESMA Supplier Quality Assurance (SQA) may also conduct audits of the Sub-tier Supplier/Manufacturer/Mill manufacturing and testing facilities/processes (including independent product testing to verify compliance with the product standards) and with demonstrated OQE indicating satisfactory results.
6. **Security:** Where applicable, the Supplier, the sub-tier Supplier or Manufacturer will be required to provide evidence of compliance with BAESMA/CoA Security nominated requirements/protocols.

Note

Approval of Manufacturers (AOM) is a qualification scheme for manufacturers of materials. The objective is to verify that the manufacturer can produce specific grades or types of materials that conforms to Ship Classification Society Rules e.g. Lloyds, ABS, DNV-GL, BV, NK, etc. In order to be approved, the manufacturer must demonstrate and submit documentation to the effect that the necessary manufacturing, testing and inspection facilities are available and supervised by qualified personnel. The Approval of Manufacturer does not concern management systems, and has therefore nothing to do with ISO 9001. The scheme is rather a technical product approval, quite similar to Type Approval, which implies that the design approval is done once, and this approval is made valid for all subsequent components of identical design.

8.6 Annex F - Contract Requirements Review Template (Example Only)

[illegible]

8.7 Annex G – Certificate of Conformance (COC Example Only)

Insert Company Logo Design & / Or Company Symbol Here		<h1>Certificate of Conformance</h1>			
1. Customer Purchase Order (PO) No. & Revision No.		2. Supplier Name (Include Address, Email, etc.):			
3. Contract /Modification No.		4. Approved Deviations and/or Concessions(as applicable):			
5. Delivery Address:		6. Customer Name (Include Address and Email etc.):			
7. Customer PO Line item No. & Part number:		8. Product Description – As per P/order Request Detail/s:	9. Manufacturer Part/Model Number:	10. Quantity Supplied:	11. Shipment Document:
					12. Quantity Owing:
13. Traceability Information (As applicable), relates to specific contract item numbers where more than one item supplied.					
a. Sub Contract/ Order Number :					
b. Catalogue/Item Number :					
c. Specification/Drawing Number including issue :					
d. Identification Marks and/or serial number/s :					
e. Material Cast number :					
f. Batch, Heat and/or Lot Number :					
g. Test and/or Inspection Report/s :					
h. Incoming release Note number/Reference :					
14. Other Remarks or Comments: (e.g. Cure date. Shelf life.)					
15. Supplier Statement of Quality : It is certified that apart from the approved deviation permits/concessions noted in item 4 above, the products listed above conform in all respects to the contract/purchase order and Technical Specification requirements.					
Date:		Supplier Authorised Representative - Name and Title		Supplier Authorised Representative – Signature	