

AMS/FAST CHANGE REQUEST (CR) COVERSHEET

Change Request Number: 20-24A

Date Received: November 13, 2019

Title: Quality Assurance AS9100 Reference - Guidance Update

Initiator Name: Tim Eckert

Initiator Organization Name / Routing Code: Procurement Policy Branch, AAP-110

Initiator Phone: 202.267.7527

ASAG Member Name: Michelle Brune

ASAG Member Phone: 202-267-7328

Policy and Guidance: (check all that apply)

- ☐ Policy
- ☒ Procurement Guidance
- ☐ Real Estate Guidance
- ☐ Other Guidance
- ☐ Non-AMS Changes

Summary of Change:

Update of Quality Standard references from AS9000 to AS9100.

Reason for Change:

Update to a more appropriate quality standard.

Development, Review, and Concurrence:

Quality Assurance Division (AAP-700), Contracts, and Acquisition Policy

Target Audience: Program offices and quality assurance personnel

Briefing Planned: No.

ASAG Responsibilities: None.

Section / Text Location: T3.10.4

The redline version must be a comparison with the current published FAST version.

☒ I confirm I used the latest published version to create this change / redline

or

○ This is new content

Links: <https://fast.faa.gov/docs/procurementGuidance/guidanceT3.10.4.pdf>

Attachments: Redline and final documents.

Other Files: N/A

Redline(s):

Section Revised:

T3.10.4

1 Objectives

3 Levels of Quality Requirements and Standards

Procurement Guidance - (4/2020)

T3.10.4 Quality Assurance Revised 7/2007

A Quality Assurance

1 Objectives Revised ~~7/2007~~4/2020

2 Responsibilities Revised 7/2017

3 Levels of Quality Requirements and Standards Revised ~~10/2014~~4/2020

4 Acceptance Revised 7/2007

5 Warranties Revised 7/2007

6 Government-Industry Data Exchange Program Revised 7/2007

7 Considerations for Use of Clauses Revised 7/2007

8 Construction Nonconforming Parts Revised 7/2007

B Clauses Revised 7/2007

C Forms

D Appendix Revised 7/2007

T3.10.4 Quality Assurance Revised 7/2007

A Quality Assurance

1 Objectives Revised ~~7/2007~~4/2020

The quality assurance objectives related to the National Airspace System (NAS) acquisitions for systems, equipment, material, and services are:

- a. To establish appropriate quality assurance program requirements for use in the acquisition process.
- b. To require and obtain delivery of systems, equipment, material, and services that conform to established technical requirements.
- c. To utilize ~~ANSI/ASQ-Q9000~~AS9100 series standards on acquisitions when a higher-level quality standard has been identified. Third-Party Registration of an offeror's/contractor's quality system is not required.
- d. To eliminate the potential safety risk posed by nonconforming parts in NAS construction. Included in the category of nonconforming parts are suspected unapproved parts (SUP).

2 Responsibilities Revised 7/2017

- a. *Product or Service Team.* The product or service team should coordinate with the Acquisition Quality Assurance Group (AAQ 100) and should include quality assurance provisions in procurement planning documents, screening information requests (SIR), specifications, engineering requirements, purchase descriptions, work statements, work orders, and procurement requests necessary to meet the quality assurance objectives set forth above. The product or service team should ensure that appropriate criteria are developed for evaluating the quality assurance plans included in prospective contractors' proposals.
- b. *Office of Acquisition and Contracting.* The Office of Acquisition and Contracting implements agency policy, standards, and procedures for the quality assurance programs involved in NAS acquisitions for systems, equipment, material, and services. In addition, the Office provide guidance, oversight, and support to regions, service centers, and centers for implementing quality assurance programs to ensure compliance with the quality assurance policy.
- c. *Quality Reliability Officer (QRO).* The QRO has the responsibility to provide on-site support at the contractor's facility under the authority delegated by the Contracting Officer. The QRO ensures that the contractor's quality system satisfies the contract quality assurance requirements, and is authorized to accept or reject systems, equipment, and material in accordance with the contract requirements.

d. *Contracting Officer (CO)*. Before issuing the SIR, the CO ensures appropriate QA provisions are included in the documentation. The CO coordinates with the Acquisition Quality Assurance Group regarding appropriate QA provisions. After contract award, the CO forwards copies of the contract to the Acquisition Quality Assurance Group. The draft letter of QRO designation to the contractor is forwarded by the Quality Assurance Group to the CO for signature. A sample letter is in Appendix 1.

(1) The CO should coordinate with the Acquisition Quality Assurance Group before issuing new SIRs or other draft SIRs outside of the FAA to ensure that contracts contain appropriate quality assurance provisions.

(2) Once the contract is executed, the CO ensures the contractor delivers the systems, equipment, material, and services in accordance with all quality provisions of the contract.

e. *Regions, Service Areas, and Centers*. The regions, service areas, and centers should include appropriate requirements for quality assurance programs in their NAS acquisitions for systems, equipment, material, and services

3 Levels of Quality Requirements and Standards Revised ~~10/2014~~4/2020

The quality standard or requirements to be used on FAA procurements is dependent on several factors such as criticality, complexity, and dollar value of the system, equipment, material, or service, as well as the nature of the procurement (i.e. fixed price vs. cost, R&D vs. production, etc.). A critical application of an item is one in which the failure of the item could injure personnel or jeopardize a vital agency mission. Complex items have quality characteristics, not wholly visible in the end item, for which conformance must be established progressively through precise measurements, inspections, tests, and controls applied during purchasing, manufacturing, performance, assembly, and functional operations. Noncomplex items have quality characteristics for which simple measurement and test of the end item are sufficient to determine conformance to contract requirements. Basically there are three levels of contract quality requirements.

a. *Contractor Inspection* This simplest level, contractor inspection, is used for small purchases whereby the item being procured is not complex or critical. Using this requirement, the contractor is solely responsible for inspecting the item, and there is no government source inspection or involvement.

b. *Standard Inspection*. There is a wide variety of clauses to use depending upon the nature of the procurement. The appropriate standard inspection clause(s) should be used on all FAA procurements when the item procured warrants something greater than Contractor Inspection (i.e. other than non-complex small purchases). The various standard inspection clauses essentially require an inspection system acceptable to the government, provide for government inspection at source, and provide various administrative details such as handling unacceptable items.

c. *Higher-Level Contract Quality Requirements.* The final level is usually referred to as "Higher-Level Contract Quality Requirements." This is used on those procurements that are for NAS systems and equipment whereby the product is sufficiently complex and critical to warrant a requirement for a complete Quality Assurance System approach rather than just a final inspection requirement. The Office of Acquisition and Contracting is using the ANSI/ASQ-Q9000AS9100 series standards on acquisitions when a higher-level quality requirement has been identified.

4 Acceptance Revised 7/2007

- a. Acceptance by a Government representative constitutes acknowledgment that the supplies or services conform with applicable contract requirements, subject to other terms and conditions of the contract. Acceptance is ordinarily evidenced by execution of an acceptance certificate on an inspection and acceptance form such as FAA Form 256, or by a commercial shipping document/packing list.
- b. Acceptance of supplies or services is the responsibility of the CO. This responsibility may be assigned to a cognizant Quality Reliability Officer (QRO) (e.g. for final acceptance at origin) or to a program office or regional representative (e.g. for final acceptance at destination). Acceptance by any of these persons is binding on the government.
- c. Each contract should specify the place of acceptance as well as other necessary acceptance provisions.
- d. A certificate of conformance may be used in certain instances instead of source inspection (whether the contract calls for final acceptance at source or destination) at the discretion of the CO when based upon the past performance of the contractor, and based upon the associated risk of receiving a defective item, it is concluded that a certificate of conformance is in the Government's best interest. In no case, however, must the Government's right to inspect supplies under the inspection provisions of the contract be prejudiced.

5 Warranties Revised 7/2007

a. General.

(1) Warranties should provide:

- (a) A contractual right for the correction of defects notwithstanding any other requirement of the contract pertaining to acceptance of the supplies or services by the FAA; and
- (b) A stated period of time or use, or the occurrence of a specified event, after acceptance by the FAA to assert a contractual right for the correction of defects.

(2) The benefits derived from a warranty must be commensurate with the cost of the warranty to the FAA.

(3) In many cases an item is customarily warranted in a trade, and the cost of the item will be the same whether or not a warranty is included. In this case, it is the FAA's best interest to include such a warranty.

(4) Special warranty clauses whose terms substantially differ from those typically offered by vendors to their customers will likely result in a higher contract price. The decision to include a special warranty provision in a contract is a business decision; however, the CO should consider the standard market practices for each commodity as well as the costs and benefits to FAA when making that decision. Special warranty clauses developed for use by the FAA when used for products or equipment use the date of receipt (rather than the date of acceptance) to start the warranty period. Incorporating an express warranty into a contract negates the remedies available under the Universal Commercial Code (UCC).

(5) Warranty clauses must not limit the FAA's rights under an inspection clause in relation to latent defects, fraud, or gross mistakes that amount to fraud.

b. *Criteria.* In determining whether a warranty is appropriate for an acquisition, the CO must consider the following factors:

(1) Nature and use of the supplies and service:

(a) Complexity and function;

(b) Degree of development;

(c) End use;

(d) Difficulty in detecting defects before acceptance; and

(e) Potential harm to the FAA if the item is defective.

(2) Cost:

(a) Contractor's charge; and

(b) FAA cost of administering or enforcing the warranty.

(3) *Administration and Enforcement.* The FAA's ability to enforce the warranty is essential to the effectiveness of the warranty. This ability to enforce the warranty depends on:

- (a) Nature and complexity of the item;
- (b) Location and intended use of the item;
- (c) Estimated storage time for the item;
- (d) Distance from the source of the item to the requiring activity; and
- (e) Ability in tracing defects.

c. *Terms and conditions.* The CO must ensure warranties clearly state:

- (1) Exact nature of the item and its components that the contractor warrants;
- (2) Extent of the contractor's warranty, including all of the contractor's obligations to the FAA for breach of warranty;
- (3) Specific remedies available to the FAA; and
- (4) Scope and duration of the warranty.

d. *Commercial items*

- (1) The CO should take advantage of commercial warranties, to include extended warranties, where appropriate and in the FAA's best interest, offered by the contractor for the repair and replacement of commercial items.
- (2) The UCC provides substantial warranty protection to buyers, and despite being applicable to the purchase of goods, can be used as a guide when drafting a warranty provision for the acquisition of services.

6 Government-Industry Data Exchange Program Revised 7/2007

Government-Industry Data Exchange Program (GIDEP) is a cooperative activity between Government and industry participants seeking to reduce or eliminate expenditure of time and money by making maximum use of existing knowledge. This program provides a means to exchange technical data essential in quality assurance, research, development, design, production, and the operational phase of the life cycle of systems and equipment. Primary objectives are to improve safety, reliability, quality, and logistics support. FAA participates in the GIDEP and encourages participation by major contractors of the systems, equipment, and material in the National Airspace System.

7 Considerations for Use of Clauses Revised 7/2007

Depending on the nature of the requirement, different AMS quality assurance clauses apply. Clause 3.10.4-1 is for use when only contractor inspection is needed. Clauses 3.10.4-2 through 3.10.4-12 are the various "standard inspection" clauses. Clause 3.10.4-13 is used in addition to the standard clauses when a higher-level QA system requirement is needed. Clause 3.10.4-14 is used with the standard and higher-level clauses when it is contemplated that a QRO will be assigned. Clause 3.10.4-15 is used when it is contemplated that a certificate of conformance (in lieu of source inspection) may be desired. Finally, clause 3.10.4-16 should be used in all fixed-price supply type contracts.

8 Construction Nonconforming Parts Revised 7/2007

a. *Prevention of Construction Nonconforming Parts.* The reviewing of construction design, specification and drawings by the requiring organization may be a useful tool in identifying potential nonconforming parts, including SUP. The contractor's inspection system is identified in clause 3.10.4-10(b).

b. *Detection of Nonconforming Parts.* The contractor's inspection system should detect nonconforming parts. As required in clause 3.10.4-10(b), the contractor maintains an adequate inspection system and performs inspections to ensure work performed under the contract conforms to contract requirement.

c. *Segregating and Disposing Nonconforming Parts.* The contractor's process should ensure that nonconforming parts, including SUP, are separated from acceptable parts and dispose as required by contract requirements. As required in clause 3.10.4-10 (f), the contractor segregates and removes rejected material from the premises.

d. *Optional Reporting.*

(1) SUP identified as nonconforming parts may be reported via the toll free FAA Hotline: 1-800-255-1111.

(2) SUPs identified as nonconforming parts may also be reported to the FAA GIDEP Coordinator (AJA-432) for preparation of Agency Action Notices and Alerts.

B Clauses Revised 7/2007

[view contract clauses](#)

C Forms

[view procurement forms](#)

Data Item Description (DID)

Contract Deliverable Requirements List (CDRL)

D Appendix Revised 7/2007

APPENDIX - Sample QRO designation letter

The basic text for a QRO designation letter is: Dear (company official):

In accordance with the enclosed letter, John Doe is the delegated Quality Reliability Officer (QRO) under Contract DTFA01-XX-X-XXXXX.

The QRO has no authority to issue directions or enter into agreements which may constitute new assignments of work or change the expressed terms, conditions or specifications of the contract.

Please note documentation to be furnished to the QRO as stipulated in the enclosed letter of designation.

You are cautioned against accepting oral or written instructions on quality matters from sources other than the Contracting Officer or from the Quality Reliability Officer.

At the time of issuance, you shall forward to the undersigned a copy of all correspondence you direct to the QRO.

Sincerely,

Contracting Officer

Enclosure