

# QUALITY INSTRUCTION 3011

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QI: 3011      REVISION: F      EFFECTIVE DATE: 07/11/08

APPLICABLE TO NUCLEAR:    YES     NO     PAGE 1 of 16

TITLE      SUPPLIER DELEGATED INSPECTION PROGRAM (SDIP)

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SUPPLIER QUALITY

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## **PARTIAL REVISION**

**SIGNIFICANT CHANGES ARE PRINTED IN BOLD SHADED ITALICS**

### **1. PURPOSE**

Specify the process for initiation, maintenance and termination of the Supplier Delegated Inspection Program with selected and qualified suppliers.

### **2. APPLICABILITY AND DEPARTMENTS AFFECTED**

#### Applicability

This instruction is applicable to Electric Boat personnel within the Materials (Supplier Quality) organization as well as Suppliers providing purchase order line items within the Supplier Delegated Inspection Program.

#### Departments Affected

Quality. 323 and 421

### **3. FORMS, DOCUMENTS, ATTACHMENTS, FIGURES, AND TABLES**

#### Forms

84-00-4496    Supplier Corrective Action Report  
84-XX-5635    Engineering Report

Documents

MIL-I-45208	Inspection System Requirements
EB 2678	Quality Control Requirements For Procured Material
NSI 518	Verification of Material
NQCI 0110	Use of Inspector's Report (84-00-0425)
QI 0205	Use of Supplier Corrective Action Report ( <a href="#">SCAR</a> ) Form
QI 0302	Generic Material Verification Methods
QI 3010	Special Instructions, Preparation and Use
QI 3101	Supplier Management
QI 3102	Source and Receiving Inspection Procedure (CFM)
QAI 0304	Material Verification Methods
-----	RIS User Manual
-----	Supplier Quality Manual – Procurement

Attachments

Attachment 1	SDI Program Compliance Audit Checklist
Attachment 2	SDI Program Summary & Software Guidelines
Attachment 3	SDI Program Standard Clause Accountability Sheet
Attachment 4	Supplier Delegated Inspection Report (SDIR)
Attachment 5	SDI Supplier Performance Review Check List
Attachment 6	Supplier Guide for the Electric Boat Supplier Delegated Inspection Program (SDIP) Requirements
Attachment 7	Supplier Quality Checklist for Admittance of a New SDIP Supplier
<b>Attachment 8</b>	<b>Supplier Status Change Form</b>

Figures

Figure 1	Supplier Delegated Inspection Program Compliance Audit Checklist	Attachment 1
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Figure 5	SDI Supplier Performance Review Checklist	Attachment 5

Tables

None

## **4. GENERAL**

### **4.1. Definitions/Acronyms**

<b>CDS</b>	Certification Data Sheet
<b>DSS-SOC</b>	Deep Submergence System – Scope of Certification
<b>EB</b>	Electric Boat
<b>EBSI</b>	Electric Boat Source Inspection (Inspector)
<b>ER</b>	Engineering Report
<b>FIP</b>	Final Inspection Procedure
<b>GSI</b>	Government Source Inspection (Inspector)
<b>HI</b>	Hull Integrity
<b>II</b>	Inspection Instruction
<b>IPD</b>	Inspection Procedure and Documentation
<b>IQIS</b>	Integrated Quality Information System
<b>MIC</b>	Material Identification Control
<b>MII</b>	Material Inspection Instruction
<b>MOA</b>	Memorandum of Agreement
<b>NGSB</b>	Northrop Grumman Shipbuilding
<b>OLF</b>	Open Liability Form
<b>OQE</b>	Objective Quality Evidence
<b>PQAIT</b>	Procurement Quality Assurance Inspection Table
<b>PM</b>	Preventive Maintenance
<b>PO</b>	Purchase Order
<b>POLI</b>	Purchase Order Line Item
<b>QI</b>	Quality Instruction
<b>RI</b>	Receiving Inspection or Receiving Instruction
<b>RIS</b>	Receiving Inspection System
<b>SCAR</b>	Supplier Corrective Action Report
<b>SDA</b>	Supplier Delegated Analyst
<b>SDI</b>	Supplier Delegated Inspector
<b>SDIP</b>	Supplier Delegated Inspection Program
<b>SDIR</b>	Supplier Delegated Inspection Report
<b>SI</b>	Source Inspector
<b>SIR</b>	Source Inspector Report
<b>SQ</b>	Supplier Quality
<b>SQE</b>	Supplier Quality Engineer
<b>VIR</b>	Vendor Information Request
<b>VPAR</b>	Vendor Procedure Approval Request

**Cognizant Supplier Quality Engineer (SQE)** – Individual within the Supplier Quality organization responsible for, among other duties, the administration of the Supplier Delegated Inspection Program as it relates to the commodities and suppliers within her/his cognizance. The SQE is afforded the latitude and authority, within the constraints outlined in QI 3011, necessary to accomplish the SDIP objectives.

**Compliance Audit** - Review of particular attributes of a Supplier's Quality System by examining objective evidence generated from that system and related processes. Assessing the effectiveness of the evidence establishes conformance to contract requirements.

**Inspection Instruction (II)** – A guidance instruction that is used during attribute inspection and/or documentation verification for a commodity or assembly. It indicates the documentation and physical characteristics that are to be verified while the material is at the supplier's facility and/or at Electric Boat Receiving Inspection. Instructions are provided in various forms such as an IPD, FIP, MII, PQAIT, Attribute Plan, Special Instruction in RIS, a Nuclear Inspection Report, etc. Nuclear Inspection Reports shall be processed in accordance with NQCI 0110. If Inspection Instruction can not be determined or is unclear, contact Supplier Quality for resolution.

**Supplier Delegated Inspector or Analyst (SDI or SDA)** - A supplier representative authorized by Electric Boat to perform hardware inspections and/or software review. Although a supplier may have more than one Delegated Inspector or Analyst, each individual must perform the actual function as authorized and cannot sign for another individual's work.

**Receiving Instruction (RI)** - The Receiving Instruction is a specific inspection instruction regimen listing the documentation and attributes to be verified and physical inspections to be performed for the subject material. The RI is referenced in the part number nomenclature and accordingly in the purchase order. If Receiving Instruction can not be determined or is unclear, contact Supplier Quality for resolution.

**SDI Supplier** - A supplier that excels in the business of supplying product to Electric Boat and has met the criteria to be approved and qualified to act on behalf of Electric Boat as outlined in this procedure.

4.2. Equipment and Material

None

4.3. Policy

- A. Supplier Quality trains and qualifies selected suppliers to act on behalf of Electric Boat regarding inspection and verification of deliverable hardware and documentation. The SDI and SDA act in lieu of EB Source Inspection as well as EB Receiving Inspection and provide necessary assurance that complete and fully satisfactory material is supplied to Electric Boat. All inspections performed by the SDI and SDA shall be performed in accordance with the Electric Boat purchase order and applicable Inspection Instructions (II **or RI**), unless otherwise specified in the Supplier Delegated Inspection Program Summary & Software Guidelines, Attachment 2 of this quality instruction.
- B. Suppliers active in the SDI Program (SDIP) prior to the effectivity of this revision are considered qualified and accepted SDI/SDA suppliers without need for further entry or maintenance requirements for the SDIP. These suppliers have demonstrated understanding and compliance with the program by virtue of their performance, satisfactory on-site Compliance Audits, and periodic Performance Reviews; additional upgrade is not required for these tenured suppliers.
- C. Unique exceptions and allowances for specific SDIP suppliers may be addressed in the Program Summary for that supplier.

## **5. PROCEDURE**

### **Supplier Selection – Preliminary Considerations and Concurrence for the SDIP**

SQE

1. Ensure Electric Boat has a history with the supplier. To be considered for the SDI Program the supplier must exhibit a quality receiving and source inspection cumulative acceptance rating of 95% or greater as reported in the IPSQP screen of MRP II for the prior year, beginning with the date of evaluation.

#### NOTE

- It may be necessary to adjust the supplier's quality rating if any nonconformance(s) reported in IPSRJ is due to EB responsibility and **erroneously** included in the quality rating.
  - ***Attachment 7, Supplier Quality Checklist for Admittance of a New SDIP Supplier is available to assist Supplier Quality with the evaluation process.***
2. ***Review available supplier quality data from the Supplier Audit Program (SAP) and from the Northrop Grumman Ship Building (NGSB) Supplier Quality organization if necessary. Notify NGSB of EB intent to add the supplier to the SDI Program. Email is an acceptable method for this notification.***

### **Supplier Selection - Qualification and Responsibilities**

3. Request Supplier to provide qualifications and capabilities of the proposed SDI and/or SDA candidate(s) to Electric Boat in the form of resume, certifications, qualifications, education, experience, etc.
4. Obtain a formal written request from the supplier's management for admission into the SDI Program stating agreement with the requirements of the program and specifically that SDI/SDA personnel represent EB, not the supplier, during performance of the supplier delegated inspection program.

SQE

5. Request Supplier to provide a written procedure describing implementation and operation of the SDI Program into that organization's inspection and documentation verification functions.

NOTES

Although preference is to have the procedure during SDIP training, completion prior to formal EB acceptance into the SDIP is permitted.

Although preference is to have a procedure from all SDIP suppliers, this requirement is specifically for suppliers entered into the SDIP subsequent to the effectivity date of this QI revision (see Policy Statement 4.3.B.)

**Supplier Selection - Electric Boat Responsibilities for SDIP Consideration**

6. Perform a quality assurance assessment of the supplier consistent with the required level of quality and work to be performed.

- a. The SQE assessment is accomplished by **completing the Supplier Assessment Review Form (Attachment 2, QI 3101) in as much detail as deemed appropriate and applicable** by the cognizant SQE **for the candidate supplier.**

SQE

- b. The purpose for the assessment is for Electric Boat Supplier Quality to **perform an overview of the candidate's historical performance, to determine possible weaknesses, and establish a confidence level for the supplier's potential success with the SDI Program.**

7. If appropriate, solicit Electric Boat Source Inspector and EB Buyer comments and observations concerning supplier and candidate acceptability for the SDIP.

8. Upon preliminary evaluation determine if the supplier and candidates are capable and acceptable for the SDI Program and if so:
  - a. Develop a SDI/SDA Program Summary & Software Guideline specific for the SDI Program being qualified, including any exceptions or allowances within the program (see Attachment 2 for Program Summary and example of Guideline).
  - b. Program Summary should be succinct yet comprehensive in scope.

**NOTE**

Program Summary and Guideline is initiated during the early stage of supplier qualification, finalized during SDI/SDA training, and generally not revised again unless changes occur within the SDIP.

SQE

9. Conduct training adequate to qualify the SDI and/or SDA candidates. Examples of training needs and training materials include:
  - a. Explanation of purchase order structure and content, Standard Clause Accountability (Attachment 3), SDIR completion (Attachment 4), Inspection Instruction completion including use and significance of II, RI, and MII, appropriate attachments of [QI 3102](#) including sampling requirements, DSS-SOC requirements, SDI Program Summary (Attachment 2), EB2678 including Appendix B, General Dynamics Electric Boat internet website, topics specific to the supplier's product or service, etc.
  - b. Emphasis that upon Electric Boat acceptance of the supplier, the SDIP applies for all products and services as described in the Program Summary and Software Guideline.

- c. Emphasis that OQE documentation reviewed or generated by SDI and/or SDA must contain signed and dated stamped notation that, "Inspection or verification was performed on behalf of Electric Boat."
- d. Emphasis that shipping documentation must display signed and dated stamp or notation that, "Material in this shipment has been inspected and accepted on behalf of Electric Boat Inspection within the Supplier Delegated Inspection Program". Explain need for notation that nonconforming condition(s) has been resolved or needs to be resolved at destination.

### **Qualification of Supplier into the SDI Program - Supplier Requirements and Demonstration**

#### **NOTE**

This step may be performed during or immediately after training or at a later date.

SQE

10. Require SDI and/or SDA **candidate(s)** to prepare a sufficient number of data packages (generally five non-nuclear, level N) for Electric Boat purchase order line item deliverables. Completion of the data packages is to demonstrate:

- a. Compliance with purchase order line item requirements including all specifications, standard clauses, drawings, etc.
- b. Satisfactory performance of required inspections and also documentation verifications from time of receipt of "raw" material through delivery.
- c. Proper SDI/SDA accountability, including necessary SDI/SDA verification stamping.

11. ***Electric Boat to perform the SDI Compliance Audit Checklist (Attachment 1) to verify adequate systems exist within the supplier's organization and performance by the SDI and SDA candidate(s) is satisfactory.***

12. Ensure that the supplier's written SDI Program procedure accurately reflects actual performance as developed during training.

**Qualification of Supplier into the SDI Program - Electric Boat Responsibilities**

13. Perform the following if review of the completed data packages proves satisfactory to meet the purchase order requirements, SDIP requirements were satisfied, and NGSB concurrence was granted,
  - a. Generate a "SQ" letter for the Supplier Quality Manager's signature qualifying and accepting the supplier into the SDI Program. Briefly explain the program summary and define the effective date for SDIP implementation. Issue this letter to the Supplier with a copy to appropriate Buyer, SQ Supervisor, and SDI Coordinator.
  - b. Notify NGSB of the addition of the Supplier into the SDI Program using Attachment 8 (Supplier Status Change Form).**
  - c.** If not previously done, forward a copy of the **completed Compliance Audit Checklist** (Attachment 1), the specific SDI/SDA Program Summary & Software Guidelines (Attachment 2), and **Supplier Guide (Attachment 6)** to the Supplier.
  - d.** Prepare a file for all generated documentation and correspondence accepting and admitting the supplier into the SDI Program and for all future correspondence.
  - e.** Input a Special Instruction per [QI 3010](#) into non-nuclear RIS, which identifies the supplier as a SDIP Supplier and details any instructions for the Electric Boat Receiving Inspection Analyst.

SQE

- f.** Input to the Supplier Quality Profile (SRQPROF) of Procurement D, the “Approved” designation as SDI supplier - this will permit all non DSS-SOC, non-nuclear, level N, category N, parts to bypass Receiving Inspection and proceed directly to the storehouse.
- g.** If supplier is only partially qualified or qualified only for certain part numbers, accredit each individual part number using the SRQA screen in Procurement D - this will permit all non DSS-SOC non-nuclear level N category N accredited parts to bypass Receiving Inspection to the storehouse.
- h.** Notify the EB Buyer to supplement the current open purchase orders with standard clause 37-17 for SDI.

15. Perform the following if review of the completed data packages proves unsatisfactory to meet the appropriate purchase order or SDIP requirements:

- a. Provide additional training as necessary and repeat procedure steps 5.9 thru 5.12

- OR -

SQE

- b. Generate a rejection letter for the Supplier Quality Manager's signature stating cause for the rejection, improvements necessary, and issue the letter to the supplier with copy to appropriate Buyer, SQ Supervisor, SDI Coordinator, and NGSB (if appropriate).

**Maintenance & Monitoring of the SDI Program - Supplier Requirements and Responsibilities**

16. Determine if the Supplier's Quality Management is aware that independent monitoring of the SDI Program is required to ensure the intent and integrity of the program are being maintained and not degraded.
17. Verify that the supplier's SDIP written procedure is maintained and updated when necessary.
18. Encourage the Supplier to include the SDI/SDA program into its internal quality audit program.

**Maintenance & Monitoring of the SDI Program - Electric Boat Requirements and Responsibilities**

19. Perform an on-site annual evaluation and compliance audit review of the supplier's SDIP using checklist Attachment 1 of this quality instruction. **With approval of EB Supplier Quality management, execution of the on-site annual evaluation and compliance audit review may be performed by NGSB.**
  - a. Compliance audits must be performed for documentation and material that has been previously inspected and accepted by the SDI/SDA.
    - (1) Purpose of the compliance audit is to verify that the supplier **and the SDA/SDI** have effectively implemented and maintained the SDIP in accordance with the program authorized by Electric Boat.
    - (2) The evaluation will verify compliance by review of objective quality evidence contained in documentation, observation of actual practices, inspection of material, software, etc.

SQE

- b. Discrepancies noted during the audit shall be explained in detail to the appropriate SDI/SDA and training provided as necessary.
  - c. If changes within the supplier's SDIP warrant, an updated Program Summary (Attachment 2) must be generated for the supplier and maintained on file at Electric Boat.
  - d. Upon completion of the audit, a copy of the checklist, program summary if updated, and any findings are to be provided to the supplier and an exit meeting shall be conducted to review the SDIP with the supplier's SDIP Coordinator, QA Management, SDI/SDA, etc. as appropriate for the organization.
20. Extend the period for an on-site evaluation and compliance audit for up to three, one year extensions with SQ supervision's written approval if not practical or possible to perform an annual on-site. Perform the following alternate evaluation in lieu of the on-site:
- a. Restrict and add Special Instructions to RIS to physically inspect the material and review the documentation for one PO Line Item from the supplier at receiving inspection in lieu of the on-site evaluation.
  - b. SQ must request the supplier to provide the necessary OQE documentation for this affected material.
  - c. Receiving Inspector and Analyst to report results of this over-check to the cognizant SQE.
21. Update appropriate database files (Active Supplier and Audit Database, MRP, etc.) to reflect the results of the on-site compliance evaluation or the review at Receiving in lieu of the on-site evaluation. If necessary, retain all hard copy documentation in the SDI file. Ensure that the Program Summary is on file and is current.

22. Exercise the necessary action to resolve unsatisfactory evaluation results with the supplier including issuance of a [SCAR \(QI 0205\)](#) if necessary. Address disposition of shipped material if necessary.
23. Perform Quarterly Performance Reviews to monitor the SDI Program using checklist, Attachment 5:
  - a. Extent of the review is determined by the cumulative acceptance rate as reported in the IPSQP screen of MRPII for the year prior, beginning with date of review.
  - b. The review should be performed as soon into the next quarter as possible, but shall be completed within 90 days following the quarter being evaluated.
  - c. Forward hardcopy of the checklist to the SDI Coordinator for status monitoring and filing.
24. Evaluate and exercise appropriate action for nonconformances detected during Receiving Inspection of material from SDI suppliers.
25. Access, if necessary, online performance records to effect continual monitoring of the suppliers within the Supplier Delegated Inspection Program.
26. Make available to the supplier the current revision of inspection documentation forms (MII, SDIR, CDS, etc.).
27. Suspend and terminate a supplier from the SDIP if necessary as follows:
  - a. The SDIP supplier must notify the cognizant Electric Boat SQE if an authorized SDI or SDA is no longer available or able to perform that function. If an authorized SDI or SDA replacement is not available, the supplier must be suspended immediately from the SDIP until a replacement becomes qualified.

SQE

- b. Examples of additional reasons for suspension and termination:
- mutual agreement
  - unacceptable quality performance
  - inadequate SDI Program support
  - degradation of the SDI Program
  - insufficient business **volume**
  - malpractice, fraud, **or** falsification require immediate termination
- c. For a suspension or termination, Supplier Quality must as soon as practical:
- (1) Prepare and send correspondence notifying the supplier of the cause for the program suspension or termination.
  - (2) Notify the appropriate EB and NGSB personnel of the action taken **using notification form (Attachment 8).**
  - (3) Request the EB Buyer to supplement open purchase orders with the affected supplier to cancel the Supplier Delegated Inspection Program (SC37-17). Update the SRQPROF screen and RIS special instruction with latest suspension or termination status.
28. Reinstatement a supplier into the SDI Program if desirable and as follows:
- a. Ensure that the reason for suspension has been resolved
  - b. **Notify NGSB of the re-instatement using the notification form (Attachment 8).**

SQE

29. Ensure supplier request to qualify additional candidates for SDI or SDA addresses the capabilities, concerns, training, safeguards, controls, etc. presented in earlier portions of this quality instruction for qualification and acceptance into the SDIP. Pertinent requirements of this Quality Instruction must be satisfied by the supplier and Electric Boat Supplier Quality. Note that **notification** with NGSB is not required for addition of SDI/SDA personnel.

**30. If the scope of the supplier SDI Program is expanded, notify NGSB using form Attachment 8.**

**31. Respond to the Supplier Status Change Form (Attachment 8) from NGSB with the action taken by Electric Boat. If Electric Boat chooses an action different than NGSB, document the rationale on Attachment 8. Rationale for different action could include:**

- a. Issues don't affect EB purchased materials**
- b. Different business volume**
- c. Different end use for material**
- d. Different commodities**

#### **Receiving Inspection of SDIP Material at Electric Boat**

Receiving

**32.** Receiving Inspection of SDIP Material at Electric Boat shall be in accordance with [QI 3102](#).

#### **Shipment of SDIP Material to other than Electric Boat Facility**

**33.** Receiving inspection at other than EB facilities should include sufficient inspection requirements to ensure the product is acceptable.

**34.** Shipment of materials with open liabilities to NGSB or other than an EB facility requires an Open Liabilities Form. Form and shipment must be approved by Electric Boat Supplier Quality Supervision.

**FIGURE 1. Example Supplier Delegated Inspection  
Program Compliance Audit Checklist Coversheet**

QI 3011  
REF F  
ATTACHMENT 1  
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**SUPPLIER DELEGATED INSPECTION PROGRAM  
COMPLIANCE AUDIT CHECKLIST COVERSHEET**

Supplier: \_\_\_\_\_ Supplier No.: \_\_\_\_\_

Location: \_\_\_\_\_ Date: \_\_\_\_\_

**PURCHASE ORDER(S) REVIEWED** (when applicable)

	<u>Purchase Order</u>	<u>Line Item</u>	<u>SDIR Number</u>	<u>Sat/Unsat</u>
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

\_\_\_\_\_  
Supplier Quality Auditor Signature \_\_\_\_\_  
Date

\_\_\_\_\_  
Supplier's SDI Program Representative Signature \_\_\_\_\_  
Date

\_\_\_\_\_  
Cognizant SQ Engineer Signature \_\_\_\_\_  
Date

**EB** \_\_\_\_\_  
Supplier Quality Management Signature \_\_\_\_\_  
Date

Active Supplier Database Update ..... \_\_\_\_\_  
SQ Initials/Date

**LEGEND: Y = YES N = NO I/A = INADEQUATE N/A = Not Applicable**

1. Was material receipt inspected by the Supplier? \_\_\_\_\_
2. Are records of receiving inspection activities available which document the nature and number of observations made, acceptance and/or rejection status, number and types of deficiencies found, and corrective action taken? \_\_\_\_\_
3. Are certifications of material received available to provide objective evidence that raw materials conform to applicable chemical and physical requirements and is laboratory testing performed (when necessary) to validate compliance? \_\_\_\_\_
4. Are physical inspections and tests performed on product during in-process operations (as appropriate) to assure conformance? \_\_\_\_\_
5. Are records of in-process inspections and/or tests (as applicable) maintained and available? \_\_\_\_\_
6. For material supplied by EB or purchased from sub-tier suppliers, does evidence exist that all applicable markings have been correctly transferred to the final product? \_\_\_\_\_
7. Does the supplier's system assure that all purchase orders to sub-tier suppliers include:
  - a. complete description of parts and materials ordered \_\_\_\_\_
  - b. all requirements for manufacturing, inspection, test reports, qualifications, approvals, identification, etc. \_\_\_\_\_
  - c. unique customer requirements \_\_\_\_\_
8. Does the delegated inspector or analyst have copies available of, or access to, required quality documents for reference, i.e., EB2678, EB specifications, drawings, material specs., etc. \_\_\_\_\_

**LEGEND: Y = YES N = NO I/A = INADEQUATE N/A = Not Applicable**

9. Verify that all test reports, certifications, and other applicable objective quality evidence documentation per the purchase order:

- A. have been obtained \_\_\_\_\_
- B. do not contain erasures or obliteration's and any errors are corrected per EB2678 \_\_\_\_\_
- C. show evidence of supplier SDA review \_\_\_\_\_

10. Verify that the SDIR:

- A. is completely filled out \_\_\_\_\_
- B. contains P.O.# and required information, i.e., identification, specifications, drawings, revisions, approvals, etc. \_\_\_\_\_
- C. contains the correct Receiving (Inspection) Instruction (RI) \_\_\_\_\_
- D. has been signed and dated by the authorized delegated inspector or analyst \_\_\_\_\_
- E. the correct inspection instruction (MII) has been used for Inspection, is filled out correctly, and filed with the SDIR \_\_\_\_\_

11. Witness the SDA demonstrate the software review process

**- or -**

Supplier Quality auditor must perform a review of completed data packages for shipped product to verify:

- A. OQE and data are available \_\_\_\_\_
- B. the SDA performance is adequate and ensures all attributes have been reviewed per the PO, specifications, drawings, etc. \_\_\_\_\_
- C. the SDA is competent in the review techniques \_\_\_\_\_

**LEGEND: Y = YES N = NO I/A = INADEQUATE N/A = Not Applicable**

12. Witness the SDI demonstrate the inspection process/procedure and perform an inspection, if appropriate. Verify:
- A. the inspection instruments used are correct for the measurement and are within calibration period \_\_\_\_\_
  - B. the SDI is competent for the inspection(s) performed \_\_\_\_\_
  - C. the type and extent of inspection is sufficiently adequate to assess material/product conformance \_\_\_\_\_
  - D. inspection results are correct \_\_\_\_\_
  - E. workmanship is satisfactory \_\_\_\_\_
  - F. material is marked per PO and/or specification requirements \_\_\_\_\_
  - G. sampling if used is in accordance with an applicable sampling plan \_\_\_\_\_
13. Verify shop travelers and inspection reports for purchase order line items (POLI) contain:
- A. identification and traceability of starting material \_\_\_\_\_
  - B. inspections and tests to indicate acceptance to drawing and specification requirements \_\_\_\_\_
  - C. maintenance of identification throughout the process \_\_\_\_\_
  - D. a final inspection to ensure invoked RI and standard clause instructions are met \_\_\_\_\_
14. Verify material audited is authorized in the Supplier Program Summary to be included in SDI Program \_\_\_\_\_

**SUMMARIZE SUPPLIER'S CERTIFICATION/PROGRAM:**

**REMARKS and DISPOSITION:**

**SUPPLIER DELEGATED INSPECTION PROGRAM  
SUMMARY & SOFTWARE GUIDELINES**

**Supplier Name & Address:** \_\_\_\_\_ **Supplier Number:** \_\_\_\_\_  
\_\_\_\_\_  
**Telephone:** \_\_\_\_\_  
\_\_\_\_\_  
**FAX:** \_\_\_\_\_  
\_\_\_\_\_  
**EMAIL:** \_\_\_\_\_

<b>*Authorized Representative(s):</b>		<b>*Authorized Representative(s):</b>
_____	(Circle)	_____
	<b>(I/A)</b>	<b>(I/A)</b>
_____		_____
	<b>(I/A)</b>	<b>(I/A)</b>
_____		_____
	<b>(I/A)</b>	<b>(I/A)</b>

**Commodities Applicable to the Program:**

\_\_\_\_\_  
**Program Limitations:**

\_\_\_\_\_  
**Program Summary (Description/Overview):**

\_\_\_\_\_  
\*NOTE: I = Supplier Delegated Inspector (Hardware) and A = Supplier Delegated Analyst (Software)

\_\_\_\_\_  
**Electric Boat Supplier Quality: Print Name, Signature, and Date**

# **SUPPLIER DELEGATED INSPECTION PROGRAM SUMMARY & SOFTWARE GUIDELINES**

QI 3011  
REF F  
ATTACHMENT 2  
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**Supplier Delegated Inspection Program (SDIP)** is allowed when Standard Clause 37-17 is invoked indicating the supplier is inspecting and accepting material on behalf of Electric Boat Inspection in accordance with QI 3011. Authorized SDI/SDA suppliers shall inspect material and provide documentation as follows:

## **For Level N Material that is not DSS-SOC, Cat 1, Cat 2, HI, HY80, or HY100**

- SDI supplier is required to complete the SDIR and Sections 1, 2, 3, & 4 of the appropriate MII. All SDI Suppliers must complete the SDIR form to verify inspection on behalf of Electric Boat.
- The appropriate MII Sheet must be completed by each SDI Supplier as objective evidence that product and documentation have been inspected and verified on behalf of EB.
- Supplier need only send the SDI stamped packing list with the material to Electric Boat. **Supplier to retain all test reports and documentation.**
- The SDI supplier is required to retain a copy of all objective quality evidence documentation, including the completed SDIR and MII.

## **For Level N, DSS-SOC Product (Standard Clause 12-34)**

- SDI supplier is required to complete the SDIR and only Section 4 of the MII. Sections 1, 2, 3, 5, 6, 7, and 8 of the MII will be completed by EB.
- If EB Source Inspection is performed, documentation and objective quality evidence will be retained by the Electric Boat Source Inspector.
- If EBSI is waived or not required, objective quality evidence documentation must be sent with the material to EB. As a minimum, documentation includes SDI stamped packing list, the completed SDIR, partially completed MII, and documentation required by the purchase order and related specifications.
- The SDI supplier is required to retain a copy of all objective quality evidence documentation, including the SDIR and MII completed by EBSI.

## **For Level 1, Q, 8, 9 and/or Cat 1, Cat 2, HI (Hull Integrity), HY 80, HY100**

- SDI supplier is required to complete the SDIR and only Section 4 of the MII. Sections 1, 2, 3, 5, 6, 7, and 8 of the MII will be completed by Electric Boat.
- If EB Source Inspection is performed, documentation and objective quality evidence will generally be retained by the Electric Boat Source Inspector.
- If EBSI is waived, objective quality evidence documentation must be sent with material to Electric Boat. Documentation includes SDI stamped packing list for the dimensional inspection, the completed SDIR, partially completed MII, II, CDS, and other documentation required by the purchase order and related specifications as a minimum.
- The SDI supplier is required to retain a copy of all objective quality evidence documentation, including the CDS, SDIR and MII completed by the EBSI.



**Figure 4. Example Supplier Delegated Inspection Report (SDIR)**

**GENERAL DYNAMICS**

**SUPPLIER DELEGATED INSPECTION REPORT (SDIR)**

SDIR #: 23

Electric Boat

*This document shall accompany shipments*

Sheet: 1 of     

84-00

1. Purchase Order # & Supplement #:	
2. Supplier ID #:	
3. Supplier:	
4. City:	State:

5. Date(s) of Visit or Inspection:
6. Hull Code(s):
7. Check one:  <input type="checkbox"/> D320 <input type="checkbox"/> D420

8. Ship to:  <input type="checkbox"/> Quonset Point, RI (EB) <input type="checkbox"/> MY Groton, CT (EB) <input type="checkbox"/> NNS, VA (NGSB) <input type="checkbox"/> Other: _____
---

P. O. Item #	Mat'l Level/Cat		Part Number/ Material Description	Dwg./Spec. – Rev.	Heat# /Lot# / Trace# /Serial#	Quantities		Inspection Instructions (RI)	Disposition Code
	Accepted	Rejected*							
9	10	10	11	12	13	14	14	15	16

\* See Source Inspection Notice

VPAR #	Process Name	Approval Date	VPAR #	Process Name	Approval Date
17	●—————→				

VIR #	Close Date	VIR #	Close Date
18	●—————→		

REMARKS: 19

\*\* SDI signature signifies material has been inspected and accepted on behalf of Electric Boat Inspection

SDI Signature/Date: **  20	EB Source Inspector Signature/Badge/Date:  21	EB Supplier Quality Supervisor Signature/Date:  22
----------------------------------	---	--

DISPOSITION CODES: A = ACCEPT & FINAL RELEASE for SHIPMENT R = REJECT FINAL IPA = IN-PROCESS ACCEPT IPR = IN-PROCESS REJECT HR = HOLD for RESOLUTION

**GENERAL DYNAMICS**  
 Electric Boat  
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**SUPPLIER DELEGATED INSPECTION REPORT (SDIR)**  
*This document shall accompany shipments*

SDIR #: \_\_\_\_\_  
 Sheet: \_\_\_\_\_ of \_\_\_\_\_

Continuation Sheet

P. O. Item #	Mat'l Level/CAT		Part Number/ Material Description	Dwg./Spec. – Rev.	Heat/Lot/ Serial #	Quantities		Inspection Instructions (RI)	Disposition Code
						Accepted	Rejected *		

\* See Source Inspection Notice

VPAR #	Process Name	Approval Date	VPAR #	Process Name	Approval Date

VIR #	Close Date	VIR #	Close Date

REMARKS: \_\_\_\_\_

**DISPOSITION CODES:**      A = ACCEPT for FINAL/RELEASE & SHIPMENT to DESTINATION    R = REJECT FINAL    IPA = IN-PROCESS ACCEPT    IPR = IN-PROCESS REJECT    HR = HOLD for RESOLUTION

**Instructions for Completing the Supplier Delegated Inspection Report**

**Fill in all spaces as indicated below; if not applicable indicate with “N/A” unless otherwise indicated.**

1. Purchase Order Number and latest PO supplement number.
2. Supplier ID number may be obtained from the lead sheet of the PO.
3. Name of supplier where the inspection is being performed.
4. Suppliers' address. City and State only.
5. Date or dates of the inspection.
6. Hull Code (e. g. NT, NU, etc.). If not known, leave blank.
7. Indicate that the part is non-nuclear by checking the D320 block or Nuclear by checking the D420 block. The part number is nuclear if D420 is designated as the inspecting department in the front of the PO and non-nuclear if designated D320.
8. “Ship to” destination for the material as specified on the PO or Supplement.
  - a. Attach an approved Open Liabilities Form signed by EB and NGSB if the material is to be shipped to NGSB with open liabilities - the shipment must be approved by the Supervisor of Supplier Quality or his designee.
  - b. Material shipment to EB with open liabilities must be approved by the Supervisor of Supplier Quality or his designee.
    - o Purchase order line item must be restricted by Supplier Quality in RIS so that it does not bypass receipt.
    - o Receipt inspection must hold the material until liabilities are resolved or RMR issued.
  - c. **NO SHIPMENT IS TO BE MADE WITH OPEN LIABILITIES UNLESS APPROVED BY THE SUPERVISOR OF SUPPLIER QUALITY OR DESIGNEE AND ALL OF THE ABOVE CONDITIONS ARE MET.**
  - d. Notify Electric Boat Supplier Quality Supervision when Level N or Q material to be “drop shipped”.
9. EB Purchase Order Line Item number. Use a separate row for each line item.
10. Indicate Material Level and Category/Type as denoted in the purchase order, e. g., 1/N, 1/1, N/N, N/1, Q/N, Q/1.
11. Part Number and Material Description (noun name description) of the item being inspected, e. g., H6437002/3”Globe Valve, FDV-0002/HY80 Plate, as obtained from the purchase order.
12. Drawing Number and/or Specification, including EB Specification, to which the part is made along with the applicable revision as specified by the purchase order.

13. Record the mill heat number and lot number and other unique identification trace code for raw material if it was subjected to a process that altered mechanical properties, and/or if required, the unique serial number for each part/assembly inspected.
14. Enter the number of items accepted and rejected. History of rejected material must be available via internal rejection process.
15. Enter the Code Number of the Inspection Instruction used to inspect the material. This code is listed in the purchase order as "RI". Contact Supplier Quality if the Inspection Instruction is not known or if a copy of the Instruction is not available.
16. The final result of the inspection is entered in the Disposition Code as defined at the bottom of the SDIR form. Normally disposition falls into one of the following categories and following guidelines are provided,
  - A = Final acceptance at source with no open liabilities and release for shipment is granted.
  - HR = Hold for resolution of a problem that is pending an approval, e.g., VIR, VPAR, PO supplement, test results, etc. Release for shipment shall not be authorized until required approvals are obtained or written waiver is obtained from Electric Boat Supplier Quality.
  - Contact Supplier Quality Supervision with any question or need for further guidance.

**Note that items are not to be shipped with open liabilities without the expressed written permission from Supplier Quality Supervision or designee.**

17. Enter all applicable VPARs, associated process name, and approval date. Attach a continuation sheet if necessary. Enter "NONE" if VPAR is not required.
18. Enter all applicable VIRs and the close date. Attach a continuation sheet if necessary. Enter "NONE" if VIR is not required.
19. Identify any other information or remarks pertaining to the inspection or material that is needed for the final acceptance or will aide in follow-up activities.
20. The supplier SDA and/or SDI responsible for acceptance of the physical inspection and documentation review on behalf of Electric Boat shall sign (and print) name and date when the inspection package and material are satisfactory for shipment.
21. The Electric Boat Source Inspector shall sign/badge and date when source inspection required by the purchase order is complete. **The Electric Boat Source Inspection signature is not required if the material has not been source inspected by an Electric Boat Source Inspector. In this case the Source Inspection Signature Block shall remain blank.**
22. The Supplier Quality Supervisor or designee shall sign and date that the inspection data package has been reviewed for accuracy and completeness at Electric Boat. **The Supplier Quality Supervisor signature is not required if the material has not been source inspected by an Electric Boat Source Inspector. In this case, the Supplier Quality Supervisor Signature Block shall remain blank.**
23. The SDIR# is initiated by the supplier and approved by EB Supplier Quality supervision or designee. The SDIR# shall be a traceable non-repetitive alpha and/or numeric seven character maximum code that identifies the supplier and the inspection report. Punctuation marks are not to be used as any of the seven characters.

**General Notes**

1. The SDIR is to be completed by the supplier delegated inspector or supplier delegated analyst. A copy of the SDIR must be retained by the supplier along with sufficient documentation as objective quality evidence that the physical inspection and documentation review were completed for the noted material. The original documentation shall accompany the shipment if required.
2. The supplier delegated inspector or supplier delegated analyst is expected to contact Electric Boat Supplier Quality in the event of questions concerning the inspection instructions or complications with the acceptance and/or release of material for shipment.
3. All product designated Level 1, Category 1 or 2, HI, HY80 raw material, or HY100 raw material require source inspection by Electric Boat whether specified in the purchase order or not, unless formally waived by Supplier Quality Supervision or designee.

**FIGURE 5. Example SDI Supplier Review Checklist**

**SUPPLIER NAME** \_\_\_\_\_ **SUPPLIER ID** \_\_\_\_\_

**Review of supplier performance beginning** \_\_\_\_\_ **through** \_\_\_\_\_

	YES	NO
1. Obtain the Supplier’s Cumulative Quality Performance Rating from the MRPII screen, “IPSQP”. Record Cumulative Quality Performance Rating here _____%. a. If rating is less than 95%, continue with this entire performance review and take action necessary to resolve problem issues. b. If rating is 95% or greater, perform steps 2, 3, & 4 only. If 2, 3, & 4 are positive, sign/date below and forward this performance review to the SDI Coordinator for status monitoring and records filing.		
2. Are the SDA and SDI personnel still in the employ of the supplier and available to perform inspection on behalf of Electric Boat? If not a positive response, action necessary for resolution must be taken.		
3. Is the RIS “Special Instruction” current with respect to authorized SDA and SDI personnel and SDIP limitations?		
4. Has a SDI compliance audit been performed within 12 months? If a negative response, conformance with the compliance audit requirement must be addressed.		
5. Have any Supplier Corrective Action Reports ( <a href="#">SCARs</a> ) been issued since the last quarterly review? If YES, list <a href="#">SCAR</a> # with the nature of the deficiency in the Remarks section below.		
6. Does the Supplier adequately support the Program?		
7. Has there been any audit findings since the last quarterly review? If YES, provide an overview of the findings in the Remarks section below.		
8. Has the Electric Boat Source Inspector normally assigned to the supplier detected any problems during source inspection at the supplier facility?		
9. Have any Shipyard Rejections (ER, CFM, etc.) been issued since the last review? If YES, list Shipyard Rejection below with the nature of the deficiency:		
10. Should the Supplier be allowed to remain in the SDIP? Provide rationale for retention or action taken to terminate in the Remarks section.		

**Remarks:** Reason for notation in shaded block(s) above must be addressed and corrective action taken as necessary. Explain below. Attach a continuation sheet if necessary

SDI performance review completed by: \_\_\_\_\_ Date \_\_\_\_\_  
Cognizant Supplier Quality Engineer

## **SUPPLIER GUIDE FOR THE ELECTRIC BOAT SDI PROGRAM** **REQUIREMENTS**

### **A. Supplier Qualifications for the SDIP and Responsibilities**

1. Supplier must provide qualifications and capabilities of the proposed SDI and/or SDA candidate(s) to Electric Boat in the form of resume, certifications, qualifications, education, experience, etc.
2. Supplier must provide a written procedure for the operation of the proposed SDI Program incorporating the content of this instruction into the organization's inspection and documentation verification functions.
3. The supplier's management must formally request admission into the SDI Program stating agreement with the qualification and maintenance requirements in this instruction and specifically that SDI/SDA personnel represent Electric Boat, not the supplier, during performance of the supplier delegated inspection program.

### **B. Qualification of Supplier into the SDI Program** - *Note that this step may be performed during or immediately after training or at a later date.*

1. SDI/SDA must prepare a sufficient number of complete data packages (generally five non-nuclear, level N) for Electric Boat, or similar, purchase order line items to be delivered; qualification packages will be reviewed by EB Supplier Quality organization. Data packages are to demonstrate:
  - a. Compliance with purchase order line item requirements including all specifications, standard clauses, drawings, etc.
  - b. Satisfactory performance of required inspection and documentation verifications from the time of receipt of "raw" material through delivery.
  - c. Proper SDI/SDA accountability, including necessary SDI verification stamping

2. SDI to demonstrate capability to satisfactorily inspect the physical attributes of the material being supplied.
3. Ensure that the supplier's written SDI Program procedure accurately reflects actual performance as developed during training.

**C. Maintenance and Monitoring of the SDI Program**

1. Supplier's Quality Management must independently monitor the SDI Program to ensure the intent and integrity of the program are being maintained and not degraded.
2. The SDIP written procedure must be maintained and updated when necessary.
3. Supplier must include compliance with the SDI/SDA program into its internal quality audit program.

**D. Miscellaneous SDIP Requirements and Restrictions for Supplier Use**

1. Standard Clause 37-17 must be invoked in the purchase order to employ the SDI Program and if not specified, SDI supplier must contact the Electric Boat Buyer.
2. The following inspections and analyses for the product noted shall not to be delegated and must be performed by Electric Boat Source Inspection or Supplier Quality Engineering:
  - a. Product designated Level 1, Category 1, DSS-SOC, HI (Hull Integrity), HY80 bar stock, HY100 bar stock:
    - Verification of required physical markings;
    - Verification of OQE documentation for compliance with purchase order requirements, drawings, specifications, traceability, etc.;
    - Verification and acceptance of Certification Data Sheet (CDS);
    - Generic material verification test;
    - Physical application of MIC number.

- b. Note that SDIR, MII, CDS documentation may be prepared by the SDI/SDA for product designated in a. above, but review verification and sign off acceptance by Electric Boat is required. The SDI may sign for dimensional inspection however, if authorized in the Software Guidelines, Attachment 2.
3. Standard Clause 37-10 and 37-15 invoke and require GSI.
4. All OQE for DSS-SOC material documentation (whether level 1 or N) shall be supplied to Electric Boat including actual physical inspection results, marking verification, test reports, signed certificate of conformance, etc.
5. Written approval from EB Supplier Quality Supervision is required to ship material with open liabilities. Shipment to NGSB with open liabilities requires an approved "Open Liabilities Form" – contact Electric Boat.
6. All SDIP suppliers are considered EB Critical Suppliers.
7. Material designated D420 (Nuclear) shall not be included in the SDI Program. However, EB Supplier Quality Management may grant specific written exception on a case basis.
8. The SDI Program must be suspended and terminated for the following reasons:
  - a. The SDIP supplier must notify the cognizant Electric Boat SQE if an authorized SDI or SDA is no longer available or able to perform that function. If an authorized SDI or SDA replacement is not available, the supplier must be suspended immediately from the SDIP until a replacement becomes qualified.

- b. Examples of additional reasons for suspension and termination
  - Mutual agreement;
  - Unacceptable quality performance;
  - Inadequate SDI Program support;
  - Degradation of the SDIP;
  - Insufficient business;
  - Malpractice, fraud, falsification requires immediate termination;
9. Supplier request to qualify additional SDI or SDA must address the capabilities, concerns, training, safeguards, controls, etc. presented in earlier portions of this instruction for qualification and acceptance of supplier individuals. Supplier must satisfy pertinent requirements of this instruction and those of Electric Boat Supplier Quality.
10. Delivery instruction is contained in the purchase order or supplement. Supplier must notify Electric Boat Supplier Quality Supervision when Level N or Q material is to be “drop shipped” at a location other than Electric Boat.
11. Request inspection forms from the Electric Boat Supplier Quality Engineer.

**SUPPLIER QUALITY CHECKLIST for ADMITTANCE  
 of a NEW SDIP SUPPLIER**

	SUPPLIER _____	ID# _____
1.	Supplier performance IPSQP is 95% or greater.	
2.	<b>Notify NGSB of Electric Boat intent to add supplier to SDI Program.</b>	
3.	Received statement of candidate(s) resume, qualification, experience.	
4.	Received written request for entry into SDIP from supplier's management.	
5.	Received SDIP procedure from supplier (prior to letter of acceptance).	
6.	Date of latest <b>Supplier Assessment for the candidate supplier.</b>	
7.	Completion date of the on-site training for the supplier and candidates.	
8.	Candidate's satisfactory data documentation preparation (suggest 5 packages)	
9.	Prepared a Program Summary and Software Guideline for supplier.	
10.	Letter of acceptance into the SDI Program from Supplier Quality Management	
11.	Notify Buyer to supplement affected open purchase orders for SC37-17.	
12.	Update SRQPROF to "A" for SDI designation (MRP Database).	
13.	Special Instructions into nonnuclear RIS identifying supplier SDI & SDA.	
14.	Schedule next on-site annual Compliance Audit (Active PO Database).	
15.	Initiate a folder in the SDIP file for the supplier.	
<b>16.</b>	<b>Notify NGSB of action taken using Status Change Form (Attachment 8).</b>	
<b>17.</b>	Notify the SDI Coordinator of the Supplier's inclusion into the SDIP-Sign below.	
Supplier Quality (Cognizant): print name, sign, and date:		
Supplier Quality (SDI Coordinator): print name, sign, and date:		

