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| **SCAR No:**  2281 | **Open Date:**  7/15/2022 | **Originator:**  Glenn Dutra | **PN:**  Various |
| **Supplier:**  Sierra Components, INC | **Address:**  2222 Park Place Bld 3-E,  Minden, NV | **Phone/email:**  775-783-4940 dennis@sierracomp.com | **PO:**  1114419, 1114788, 1113867, 1111737, 1121986, 1122836, 1123027, 1124265, 1125481, 1125492, 1125745, 1126862, 1127059, 1129392, 1129078, 1129976, 1130039, 1133313 |

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| Step 1 | | Describe the Problem | | | | | | | |
| **Item #** | **Customer PN** | | | | **Problem Description** | | | | |
| 1 | 432607-001, 432819-002, 433570-001, 339368-020, 407396-009, 407327-003, 800004-984, 445436-001, 800002-869, 800004-252, 432577-006, 432577-002, 432577-001, 10001014-COTS | | | | In the CAES Terms and Conditions for Purchase Orders, COUNTERFEIT PARTS PREVENTION (e) states, “SELLER shall flow the requirements of this clause to its subcontractors and suppliers at any tier for the performance of this Contract. If SELLER is providing electronic components/devices only, the following certification applies: Certification of Origin of Product: Acceptance of this Contract constitutes confirmation by SELLER that it is either the Original Equipment Manufacturer (OEM), Original Component Manufacturer (OCM), or a franchised or authorized distributor of the OEM/OCM for the product herein procured. SELLER further warrants that OEM/OCM acquisition documentation that authenticates traceability of the components to that applicable OEM is available upon request. If SELLER is not the OEM/OCM or a franchised or authorized distributor, SELLER confirms by acceptance of this Contract that the product(s) supplied to BUYER has been procured from the OEM/OCM or a franchised or authorized distributor of the OEM/OCM. The supplier further warrants that OEM/OCM acquisition traceability documentation is accurate and available to BUYER upon BUYER’s request. A breach of this paragraph/clause or any subparagraph herein shall be considered a material breach of this Contract.” This wording has not changed since before 8/22/2017.In addition, before 2017, the following wording was also included in the footer of every purchase order. “Seller shall only purchase authentic parts/components directly from the Original Equipment Manufacturers (“OEM”)/Original Component Manufacturer (“OCM”) or through the OEM’s/OCM’s authorized distribution chain. Seller shall retain OEM/OCM documentation that authenticates traceability of the components to the applicable OEM/OCM and shall supply such documentation to the Buyer upon request.”However, when CAES requested traceability back to the OCM, Sierra was not always able to supply this traceability for certain wafer lots for each of the CAES Part numbers listed. | | | | |
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| Step 2 | | | Supplier CAPA Team Members | | | | | | |
| **Department** | | | | **Name** | | | **Title** | | |
| Production / Product Engineer | | | | Rick Kane | | | Product Engineer | | |
| PM | | | | Dennis Gunderson | | | President | | |
| Quality | | | | Kiva White | | | Quality Assurance Manager | | |
| Step 3 | | Containment Plan | | | | | | | |
| **Item #** |  | | | | | | | | Due Date |
| 1 | SCI is supporting CAES for all part authentication efforts and is now shipping all part numbers with C of C traceability back to the OEM per CAES PO requirements. In addition purchase order forms have been changed to include "Vendor accepts SCI's terms of purchase including special requirements listed above and will notify SCI when OEM traceability is not available". In the event parts were not procured from the OEM or an approved distributor, and where full OEM traceability is not able to be provided, SCI will notify CAES. Upon approval, SCI will provide samples for CAES to perform LATs (Lot Acceptance Testing) for part authentication. If CAES wishes to purchase parts from SCI’s stock that does not have OEM traceability, SCI will require documentation upon approval | | | | | | | | 8/15/2022 |
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| Step 4 | | Root Cause Analysis | | | | | | | |
| **Item #** |  | | | | | | | | |
| 1 | SCI was not always able to supply traceability back to the OEMWhy: Traceability back to OEM was not always available in SCI's records.Why: SCI was not aware of this requirement stated in CAES PO'sWhy: Contract review process did not sufficiently review all applicable requirements thoroughly, thus SCI was not always able to flow down this requirement.Why: Contract PO review needs improvementWhy: Terms and Conditions were not included during PO reviews | | | | | | | | |
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| Step 5 | | **Preventive Action Plan** | | | | | | | |
| **Item #** |  | | | | | | | Owner | Due Date |
| 1 | SCI will provide C of C's traceable back to the OEM with all shipments unless customer specifically opts out. For parts that were not procured from the OEM or an approved distributor, and where full OEM traceability is not able to be provided, SCI will notify CAES. Upon approval, SCI will provide samples for CAES to perform LATs (Lot Acceptance Testing) for part authentication. If CAES wishes to purchase parts from SCI’s stock that does not have OEM traceability, SCI will require documentation upon approvalIf parts are procured from a a broker SCI will notify CAES. | | | | | | | Dennis Gunderson | 8/15/2022 |
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| Step 6 | | **Corrective Action Plan** | | | | | | | |
| **Item #** |  | | | | | | | Owner | Due Date |
| 1 | Training - All sales managers will be trained to CAES specifications; For parts that were not procured from the OEM or an approved distributor, and where full OEM traceability is not able to be provided, SCI sales managers will notify CAES. Upon approval, SCI will provide samples for CAES to perform LATs (Lot Acceptance Testing) for part authentication. If CAES wishes to purchase parts from SCI’s stock that does not have OEM traceability, SCI will require documentation upon approval  Additionally SCI's purchase order forms FM 8.4.1 have been changed to include "Vendor accepts SCI's terms of purchase including special requirements listed above and will notify SCI when OEM Traceability is not available"    Standard Operating Procedures and Work Instruction have been changed.  SOP 8.2.0,  -Section "2.1 Customer Service and Inside Sales personnel are responsible for coordinating and overseeing the processes that are established for product and service requirements including customer communications and determining, reviewing and changes to Sierra Components; products, services, and OEM traceability requirements."  -Section "3.2.1 When determining the requirements for the products and services to be offered to customers, Sierra Components Customer Service and/or Sales personnel ensures that the requirements for the products and services are defined. This includes:  • Any applicable statutory and regulatory requirements i.e. OEM traceability requirements.  • Requirements necessary by Sierra Components  • That Sierra Components can meet the claims for the products and service  Section "3.3.2 Customer purchase orders/contracts are reviewed prior to acceptance and entered into QuickBooks by sales and/or customer service to ensure Sierra Components can meet the claims for the products and services. This consists of, but not limited to the verification of:  • Part numbers  • Quantities  • Pricing  • Due dates  • Applicable statutory and regulatory requirements  • OEM, traceability requirements  • Sierra Components requirements  • Shipping methods  • Delivery and post-delivery activities  • Additional customer Requirements not specified by the customer  • Terms and Conditions  • Source Controlled Drawing, SDC, requirements  SOP 8.4.0,  -Section "2.1 Purchasing personnel are responsible for the proper execution of this procedure to ensure that externally provided processes, products and services (Suppliers, Subcontractors, etc.) conform to Sierra Components requirements and controls to be applied. i.e. OEM traceability  WI 8.2.3  Section "4.0-A-1 The Sales Person will review the customer’s purchase order against their initial quote to ensure compliance. Items reviewed are: pricing, delivery, device that was quoted, any special instructions such as packaging needs, testing, OEM traceability requirements and any specifications when applicable  Section "4.0-A-1.3 In “Items” the Sales Person needs to locate the Item Number (SCI’s part number), Quantity customer is ordering, Price, and Description (Customers Part number and Description), and dock date. Back Order Instructions can be utilized for any other information or instructions the Sales Person finds pertinent. This information will print out on the hard copy of the Sales Order/Internal Work Order. If an order requires out of house testing, a separate line item is entered as “Element Evaluation Testing”. If customer requires OEM traceability it must be entered in the body as another separate line item.  WI 8.4.0  Section "4.0-Notes "If the customer requires an OEM traceability etc. this must be stated in the body of the P.O and unless they the customer specifically ask to opt out."  Sales and shipping managers will be trained to these updates | | | | | | | Kiva White | 8/15/2022 |
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| Step 7 | | **Verification/Validation** | | | | | | | |
| **Item #** | Action | | | | | Evidence | | | Verified Date |
| 1 | Updated FM 8.4.1, Standard Operating Procedure SOP 8.2.0 & SOP 8.4.0, and Work Instruction WI 8.2.3 & WI 8.4.0 | | | | | FM 8.4.1, Standard Operating Procedure SOP 8.2.0 & SOP 8.4.0, and Work Instruction WI 8.2.3 & WI 8.4.0 | | |  |
| 2 | Training verification forms | | | | | FM 7.2.1 | | |  |

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| Step 8 | **Congratulate Team** |

**CAES Supplier Quality Engineer Use Only Supplier Response Due Date: \_\_**     **\_\_**

**Corrective Action Found Acceptable**  **Corrective Action Found Not Acceptable**

**Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Closed Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**