

IAOB Clarification of the Impact of Customer Special Status Conditions

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DaimlerChrysler Corporation, Ford Motor Company and General Motors Corporation issue special statuses to organizations with repeated poor performance.

1. DaimlerChrysler Corporation: Needs Improvement status

This status is established through a formal communication from DaimlerChrysler. It requires actions by the organization to improve their performance before it can be removed.

An organization certified to ISO/TS 16949:2002 that is placed in Needs Improvement status has a major nonconformance to ISO/TS 16949:2002, clause 8.2.1.1., "...customer notifications related to quality or delivery issues."

The certificate shall be suspended, the date of suspension to be the date that the status was invoked. The certification body shall follow the timing requirements outlined in *Rules for achieving IATF recognition*, Annex 4 for the decision to reinstate or withdraw the certificate.

An organization seeking certification to ISO/TS 16949:2002 that is in Needs Improvement status has a major nonconformance to ISO/TS 16949:2002, clause 8.2.1.1., "...customer notifications related to quality or delivery issues." The Readiness Review (see *Rules*, Annex 1) shall permit the initial audit. A major nonconformance shall be issued during the initial audit.

The major nonconformance shall be closed within 90 days in accord with the requirements of the *Rules for achieving IATF recognition* and the DaimlerChrysler Customer Specific Requirements. A certificate shall **not** be issued until either:

- a. the status of Needs Improvement is removed, or
- b. the organization provides verifiable confirmation from DaimlerChrysler to the certification body that DaimlerChrysler permits the initial audit.

2. Ford Motor Company: Q1 Revocation status

Ford Customer-Specific Requirement 4.38 Customer Satisfaction (ISO/TS 16949:2002 cl. 8.2.1.1, 5.2)

Certification Body/Registrar Notification

The organization shall notify its certification body/registrar of record in writing within five (5) working days if Ford Motor Company places the site on Q1 Revocation.

This notification of the certification body will constitute a "customer claim" as defined by the ISO/TS 16949:2002 Rules. This step will place the organization's ISO/TS 16949:2002 certification on suspension. Both Ford Motor Company and the certification body must agree with the organization's plan and actions to reinstate the certification within 90 days, or as agreed in writing between Ford and the certification body, otherwise the certificate will be cancelled (rescinded).

Note: Reinstatement of Q1 from Revocation requires at least 6 months of acceptable performance. If the certification body and STA agree that the organization has successfully implemented corrective and preventive actions, addressing all the issues that led to the Revocation, the ISO/TS 16949 suspension may be lifted. However, the site may still be under Q1 Revocation, accumulating the required 6 months of acceptable performance data. If either the certification body or STA cannot accept the site performance to plan as sufficient to lift the suspension, then suspension may be extended with approval from STA.

The organization shall monitor performance and customer satisfaction metrics (as defined by Q1) and updates to Ford requirements on FSP (Ford Supplier Portal).

It is strongly recommended that the organization review their performance status on SIM at least weekly. (Some information is updated daily on SIM)

At least twice per year, the organization shall communicate customer satisfaction metrics to all employees who affect the quality of Ford Motor Company products

The status of Q1 Revocation is achieved through a formal action of Ford, after investigating an unacceptable (less than 800 points) score in the Q1 system. It is posted on the Ford SIM report.

An organization certified to ISO/TS 16949:2002 that is placed in Q1 Revocation status has a major nonconformance to ISO/TS 16949:2002, clause 8.2.1.1, "...customer notifications related to quality or delivery issues" and clause 5.2, "Top management shall ensure that customer requirements are determined and are met with the aim of enhancing customer satisfaction."

The certificate shall be suspended, the date of suspension to be the date that the status was invoked. The certification body shall follow the timing requirements outlined in *Rules for achieving IATF recognition*, Annex 4 for the decision to reinstate or withdraw the certificate.

An organization seeking certification to ISO/TS 16949:2002 that is in Q1 Revocation status has a major nonconformance to ISO/TS 16949:2002, clause 8.2.1.1., "...customer notifications related to quality or delivery issues." The Readiness Review (see *Rules*, Annex 1) shall judge such an organization to have "insufficient readiness to conduct the initial audit" until either:

- a. the status of Q1 Revocation is removed, or
- b. the organization provides verifiable confirmation from Ford STA to the certification body that Ford permits the initial audit.

If an organization seeking certification to ISO/TS 16949:2002 is in Q1 Revocation status because it is not compliant to “Capable Systems” in the Q1 scoring, and that is because it is not QS-9000 or ISO/TS 16949:2002; then the certification body may pass the organization’s Readiness Review and proceed with the initial audit upon verifiable confirmation from Ford STA to the certification body that the only reason the organization is not Q1 is that it does not have a compliant quality management system.

3. General Motors Corporation: New Business Hold - Quality status

General Motors Customer Specific Requirement 4.2.8 Certification Body Notification and Certification Status – “New Business Hold – Quality”

The organization shall notify its Certification Body within 5 business days after being placed in GM New Business Hold – Quality. The status of “New Business Hold – Quality” shall be a violation of clause 8.2.1.1 Customer satisfaction – Supplemental.

The certification of the organization shall be placed on immediate probation (suspension) * by the certification body of record upon receiving notice of GM “New Business Hold – Quality.”

See Annex 4, **Automotive Certification Scheme for ISO/TS 16949:2002, Rules for achieving IATF recognition.*

1. In the event of certification probation as a result of an organization receiving notice of General Motors “New Business Hold – Quality,” the organization shall complete a corrective action plan. The supplier shall submit the corrective action plan to the Certification Body of record and to the affected customer(s) within 10 business days of the date of the letter of notification of probation. The corrective action plan of the organization shall be consistent with the affected customer(s) requirements including correction steps, responsibilities, timing information, and key metrics to identify effectiveness of the action plan.
2. Before any probation can be lifted, the Certification Body of record will conduct an on-site assessment of appropriate length to verify effective implementation of all corrective actions.
3. If probation is not lifted within four months of its issuance, the Certification Body of record shall revoke the ISO/TS 16949 certificate of the organization. Exceptions to this revocation shall be justified in writing by the Certification Body based upon its on-site review of the organization’s corrective action plan effectiveness and agreement obtained from the affected GM customer(s).

NOTE 1: The permitted probation period for General Motors Europe (GME) is six (6) months.

NOTE 2: The GM special supplier status conditions of CS I (Controlled Shipping – Level I), or CS II (Controlled Shipping – Level II) are performance indicators of organization product realization problems. Such status should have resolution, or credible resolution and corrective plans in place, which are confirmed by the customer.

New Business Hold - Quality

The status of New Business Hold – Quality is established through a formal communication from General Motors. It requires actions by the organization to improve their performance before it can be removed.

An organization certified to ISO/TS 16949:2002 that is placed in New Business Hold - Quality status has a major nonconformance to ISO/TS 16949:2002, clause 8.2.1.1., “...customer notifications related to quality or delivery issues.”

The certificate shall be suspended, the date of suspension to be the date that the status was invoked. The certification body shall follow the timing requirements outlined in General Motors Customer Specific Requirement 4.2.8, that supplements *Rules for achieving IATF recognition*, Annex 4, for the decision to reinstate or withdraw the certificate.

An organization seeking certification to ISO/TS 16949:2002 that is in New Business Hold - Quality status has a major nonconformance to ISO/TS 16949:2002, clause 8.2.1.1., "...customer notifications related to quality or delivery issues." The Readiness Review (see *Rules*, Annex 1) shall judge such an organization to have "insufficient readiness to conduct the initial audit" (the audit shall not be conducted) until either:

- a. the status of New Business Hold - Quality is removed, or
- b. the organization provides verifiable confirmation from General Motors to the certification body that General Motors permits the initial audit.

Controlled Shipping Level II (CSII)

The status of Controlled Shipping Level II is part-specific, and is established through a formal communication from General Motors. General Motors requires actions by the organization to improve their performance before the [status](#) can be removed.

An organization certified to ISO/TS 16949:2002 that is placed in Controlled Shipping Level II status has a major nonconformance to ISO/TS 16949:2002, clause 8.2.1.1., "...customer notifications related to quality or delivery issues."

The certification body shall issue a major nonconformance against the organization. The major nonconformance shall be closed within 90 days in accord with the requirements of the *Rules for achieving IATF recognition* and the General Motors Customer Specific Requirements.

Failure to close the major nonconformance by the organization shall result in the certification body suspending the certificate. The certification body shall follow the timing requirements outlined in *Rules for achieving IATF recognition*, Annex 4 for the decision to reinstate or withdraw the certificate.

An organization seeking certification to ISO/TS 16949:2002 that is in Controlled Shipping Level II status has a major nonconformance to ISO/TS 16949:2002, clause 8.2.1.1., "...customer notifications related to quality or delivery issues." The Readiness Review (see *Rules*, Annex 1) shall permit the initial audit. A major nonconformance shall be issued during the initial audit.

The major nonconformance shall be closed within 90 days in accord with the requirements of the *Rules for achieving IATF recognition* and the General Motors Customer Specific Requirements. A certificate shall **not** be issued until either:

- a. the status of Controlled Shipping Level II is removed, or
- b. the organization provides verifiable confirmation from General Motors to the certification body that General Motors concurs with the issuance of an ISO/TS 16949:2002 certificate.

Should the status of Controlled Shipping Level II not be removed within the 90 days, the audit performed shall not be counted toward certification for ISO/TS 16949:2002

and the organization shall begin again at T₀ (see *Rules for achieving IATF recognition*, Annex 1).

Controlled Shipping Level I (CSI)

The status of Controlled Shipping Level I is part-specific, and is established through a formal communication from General Motors. General Motors requires actions by the organization to improve their performance before the status can be removed.

An organization certified to ISO/TS 16949:2002 that is placed in Controlled Shipping Level I status has a nonconformance to ISO/TS 16949:2002, clause 8.2.1.1., "...customer notifications related to quality or delivery issues."

The certification body shall issue a minor nonconformance against the organization. The minor nonconformance shall be closed (actions and timing) in accord with the requirements of the General Motors letter imposing the Controlled Shipping Level I status. The certification body should verify the corrective actions taken by the organization at the next regular audit.

An organization seeking certification to ISO/TS 16949:2002 that is in Controlled Shipping Level I status has a nonconformance to ISO/TS 16949:2002, clause 8.2.1.1., "...customer notifications related to quality or delivery issues." The Readiness Review (see *Rules*, Annex 1) shall permit the initial audit. A minor nonconformance shall be issued during the initial audit.

The minor nonconformance shall be closed (actions and timing) in accord with the requirements of the General Motors letter imposing the Controlled Shipping Level I status. A certificate shall **not** be issued until either:

- a. the status of Controlled Shipping Level I is removed, or
- b. the organization provides verifiable confirmation from General Motors to the certification body that General Motors accepts the actions being taken by the organization.

The certification body should verify the corrective actions taken by the organization at the next regular audit.