QA COMMITTEE AGENDA ITEM

TOPIC: Add language in the ASA-100 Standard to better address requirements regarding Drop Shipment.

WHAT ARE WE TRYING TO FIX?

- The ASA-100 Standard, in sections 6 and 11 require that parts and documentation be subjected to a Receiving and Shipping Inspection, *However...*

- Drop Shipped parts do not have complete inspections as required by the aforementioned sections

- Some parts are rejected by customers after being physically inspected.

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BACKGROUND:

- We recognize that Drop Shipping is one of the methods favored by many accredited organization and is required by some customers for some shipments; this is not meant to curtail that activity, but to add structure to it

- Drop Shipment is currently mentioned only in the ASA's Manual Template, but since it is not an ASA-100 Standard requirement, applicants are not required to follow it. Further, only a fraction of accredited organizations use the template.

- ASA and its Auditors continue to see evidence of 'issues' and have raised non-conformances caused by lack of structure and processes and procedures regarding Drop Shipping Practices.

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PROPOSED ASA-100 LANGUAGE:

- **Add a Drop Ship Definition to Section II of the Standard:**

  - **Drop Ship**: A transaction whereby the part(s)/material(s) are being shipped from the Distributor's source directly to the Distributor's customer.

- **Section 1. E currently states "For distributors, the quality control manual shall include, but not be limited to a detailed description of*: Add the following new sentence:***

  - 16) Drop Ship Procedures

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Add/Revise the following:

6. Receiving Inspection

A. 6) For parts being drop shipped a visual inspection is not required however, all traceability documentation shall be reviewed and approved prior to shipment to the customer.

11. Shipping

B. 8) For parts being drop shipped a visual inspection is not required however, all traceability documentation shall be reviewed and approved prior to shipment to the customer.