



External Manufacturer (EM) Quality Performance and Failure Data Reporting Process Requirements for Core Mechanical Products

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Overview

This document defines quality performance and failure data reporting process requirements to be followed by external manufacturers (EM) for mechanical products identified by Oracle part number in a Product Award Letter (PAL) as Oracle Core material. This document also defines Oracle Supply Chain Operations Supplier Engineer's (SE) roles and responsibilities in this process.

Audience

Operations SE's, Supplier Program Managers (SPM) and Oracle EM's that purchase mechanical products designated "Core" in Oracle PAL's.

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1 Support

1.1 EM

The EM is responsible for assigning resources to support quality management and reporting for Oracle core mechanical items purchased by the EM for use in builds of upper level assemblies in the EM's manufacturing process. The EM shall designate a Key Point of Contact as the primary interface with Oracle to support resolution of day-to-day issues and negative quality performance relating to core mechanical items. A backup Point of Contact and escalation path contact information shall also be provided by the EM.

The EM's designated Key Point of Contact for Oracle core mechanical product is the first point of contact if an issue concerning a core mechanical item is escalated at the EM or by the EM to Oracle, and is responsible for documenting and communicating, in the appropriate manner, any issues or quality incidents. The EM initiates the investigation within their own manufacturing and inspection/test processes, documents the issue and results of EM's initial investigation, and provides that information as part of EM's documented notification of the issue to the designated Oracle Core Mechanical Supplier Engineer (CMSE).

Responsibilities of the designated EM Key Point of Contact include:

- Ensuring timely reporting of quality data/metrics for Oracle core mechanical items as required by this specification.
- Supporting core mechanical quality meetings with Oracle as required.
- Engaging other resources within the EM's organization as necessary to provide information in a timely manner to assist in characterizing quality issues and associated impact on EM's ability to meet Oracle quality, cost, or material availability requirements as inputs to Oracle assignment of priority for root cause corrective action (RCCA) investigation actions.

1.2 Oracle

The assigned Oracle CMSE provides support to the EM for core mechanical product quality management. This includes facilitating development of key quality management processes to enable a timely and effective closed loop RCCA process and efficient coordination between the EM, Oracle, and the Oracle Core Mechanical Supplier from initial problem reporting through final validation of RCCA effectiveness at the EM. This encompasses processes for quality data reporting, failure analysis (FA), non-conformance corrective action tool (NCAT) management, supplier feedback, and failure verification processes. Oracle CMSE backup personnel and escalation contact information shall be provided to the EM.

2 Quality Reporting

2.1 Core Mechanical Supplier Performance Overview Report

The EM must provide a monthly Quality Performance Overview Report covering each Oracle part number (PN) purchased from the Oracle Core Mechanical Supplier and consumed by the EM in the last 3 months (at minimum), or as otherwise requested by the Oracle CMSE.

This report must be updated and uploaded to an Oracle external Securesites/Securefiles workspace (to be identified by the Oracle CMSE) no later than 10 calendar days after the end of the latest month the report covers.

The Quality Performance Overview Report must include the following information for each P/N supplied to the EM by the Oracle Core Mechanical Supplier:

- Oracle P/N's
- Part Description's (as listed in Oracle's Agile and/or Oracle's drawing)
- Total quantity of each part used in each month that is covered by the report
- Total number of failures for each Oracle P/N each month that are the liability of the Core Supplier.
- Total number of failures each month for each part that are the liability of the EM
- Core Supplier Caused Defects Per Million (DPM) for each month for each PN, calculated as quantity of a given PN failed due to Core Supplier caused non-conformances in each month, divided by the total quantity of that PN consumed in EM's process that month, multiplied by 1,000,000.
- Core Supplier Caused DPM, 3 month total, calculated as quantity of a given PN failed due to Core Supplier caused non-conformances for the entire 3 month period covered by the report, divided by the total quantity of that PN consumed in EM's process in those 3 months, multiplied by 1,000,000.
- Core Supplier DPM Target and DPM Minimum Acceptable Quality values for each part number per Oracle's Product Award Letter (PAL). The Oracle Core Mechanicals SE will provide these DPM values for the EM's use on the report.

2.2 Core Mechanical Itemized Failure Detail and Returned Material Data Reporting

The EM must provide a report, updated weekly, covering the details of each failure occurrence for each Oracle PN purchased from the Oracle Core Mechanical Supplier and consumed by the EM in the last 3 months (at minimum), as well as any older failed core mechanical items still residing in EM's Material Review Board (MRB) inventory, or as otherwise requested by the Oracle CMSE. This report must be updated and uploaded to an Oracle external Securesites/Securefiles workspace (to be identified by the Oracle CMSE) no later than 7 calendar days after the end of the latest week the report covers.

This detailed report must include the following failure data, corresponding EM MRB Inventory status, and failure return logistics/return material information (RMA) information associated

with all items supplied to the EM by the Oracle Core Mechanical Supplier that have been rejected at the EM's facility:

- Failure Date
- EM Site where the failure occurred
- Oracle P/N
- Part Description (as listed in Oracle's Agile and/or Oracle's drawing)
- Serial Numbers (S/N(s)) (Where Serialization is required for the affected item(s). If not a serialized item Provide Date/Lot code of affected item(s) if applicable)
- Project (name of the top system-level)
- Failure Type (Cosmetic, Mechanical, Functional, and so on, categories to be agree to by the Oracle SE prior to reporting)
- Quantity Failed
- Failure Stage (Point in EM process where failure was discovered, i.e., Incoming Inspection, Assembly, Test...)
- Brief description of the defect
- EM's Unique Failure Identifier (EM's Failure Record number/Control number associated with the rejection)
- Global Unique Test Identifier (GUTI) or other test identifier (if applicable...typically not applicable to mechanicals)
- NCAT # (if applicable – Oracle CMSE to advise NCAT # when available)
- Fault (EM or Core Supplier) (Initially enter best assessment of fault, may be changed based on further info obtained via FA/RCCA investigation and as finally agreed between EM, Oracle, and Mech Supplier)
- Disposition (Return to Vendor (RTV), Scrap, Rework, or TBD. Indicate whether @ EM or Supplier Expense)
- Failed Item Location (MRB, RMA Shipped, Other – Specify)
- Date Item Entered MRB
- MRB Aging (Number of Days in EM's MRB location, Leave blank if not in MRB)
- Date RMA Requested from Oracle Core Mechanical Supplier
- Date RMA Provided by Oracle Core Mechanical Supplier
- RMA Number issued by Oracle Core Mechanical Supplier
- Date of shipment from EM for any item(s) dispositioned RTV to the Oracle Core Mechanical Supplier
- Carrier and Freight Tracking # for any item(s) RTV'd to Oracle Core Mechanical Supplier, or any item(s) shipped elsewhere for FA at Oracle Core Mechanical SE's request

2.3 Reporting Templates

Refer to document 7320831 *Core Mechanical Supplier Quality Reporting Template* for examples of report templates that may be used by the EM as a basis for developing a format for the two reports required per sections 2.1 and 2.2 above. Variations in EM's reporting format are acceptable as agreed by the CMSE, as long as the minimum applicable data elements specified in 2.1 and 2.2 of this specification are included in the reports.

3 Quality Incidents

In the event of a major quality incident the EM shall notify the Oracle CMSE via e-mail and provide the detailed failure information per Section 2.2 for the part in question within 24 hours of detection of the incident (Minus RMA and return freight related info, which can follow as soon as available). In addition to this information the EM shall supply the quantity of on-hand inventory, as well as the outstanding quantities on open purchase orders (PO's), and due dates required for quantities on open PO's.

To qualify as a major quality incident the issue must meet all of the following requirements:

- DPM must be above Minimum Acceptable Value documented in the PAL
- The failure mode must have resulted in a reject quantity greater than 3
- The quality incident must have a notable impact on manufacturing and/or the EM's ability to meet required ship dates.

Issues that do not meet these requirements only require reporting in the weekly report as described in Section 2 above

4 FA Reports

The support model for sending the failed components for FA, and communicating FA results, must conform to the following:

- The EM must verify failed components do not meet specification requirements and return the failed parts, with accompanying failure information, to the Core Mechanical Supplier the failed parts were purchased from. Note: EM must include clear photos of any failures due to physically apparent damage or cosmetic issues in the failure information provided to the Core Mechanical Supplier to facilitate prompt initiation of FA/RCCA by the supplier in advance of receipt of the failed parts at the supplier's location.
- EM requests for FA results and RCCA to be provided by an Oracle Core Mechanicals Supplier must come through Oracle SE. Such requests by EM are not to be made directly to the Oracle Core Mechanical Supplier. The Oracle Core Mechanicals SE determines the form, content, and level of detail that is necessary and appropriate to be provided to the EM in response to the EM's request while maintaining compliance with any confidential disclosure agreement (CDA) agreements between Oracle and the Oracle Core Mechanical Supplier. (As a minimum, to support EM validation of RCCA effectiveness, the EM will typically need to be provided information as to PO/Line Item/Date when initial quantities of an item where RCCA has been implemented by the Oracle Mechanical Supplier are shipped to the EM).

Related Information

Reference Documents and Records

REFERENCE DOCUMENTS AND RECORDS	
Core Mechanical Supplier Quality Reporting Template	7320831

Document History

Rev	Date	Description of Change	Originator
01	12/13/2018	Initial Release	N/A
02	06/29/2022	Remove references to Beehive and replaced with Securesites/Securefiles. Remove WWOPs throughout. Update confidentiality statement. Update to Oracle Redwood format.	N/A

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