

Partnering Approach for Improving Quality

Introduction

1. The introduction of new contracting arrangements, such as contracting for Capability / Availability / Partnering demand much closer working relationship between the MOD and Industrial Suppliers. This leads to greater interaction and dependency between the MOD Project Teams and Supplier staff for the assurance of a quality product. Use of the Partnering Approach for Improving Quality (PAIQ) can help with this; and allows either the MOD or Supplier to raise issues related to quality

Policy

2. Suppliers are responsible for delivering products and/or services that fulfil contract requirements. The MOD Project Team leader within their letter of delegation is required to effectively implement Quality within the project. The PAIQ is an enabler for the resolution of significant quality problems during the acquisition process.

Objectives

3. The objective of the PAIQ process is to assure the delivery of Fit for Purpose materiel.
4. This is achieved by ensuring the following critical success factors are met:
 - a. Responses to quality issues of all stakeholders in the supply chain are effectively managed.
 - b. Agreed and effective corrective and preventive actions are introduced to ensure quality related contractual requirements and commitments are met.
 - c. Supplier and customer are fully aware, where appropriate, that they have been considered to be in default of their quality contractual requirements and commitments.

Process

5. The PAIQ is an escalation process to resolve the root cause of contractual quality issues using a partnered approach between the MOD Project Team and Supplier. The process is described in more detail within the following guidance notes and the Partnering Approach for Improving Quality – Flowchart ([ANNEX A](#)).

Identify Performance Criteria and Plan

6. To support this the Project Manager and supplier are to:
 - a. ensure that quality is an agenda item at project review meetings;
 - b. include the mandated Quality Performance Indicators (QPIs) as defined by DQA Policy and agreed with the Supplier Relations Team (SRT) for inclusion in contracts with a value over £5 million;
 - c. as necessary for lower value, but critical contracts, the Project Team and Supplier may agree to include other agreed Quality related Performance Indicators and key contract deliverables against which the contract will be measured and monitored;
 - d. at all stages records of meetings and supporting evidence must be maintained.

7. Examples of quality related performance indicators include the following:
- GQAR Quality deficiency reports relevant to the project
 - Formal letters of complaint from Suppliers and MOD Project teams
 - Poor Programme Planning or visibility of contract progress
 - Programme / cost overrun
 - Inadequate supplier / MOD Project Team resources deployed on programme
 - Risks are not considered during project planning and execution
 - Personnel who perform work affecting product quality seem not fully competent
 - Quality objectives not established and maintained
 - Required verification, validating, monitoring, inspection and test activities not determined
 - Reviews consistent with the scale of the contract are not conducted
 - Delivered product, including Government Furnished Assets (GFA), does not meet specification
 - Delivered product, including GFA, exhibits poor reliability
 - Delivered product, including GFA, exhibits unacceptable levels of defects
 - Damaged or defective product packaging
 - Late or unreliable delivery of product or other contract deliverables e.g. plans, GFA
 - Concessions: Excessive numbers, repetitive, late notification to MOD, unacceptable impact on programme
 - Concessions: Non-conforming product offered to the authority for acceptance that is not accompanied by a clear and demonstrable benefit to the authority
 - Concessions: Major non-conformities sometimes wrongly categorised as 'minor'
8. When included, the QPIs selected will be monitored case by case, based on a risk assessment by the Project Team and Supplier.

Monitor and Manage

9. The QPIs should be regularly reported and reviewed at the project review meetings or other suitable forum agreed by the Project Team and Supplier; details of the review are to be recorded in the meeting minutes. Such meetings should be commensurate with the reporting timeframe of the individual project.
10. In order to co-ordinate the Quality Assurance (QA) arrangements for a project, the MOD Project Team Leader may need to set up a Quality Assurance Group (QAG).
11. If the Project Team or Supplier considers that the specific quality related requirements have not been met, the deficiency is to be raised at the project review meeting. If agreed, the respective party must generate a corrective and/or preventive action plan detailing the owner(s), proposed corrective and/or preventive actions and timescales, for agreement, to resolve the issues.
12. The identified deficiencies are to be monitored via the project review meetings or other suitable forum. All efforts to resolve the deficiency should be taken at this initial level.

Escalation

13. Where both parties are unable to agree, at the lower level, that the corrective and/or preventive actions have been effective; the deficiency shall be escalated to the next management level within the Supplier or Project Team.
14. If subsequent negotiations between the Project Team and Supplier can not resolve the deficiency within the agreed timescales at lower management level, the deficiency is to be raised through the management chain. Ultimately the matter must be brought to the attention of the Director Operating Centre and the Supplier's Chief Executive Officer or Managing Director, if not resolved at a lower level.
15. Failure to resolve the actions may result in the MOD Project team Leader or the Supplier to request the DQA Field Force to initiate an In Depth Audit (IDA); this may be done by contacting the DQA helpline. DQA Policy is to be copied the information.

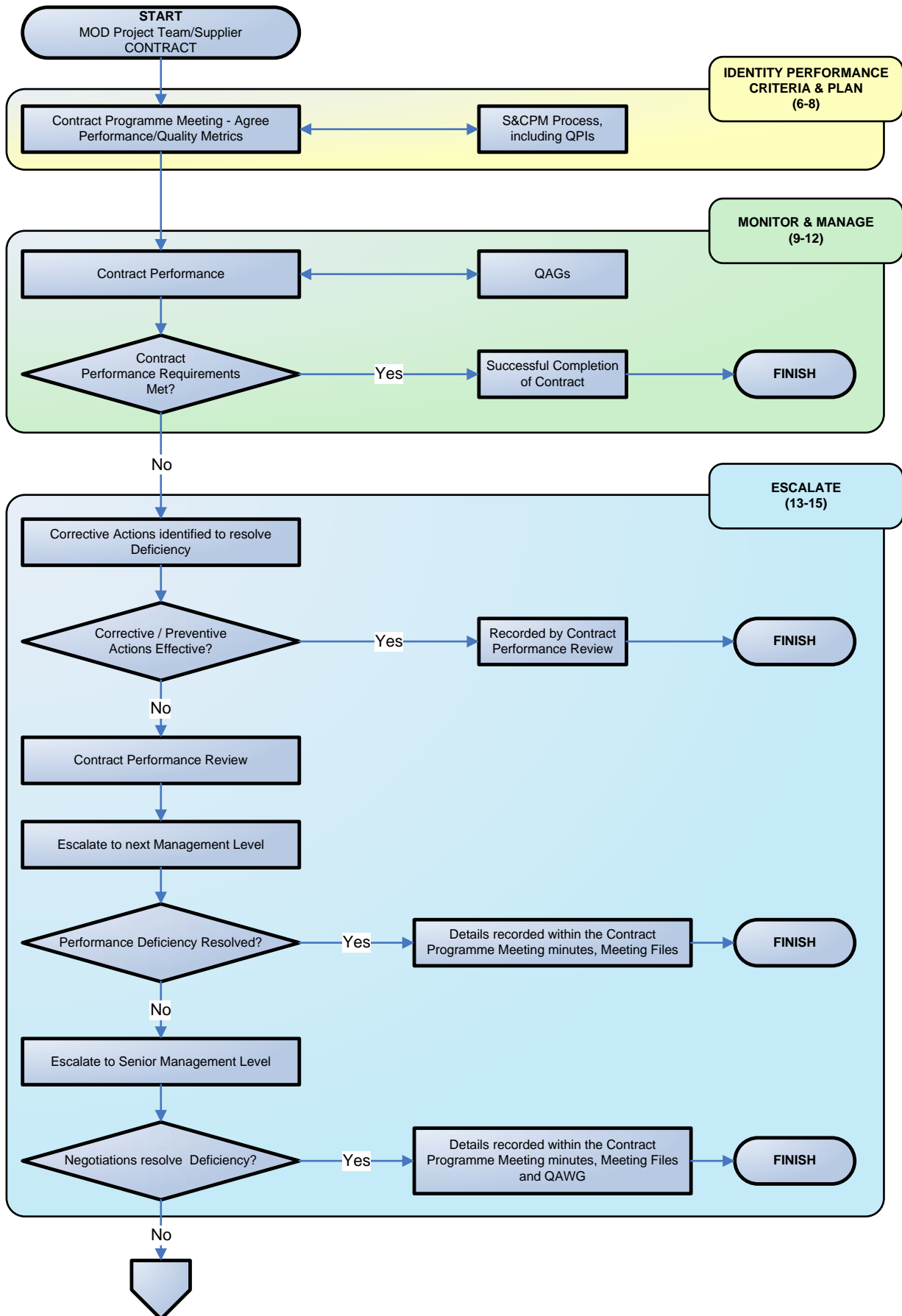
In Depth Audit

16. The scope of the IDA will cover all stakeholders, including the Project Team, Supplier, sub-suppliers and other parties as required.
17. An IDA is undertaken by an independent MOD Lead Auditor from an independent DQA FF Section, supported by subject matter experts and other GQAR organisations where necessary. The IDA will evaluate the effectiveness of the relevant processes for the management, implementation and governance of the contract with regard to the MOD Project Team and Supplier. The outcome is to identify root causes and corrective and/or preventive actions necessary to ensure the contract meets its requirements for quality.
18. The DQA FF Lead Auditor will liaise with the Supplier, Project team and other stakeholders to arrange the IDA. If any party does not agree to the IDA then a documented record of the meeting must be made and inserted in the IDA file.
19. On completion of the IDA, the Lead Auditor will report the outcome of the IDA to the MOD Project Team Leader and Supplier Managing Director. The Lead Auditor shall determine, based on discussion with the affected party, the best course of action for progressing the level of corrective and/or preventive actions, subsequent quality improvement necessary and agreed time scales.
20. Provided the recommendations are implemented within the agreed time scales no further action is necessary.

Escalate - Final

21. If a Supplier or Project Team fail to implement the agreed corrective and/or preventive actions within the agreed time scales, or respond satisfactorily to the IDA findings; the Lead Auditor will refer the relevant party to DQA Policy.
22. DQA Policy will provide details of Project Teams and Suppliers who do not respond to the IDA findings to SRT and the Performance Delivery Improvement (PDI) Team.

ANNEX A: Partnering Approach for Improving Quality - Flowchart Pt1



ANNEX A: Partnering Approach for Improving Quality - Flowchart Pt2

