OASIS/D2P White Paper

AEROSPACE INDUSTRIES ASSOCIATION

Introduction

The Department of Defense, the Aviation, Space and Defense industry and American taxpayers suffer from a burdensome and redundant quality management system approval and oversight process. Quality Management System (QMS) surveillance and audits are being performed independently by the Defense Contract Management Agency (DCMA), prime contractors, AS&D suppliers and registration bodies. These activities result in redundant effort and data production, and drives additional cost, a burden ultimately borne by the taxpayer.

In 2015, DCMA's office of the Executive Director of Quality requested that the Aerospace Industries Association (AIA) and its Quality Assurance Committee (QAC) members team with DCMA and the International Aerospace Quality Group (IAQG) to participate in a pilot project called "OASIS," or On-Line Aerospace Supplier Information System. The project's goal was to utilize the IAQG's OASIS product and the OASIS feedback process to determine if it could help eliminate redundant audits throughout the supply chain. This project was driven by the need to increase efficiency through the building of confidence in the OASIS AS9100 system of registration and oversight and is an element in the DCMA Detection to Prevention (D2P) strategy.

This pilot project envisioned two potential areas of positive impact:

- Reduced oversight burdens on industry. Through the utilization of third party registrars and the OASIS feedback system, companies could effectively eliminate QMS audits being performed by contractors, DCMA and other customers and move to a singular audit entity.
- Reduced costs to the government and industry through the reduction and/or reallocation of resources that currently are being utilized to perform redundant audits.

With IAQG present to support the signing, the first memorandum of understanding (MOU) between a QAC/IAQG member company and DCMA was signed in December 2015 to launch the OASIS project, and subsequent MOU's have expanded the project to six companies.

Objectives of OASIS:

QMS surveillance and audits being performed independently by DCMA, the prime contractor and the contractor's registration body lead to duplications of effort, resulting in additional costs. The Aviation, Space and Defense (AS&D) industry has agreed to support DCMA data access and collection efforts, including those involved in obtaining certified supplier information from the OASIS database for the purposes of risk reduction and resource allocation with respect to DoD contractor QMS approvals and surveillance.

The MOU's seek to establish a cooperative framework between the Parties on issues involving QMS certification activities and QMS surveillance. OASIS project objectives include: 1) utilizing Industry Controlled Other Party (ICOP) oversight data contained in OASIS as objective evidence to potentially augment DCMA supplier surveillance activity; 2) eliminating redundant activities; and 3) reducing letter of delegation (LOD) surveillance requirements and audit frequencies to improve product quality and cost.

Ultimately, the project seeks to leverage existing information that government and industry is already paying for to drive improved performance, customer confidence, data sharing and costs, as well as harmonized data and focus.

Opportunities and Initiatives:

During the OASIS pilot project, DCMA, IAQG and participating companies identified several additional opportunities that could lead to AS&D industry efficiency gains relative to quality performance oversight, including:

- Collaboration on data analysis through the sharing of data captured by the contractor, supplier or DCMA to jointly identify areas of risk and establish a common view of where oversight can be reduced or needs to increase to reduce risk to the product or user.
- Development of a common taxonomy. Users found a gap in the taxonomy utilized to categorize findings during and audit or surveillance. This gap exists between the definitions provided in the AS9100 series of documents, DCMA definition and definitions

utilized by contractors and supplier in audits conducted through all levels of the AS&D supply chain. This gap could cause confusion between entities when assessing QMS risks and performance. A common taxonomy will lead to a better communications and a more common understanding.

- Aligning CAR definitions. Users found that aligning definitions relative to Corrective Action Requests (CAR) levels will enhance parties' understanding and oversight of the QMS. The AS9100 series of standards provides definition of QMS findings based on major, minor and opportunities. Adoption of these definitions and/or adjustment of the definitions to suit the extended AS&D industry and DCMA can lead to increased confidence and aligned assessment of QMS risk.
- Eliminate redundant nonvalue added activity. Additional activities were identified to eliminate redundancies and enhance efficiencies. These opportunities need to be gathered, vetted and ranked by priority for potential inclusion in the DCMA D2P strategy. Potential activities include, but are not limited to: leveraging contractor data to reduce letters of delegation; jointly implementing process capability measures to reduce specific inspection points; reducing disposition workload on low risk material review board post production reviews; jointly defining metrics to measure QMS performance; and targeting variation reduction to enable a transition from DCMA and contractor oversight to surveillance.
- Encouraging collaborative surveillance. Collaborative surveillance between the contractor and DCMA will increase contractor effectiveness and DCMA confidence of internal surveillance strategies, providing for DCMA to transition from in-depth product/process surveillance to oversight. This activity would not be limited to the contractor site but would also extend into the supply base.

Recommendation Relative to the OASIS Project:

Greater collaboration between AS&D industry and DCMA will result in an OASIS feedback process that drives actions and results. Certification Bodies will have enhanced oversight capabilities during the certification process that will result in the identified areas of risk having more focus. Once implemented across the supply base, inputs into OASIS at all tiers of the supply chain will aid in driving improved cost, communication, and processes which result in our warfighters' receiving a better product. AIA QAC recommends expanding the OASIS pilots across additional Aviation, Space and Defense companies, recognizing that success is dependent upon the following four elements:

- Government and Industry adopting standardized data. Both parties need to understand what data is needed to enable increased confidence in third party QMS oversight and standardize how the data is captured, tracked and presented.
- Industry being more forthcoming with data. DCMA requires QMS performance data to adequately understand risk and build confidence that the registrar and contractor/supplier are taking appropriate action. Agreement needs to be reached in advance on data to be shared, use of data and common understanding on sharing, or restriction thereof, of the data.
- Greater collaborating on analysis. Government and industry need to Jointly collaborate on data analysis and resultant actions to ensure concerns from all stakeholders are addressed.
- Increased DCMA ability to perform risk based oversight without duplicating tasks. The AS&D community understands that DCMA must meet certain key responsibilities. As such, DCMA still needs the ability to perform risk based oversight but with an eye toward not duplicating contractor, registrar, or supplier tasks where duplication can be avoided without adding risk.

Conclusions and Additional Recommendation:

The successful collaboration between the AS&D community and DCMA has resulted in the OASIS initiative expanding corporate-wide to additional sites/business areas of the six original participating companies. Since OASIS began, other companies have signed MOU's to also participate in the OASIS project, including companies not aligned to the AIA QAC.

The AIA QAC recognizes the value in reducing redundant audits and moving to the strategy outlined in the OASIS project whereby by contractors and DCMA have greater confidence in the third-party registrar system to adequately identify where QMS improvement is required. As such, additional AIA QAC member companies have recently singed MOU's to join OASIS. Considering the significant value being identified by the early participating companies, the AIA QAC recommends DCMA immediately expands the OASIS pilot across additional AS&D companies. The utilization and leveraging of OASIS to enable improved collaboration between DCMA and Industry on audit schedules, QMS oversight and QMS risk assessment has shown to be a valuable method for industry and DCMA to partner to drive efficiency while not negatively impacting effectiveness.

In addition, the AIA QAC further recommends continued support of the DCMA D2P strategy through continuous engagement in projects such as those listed in the Opportunities and Initiatives section above.

Acknowledgements:

AIA QAC
IAQG Participants