

Supplier Quality Requirements Manual



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TABLE OF CONTENTS

		Page Number
1.0	Forward	3
2.0	Introduction	4
3.0	Supplier Selection Requirements	5
4.0	Supplier Development	5
5.0	Supplier Quality Rating System	6
6.0	Corrective and Preventative Action	7
7.0	Cost Recovery	8
8.0	PPAP Procedure	9
9.0	Packaging and Labeling	10
10.0	Customer Owed/Tooling Management	11
11.0	Material Authorization	12
12.0	Obsolescence	13
13.0	IMDS Requirements	14
Appendix A	Supplier Information Questionnaire	15-16
Appendix B	Supplier Quality System Audit	17-18

Supplier Quality Requirements Manual

1.0 FOREWORD

The automotive industry is both competitive and demanding, with ever increasing levels of customer expectations for both product performance and reliability.

Our objective is to develop a reputation of excellence in manufacturing standards, and without a doubt the single most important strategy for achieving this is through continuous improvements.

Purchased materials from our suppliers are a vital ingredient for success, and the purpose of this manual is to define the basic systems and procedures we expect our suppliers to adopt in order to ensure that their quality responsibilities are completely met.

It is the intention of Tribar Manufacturing LLC to develop a long term partnership with those suppliers who can consistently achieve these standards so that together we can provide the level of quality excellence necessary to satisfy all our customer's needs.

We look forward to your commitment and support in achieving this goal.

Supplier Quality Requirements Manual

2.0 INTRODUCTION

Goal

The goal of this manual is to communicate to the supplier minimum requirements to assure the quality of supplied product.

Purpose

The purpose of the manual is to define the systems and controls Tribar Manufacturing LLC requires its suppliers to fulfill.

Implementation

Suppliers are required to comply with all requirements of *ISO/TS 16949* and reference list below of current AIAG publications.

References:

- Quality Management Systems (ISO/TS 16949:2009)
- Measurement Systems Analysis Reference Manual (MSA)
- Statistical Process Control Reference Manual (SPC)
- Potential Failure Mode and Effect Analysis Reference Manual (FMEA)
- Production Part Approval Process (PPAP)
- Advanced Product Quality Planning and Control Plan Reference Manual (APQP)
- AIAG B-10 Bar Code Label Guide
- AIAG M-7 Global Material Management Operations Guideline (MMOG)
- CQI-9 Heat Treating Assessment
- CQI-11 Plating System Assessment
- CQI-12 Coating System Assessment

Supplier Quality Requirements Manual

3.0 SUPPLIER SELECTION REQUIREMENTS

Tribar Manufacturing LLC Purchasing will procure material only from approved supply sources. Purchasing will ensure that only capable suppliers are considered for approval, unless otherwise denoted by the customer.

Suppliers must be certified to a minimum of ISO 9001:2008 and goals of achieving TS 16949:2009.

3.1 Supplier Information Questionnaire (QR 7.4.06) must be completed by all suppliers updated when changes occur, and submitted to your Tribar buyer.

Reference Appendix A.

3.2 A request may be made to review a supplier using (QR 7.4.04) Supplier Quality Systems Audit.

Reference Appendix B.

4.0 SUPPLIER DEVELOPMENT

The Purchasing Department will determine the suitability of the Supplier through the use of either:

ISO 9001:2008 - *ISO/TS 16949:2009* Assessment (Second or third Party approval)
When Tribar performs quality system development we will use *ISO 9001:2008* as the fundamental quality system requirement.

Supplier Quality Requirements Manual

5.0 SUPPLIER QUALITY RATING SYSTEM

On-going Supplier quality performance will be assessed on a monthly basis by means of **PPM, and Delivery performance**. The method is based on the resulting status of all direct incoming material problems experienced.

The Performance Rating is comprised of the following subcategories:

The supplier has 30 days to dispute a rating.

5.1 PPM performance is the direct result of rejection against the number of parts delivered from the Supplier. This will be measured as follows:

$$\text{PPM Rating} = (\text{defect} / \text{amount shipped}) * 1,000,000$$

Target for *maximum* acceptable PPMs is less than or equal to 50.

Rating more than Zero may require corrective actions.

5.2 Delivery Performance is measured against a target of 100% on time delivery. These will be measured by the following violations, including but not limited to:

Description	Description
Incorrect paperwork	Incorrect packaging method
Missing paperwork	ASN violation
Mis-label	Labels Not Scannable
Overshipment	Incorrect Label Format
Undershipment	Missed Window Time
Late Delivery	Supplier Expedited Freight/Late
Early Delivery	Supplier Expedited Freight/Quality
Unauthorized Carrier Used	Customer/Line Disruption/Delivery
Damaged Freight	Customer/Line Disruption/Quality

(Delivery violations may be added or subtracted at any time by Tribar, as necessary)

$$\text{Delivery Performance} = (\text{delivery violation} / \text{amount of shipments})$$

Ratings under *100%* may require corrective action.

Late or under-shipments that result in expediting product that is behind schedule will be at the expense of the supplier.

Supplier Quality Requirements Manual

6.0 CORRECTIVE AND PREVENTATIVE ACTION

When a quality or delivery problem has been reported to the supplier it is the supplier's responsibility to respond to Tribar within 24 hours with Interim Corrective Action. The interim shall include a plan to quarantine, recall, sort, and rework or replace all material in the flow. The supplier shall respond with Irreversible Permanent Corrective Action within 15 working days. If Irreversible Action cannot be met in the allotted 15 days, it is the responsibility of the supplier to submit in writing for an extension. Interim actions are to stay in effect until Permanent Corrective Actions have been verified. An 8-D Corrective Action report is required to be used.

Repeat quality problems could result in Level I or Level II controlled shipping set forth by Tribar Manufacturing LLC.

Level 1 Controlled Shipping includes a problem solving process as well as a redundant inspection process. The inspection process is enacted by the supplier's employees at the supplier's location in order to isolate Tribar from receipt of nonconforming parts/material.

Level 2 Controlled Shipping includes the same process as Level 1 controlled shipping, with an added inspection process that is completed by an impartial third party. The third party is selected by Tribar and paid by the supplier. In special cases, the Level 2 inspection may be required to be performed outside the supplier's facility deemed appropriate by Tribar.

Supplier Quality Requirements Manual

7.0 COST RECOVERY

When a quality problem is reported and is agreed to be the fault of the supplier there will be a charge of \$250.00.

All parts will be charged back at cost for returns or scrap. Freight is the responsibility of the suppliers for returns.

Man-hours used for sorting if deemed necessary to meet production requirements will be charged at a rate of \$50.00 per hr. or negotiated cost.

Down time caused by supplier quality or delivery problems will be charged back to the supplier.

Other cost associated with the impact of a quality or delivery problem may also be charged back to the supplier. This cost may include but are not limited to:

- Travel expenses to Customer or Supplier
- Customer charges to Tribar Manufacturing LLC
- Laboratory, testing or layout
- Premium freight

This does not eliminate supplier's responsibility as stated in Tribar's Terms And Conditions, which are available on our Web Site:

www.tribarmfg.com

Supplier Quality Requirements Manual

8.0 PPAP PROCEDURE

Suppliers submitting PPAP will ensure that all submissions are Level 3 unless otherwise specified by Tribar.

The supplier will fully comply with all requirements in the current Production Part Approval Process (PPAP) manual.

PPAP dates will be agreed upon with Tribar representative and the supplier as stated in the Purchase Order. If dates cannot be met it is the responsibility of the supplier to notify the representative with corrective action and new timing.

No parts will be shipped without prior written approval. Any changes made without written approval will be a violation of trust.

8.1 SUPPLIER CHANGE REQUEST

The supplier shall notify the customer (Tribar Manufacturing LLC.) and request a change approval prior to incorporating a change. This must be submitted to the buyer.

The supplier shall convey this requirement to their suppliers.

Supplier Quality Requirements Manual

9.0 PACKAGING AND LABELING

A Tribar representative must approve packaging in writing prior to shipments.

9.1 Labeling

Tribar requires that ALL material being received into the facility be labeled per this format specification, unless otherwise specified in writing.

Label Size and Material:

The label shall be 4.0 in. (102mm) high by 6.0 in. (165mm) wide. The label shall be white in color with black printing. The label adhesive should ensure that the label shall remain attached to the material carton.

Placement of the Label:

The material container shall be labeled on two adjoining sides for a standard expendable/returnable container.

Barcode Symbology:

Barcodes shall be type Code 3 of 9 (Code 39) and shall conform to the standards published by the Automotive Industry Action Group standard (AIAG-B1). B-10 Label specification.

Barcode Types:

A Container label shall be affixed to all containers shipped to Tribar.

A Mixed label shall be affixed to all pallets containing multiple containers of **different** part numbers.

Supplier Quality Requirements Manual

10.0 CUSTOMER OWNED/TOOLING MANAGEMENT

The supplier will establish and implement a system for tooling/gage/fixture management that includes:

- Maintenance and repair facilities and personnel

- Storage and recovery

- Setup

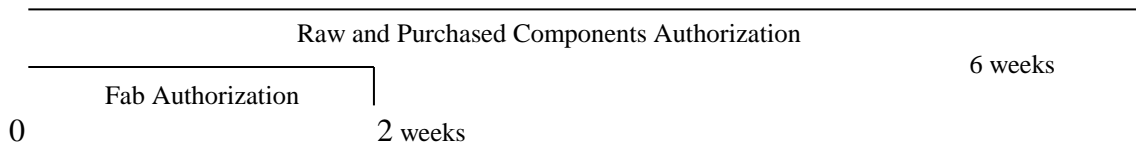
- Tool change programs for perishable tools

- Gage maintenance, calibration, and R&R

Supplier Quality Requirements Manual

11.0 MATERIAL AUTHORIZATION

Definition: Authorization is the number of weeks of financial commitment for released material Tribar provides the supplier. In other words, it is how much material (measured in weeks) Tribar will buy from the supplier if the part is no longer required. If a supplier has a raw authorization of six weeks, Tribar will purchase no more than six weeks worth of raw material from that supplier if Tribar decides no longer to use the part.



(The above illustrates two weeks of authorization for fabricated material and an additional six weeks of authorization for Raw material.)

Additional Planning requirements provided in Tribar releases is forecast planning purposes only.

Tribar's goal is to minimize the amount of obsolescence for product for the supplier and for Tribar. It is the supplier's responsibility to work on continuous improvement activities to reduce the Material Authorization needed.

For Extended Material Authorization, submit requirements for approval to your buyer.

Supplier Quality Requirements Manual

12.0 OBSOLESCENCE CLAIMS

All suppliers must submit obsolescence claims to Tribar buyer within 4 weeks (20 business days) of build out.

All material claim quantities must be submitted less service requirements up to one year. Material will be reviewed for Salvage and/or Rework availability.

Tribar will review all claims for approval. Your buyer, prior to finalizing the claim, may audit all Material claims.

Supplier Quality Requirements Manual

13.0 IMDS REQUIREMENTS

In September 2000 the European Union passed the End of Life Vehicle Directive. This directive aims to eliminate Lead, Mercury, Hexavalent Chromium and Cadmium from vehicles by July 2003 and sets strict guidelines for the recyclability and re-use of automobiles.

In order for Tribar to meet customer requests and to comply with the directive Tribar is using the International Material Data System (IMDS) to collect this data. We are requiring that Material Data Sheets (MDS) be created on the IMDS about the components and materials that your company is supplying Tribar with. Failure to submit this information will lead to PPAP rejection.

We are requesting that our suppliers register their company with the IMDS and submit data as soon as possible. To register your company go to http://www.mdsystem.com/html/en/home_en.htm and follow the simple online instructions. Information on IMDS Training is also available on the IMDS web page.

You should contact your buyer for the Site Code.

Your continued cooperation is greatly appreciated. If you have any questions please contact your buyer.

Supplier Quality Requirements Manual

SUPPLIER INFORMATION QUESTIONNAIRE

(NOTE: Information furnished will be considered confidential)

1 Candidate Supplier Name: _____
Subsidiary or Division of: _____
Street Address: _____
Mailing Address: _____
City, State, Zip Code: _____
Telephone Number: _____
Facsimile/Telefax Number: _____

2

INDIVIDUAL'S NAME	KEY PERSONNEL	TITLE
_____	_____	_____
_____	_____	_____
_____	_____	_____

3 Please supply or identify your After Hours Contact including weekends and holidays _____

4 Is your company a manufacturer or distributor? _____

5 Name of Sales Representative or Agency: _____
Street Address: _____
Mailing Address: _____
City, State, Zip Code: _____
Facsimile/Telefax Number: _____

6 Primary Products, Product Lines: _____

7 Major customers (Minimum of 2): _____

8 Are you a supplier to the automotive industry? _____
Name of automotive customers: _____

9 Have you been surveyed by Ford, GM, Chrysler, other automotive companies? _____
(Specify which, rating, and date of last survey) Company: _____
Rating: _____
Date: _____

10 Are you currently ISO-9000 registered? _____ To which standard? 9001 _____
9002 _____ 9003 _____ ISO 9001:2000 _____
Registrar: _____ Date Registered: _____
Please submit a copy of your certification.

Supplier Quality Requirements Manual

- 11 Are you TS-16949 registered? _____ Registrar: _____
Date Registered: _____ Are you pursuing third party registration? _____
What is your estimated date of registration? _____
Please submit a copy of your certification.
- 12 Do you have any active Minority Certifications? Please list if Yes. _____

- 13 Number of Employees: _____ Hourly: _____ Salary: _____
- 14 Union or Non-union? _____ Represented by: _____
Contract Expiration Date: _____
- 15 Year Company Established: _____ Facility Square Footage: _____
Office: _____ Manufacturing: _____ Year Facility Built: _____
- 16 List special processes and/or environmentally controlled areas available in your plant:
(i.e.: clean rooms, welding, plating, heat treatment, etc.) _____

- 17 Since 2010 Legislature was passed to reveal use of Conflict Materials (Columbite-tantalite
(coltan, niobium, tantalum) Cassiterite (tin), Gold, Wolframite (tungsten). If used in your
process, please get direction of proper procedures. Yes or No
- 18 Please submit equipment and machinery listing: Included: _____ Not included: _____
- 19 Please submit a listing of any laboratory equipment: Included: _____ Not included: _____
- 20 Is your laboratory certified? _____ Name of certifying agency: _____

- 21 Please submit a copy of the Company's organizational chart. Include the names of
individuals holding management and Quality Assurance positions on the charts:
Included: _____ Not included: _____
- 22 All Suppliers are Mandated to have read our full terms and conditions listed on our web site.
(tribarmfg.com) Signing this document is confirmation of acceptance.
- 19 COMPLETED BY: _____
TITLE: _____
DATE: _____
- APPROVED BY: _____

QR 7.4.06 Revision: 01 Date: 04/08/13

Appendix A.

Supplier Quality Requirements Manual

Supplier Quality Systems Audit
Date: 04/18/11

QR 7.4.04 Rev: 00

Supplier:			Date		
Supplier Contact:			:		
Location:					
Audit Purpose:					
Conducted By:					
Results/Conclusion:					
Q#	Question	Yes	No		
Customer Satisfaction					
1	Are visitors welcomed and given information about plant layout, workforce, customers, and products?				
2	Are ratings for customer satisfaction and product quality displayed?				
3	Do employees appear committed to continuous improvement?				
4	Are metrics for safety, productivity, quality and delivery performance posted for all employees to review?				
5	Are work teams trained, empowered, and involved in problem solving and ongoing improvements?				
6	Does the supplier have adequate technical resources to support the manufacturing process?				
7	Does the supplier respond to customer concerns/needs in a timely manner?				
8	Does the supplier follow up with the customer after closure of an issue to ensure continued satisfaction?				
		Total:	0	0	
Quality Systems					
9	Is the supplier TS 16949 compliant and registered to ISO 9001:2000?				
10	Is there an effective project management process, with cost and timing goals, for new product start-ups?				
11	Does the supplier's change management process meet Tribar's expectations?				
12	Are work instructions and product quality specifications visible at all work areas?				
13	Is standardized work clearly defined and being followed.				
14	Is product inspected and tested per the Control Plan or documented procedures?				
15	Is there adequate identification and segregation of suspect or non-conforming material?				
16	Are the supplier's documents (PFMEA & Control Plan) compliant to AIAG guidelines?				
17	Is the supplier using the AIAG PPAP checklists for PPAP compliance?				
18	Is the supplier submitting PPAP according to contract agreements?				

Supplier Quality Requirements Manual

		Total:	0	0
Process Control				
19	Are operators work instructions established and easily accessible to operators?			
20	Are key product characteristics identified and fail-safe methods used to forestall propagation of defects?			
21	Is a timetable posted for equipment PM and continuous improvement of tools and processes?			
22	Does a visual labeling system identify and locate inventory, tools, processes, and flow?			
23	Does the supplier have well linked Product Identification and Traceability throughout the process?			
24	Does the supplier utilize Statistical Process Controls?			
25	Are significant process events recorded, (on the control charts)?			
26	Is product held until required inspections and tests are completed and verified?			
27	Are there machine set up instructions present (if applicable)?			
28	Are key process parameters monitored and recorded?			
29	If the key process parameters are deviated, is quality notified?			
		Total:	0	0
Supply Chain Integration				
30	Is there appropriate receiving inspection for critical items to the manufacturing process?			
31	Are subcontractors evaluated and selected based on their ability to meet quality requirements?			
32	Is a supplier certification process--with measures for quality, delivery, and cost performance--displayed?			
33	Does the supplier require at minimum a PSW for sub-supplied material?			
34	Are change management requirements cascaded to the Supply Chain?			
35	Is supplier traceability documented and maintained?			
36	Is there a clear notification to quality when nonconformance is detected during receiving inspection?			
37	Is notification to sub-suppliers communicating non-conformances with expected response and timing?			
		Total:	0	0
Safety/Env/Cleanliness				
38	Is the facility safe, clean, orderly, and well lit?			
39	Is the air quality good and noise levels low?			
40	Does the supplier meet all applicable regulatory requirements?			
41	Does the plant layout minimize material travel and handling?			
		Total:	0	0

Appendix B.

