

Supplier Quality Requirements Manual



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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.

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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 9001/*IATF 16949* and reference list below of current AIAG publications.

References:

- Quality Management Systems (IATF 16949:2016)
- 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

Tribar passes down all applicable statutory and regulatory requirements and special product and process characteristics to their suppliers and require the suppliers to cascade all applicable requirements down the supply chain to the point of manufacture.

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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.

Tribar requires their suppliers of automotive products and services to develop, implement, and improve a quality management system certified to ISO 9001, unless otherwise authorized by the customer (e.g., item a) below), with the ultimate objective of becoming certified to this Automotive QMS Standard.

Unless otherwise specified by the customer, the following sequence should be applied to achieve this requirement:

- a. compliance to ISO 9001 through second-party audits;
- b. certification to ISO 9001 through third-party audits; unless otherwise specified by the customer, suppliers to Tribar demonstrate conformity to ISO 9001 by maintaining a third-party certification issued by a certification body bearing the accreditation mark or a recognized IAF MLA (International Accreditation Forum Multilateral Recognition arrangement) member and where the accreditation body's main scope includes management system certification to ISO/IEC 17021;
- c. certification to ISO 9001 with compliance to their customer-defined QMS requirements (such as Minimum Automotive Quality Management Requirements for Sub-Tier Suppliers [MAQMSR] or equivalent) through second party audits;
- d. certification to ISO 9001 with compliance to IATF 16949 through second-party audits;
- e. certification to 16949 through third-party audits (valid third-party certification of the supplier to IATF 16949 by an IATF-recognized certification body).

Tribar supplier's selection process includes and focuses on the following requirements:

- Risk assessment of uninterrupted conform production
- Assessment of software development capabilities
- Volume of automotive business (absolute and as a percentage of total business);
- Financial stability
- Adequacy of available resources (e.g., people, infrastructure);
- Design and development capabilities (including project management);
- Manufacturing capability
- Change management process;
- Business continuity planning (e.g., disaster preparedness, contingency planning);
- Logistics process;
- Customer service

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- 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 9001:2015 - *IATF 16949:2016* Assessment (Second or third Party approval, Performance review, Risk analysis))

Based on risk analysis, including product safety/regulatory requirements, performance of the supplier, and QMS certification level, at a minimum, Tribar documents the criteria for determining the need, type, frequency, and scope of second-party audits. If the scope of the second-party audit is to assess the supplier's quality management system, then the approach is consistent with the automotive process approach.

Tribar determines the priority, type, extent, and timing of required supplier development actions for its active suppliers.

Determination inputs includes but are not limited to the following:

- a. performance issues identified through supplier monitoring (see Section 8.4.2.4);
- b. second-party audit findings (see Section 8.4.2.4.1);
- c. third-party quality management system certification status;
- d. risk analysis.

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5.0 SUPPLIER QUALITY RATING SYSTEM

On-going Supplier quality performance will be assessed on a monthly basis by means of **PPM, Customer disruptions, Premium freight occurrences 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.

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

If provided by the customer, Tribar also includes the following, as appropriate, in their supplier performance monitoring:

- a. special status customer notifications related to quality or delivery issues;
- b. dealer returns, warranty, field actions, and recalls

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. Records of inspection should be communicated to Tribar on a weekly basis.

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. Records of inspection should be communicated to Tribar on a weekly basis.

7.0 COST RECOVERY

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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

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8.0 PPAP PROCEDURE

Suppliers submitting PPAP will ensure that all submissions are Level 3 unless otherwise specified by Tribar. An approved Capacity Verification worksheet shall be included.

The supplier will fully comply with all requirements in the current Production Part Approval Process (PPAP) _AIAG's current revision manual. When requested, fit and function trials will be conducted.

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.

All OEM Customer Specific Requirements, where applicable, will be met. i.e. Ford SCCAF requirements.

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.

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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.

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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

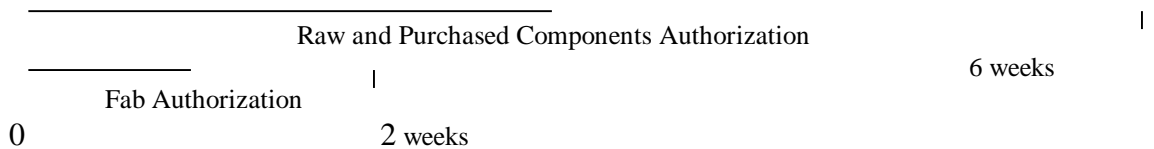
- Tool change programs for perishable tools

- Gage maintenance, calibration, and R&R

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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.

06/05/2018

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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.

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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.

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Date:	Rev: #	Reason for Change	Approver
08/05/13	00	Rel.	CB
03/19/14	01	Added updated SUPPLIER INFORMATION QUESTIONNAIRE	CB
07/05/17	02	IATF 16949 updates	SC
06/05/18	03	Fit and function trials when requested and Customer specific requirement statement, capacity verification	DB