



## **Conformance Fasteners Supplier Quality Manual**

To meet our internal Continual Improvement Objectives, we have completed the Conformance Fasteners, Supplier Quality Manual. All suppliers will be receiving the new manual, please read thoroughly and understand our requirements as they pertain to you, our suppliers. Please keep our Supplier Quality Manual as a reference to what our expectations are from suppliers.

It is imperative we offer customers the best possible service in this highly competitive market and count on our suppliers to assist in the process. Our team is committed to work with you on Quality and Engineering issues at all times, however we need to approve any changes to the Process Flow or Control Plan before you may proceed. As we move forward our hopes for continued growth are high. Your performance and Continual Improvement are an integral part of our growth. Significant areas of cooperation will continue to be price, quality and delivery.

## **Conformance Fasteners Quality Policy**

Our Mission is to exceed our customer's expectations through continual improvement and practicing total conformance to quality standards. We Guarantee our customers superior quality and service with total team dedication to customer satisfaction.

The Management Team of Conformance Fasteners and its employees are committed to the quality of our products and stated Quality Objectives. The Quality Policy is regularly communicated to our employees and reviewed by the Management Team for its continuing suitability.

We will maintain a Quality Management System to meet requirements of the ISO 9001:2015 Standard; We will comply with all requirements and continually improve the effectiveness of the quality management system. The Management Team will periodically review the performance of the Management System and our Quality Objectives.

We will act responsibly to the people that matter: our customers, our shareholders and our people. We will maintain a profitable operation to establish our competitive position in the market and reward our stakeholders. This will be achieved by consistently improving; turning opportunity into reality, turning challenges into solutions, transforming normal to special, turning promise into reality through team dedication and commitment. This has been our history and will be our future.

This version of PSM001 has been updated on 04/25/2018 and replaces all prior issues.

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Doug Litke  
President



**Table of Contents**

Introduction .....	3
Approved Suppliers.....	4
Supplier Qualification .....	4
Supplier Performance Rating .....	4
Supplier Quality System Requirements.....	5
Organization and Structure .....	5
Statistical Process Control .....	5
Delivery .....	5
Restricted Substances .....	5
Production Part Approval Process .....	5
Measurement System Control.....	5
Purchased Material .....	5
Receiving Inspection .....	5
Inspection and Laboratory Test Inspections.....	6
Drawing and Change Control.....	6
Supplier Change Request .....	6
Material Identification and Final Inspection .....	6
Control Of Non-conforming Material.....	6
Records.....	7
Quality Improvement Plan.....	7
Labeling and Packaging.....	7



## Introduction

**How important are you? More than any other single factor, our company growth and continued success are dependent upon our suppliers' ability to provide quality parts and timely delivery at a competitive price.**

We recognize that customers have ever increasing expectations of quality and performance from the products they purchase. With the help of our valued suppliers, we are confident that we will meet and exceed these expectations. This Supplier Manual was created to clearly communicate what we consider to be an effective Conformance/Supplier relationship.

This Supplier Manual is intended to provide you with a resource that defines our methods of interaction. It serves several purposes including the following:

- It gives you the method and criteria we use for selecting suppliers.
- It defines what we expect from our suppliers and what they should expect from Conformance.
- It provides you with instructions on how to respond to quote requests, how to submit a PPAP and how to reply to a Supplier Nonconformity Notice.
- It explains how your performance will be monitored and scored.

We believe that a supplier support program will significantly reduce the likelihood of poor communication and lack of information, which typically result in problems.

Please keep this document as a reference. Use it when you need guidance in responding to any Conformance inquiries. Please direct any questions or suggestions about the content of this handbook to the Conformance Operations Manager, Conformance ISO Management Rep or the Conformance Buyer whom you normally deal with. We are looking forward to a long and mutually beneficial relationship.



***FASTENERS & ASSEMBLY PRODUCTS FOR THE GLOBAL MARKET***

**Approved Suppliers**

An approved supplier is one who has met the minimum requirements of the Conformance Fasteners Supplier Qualification Process. Approved suppliers shall review and comply with the Conformance Fasteners **Purchase Order General Terms and Conditions** provided with every RFQ.

**Supplier Qualification**

Suppliers are selected and evaluated using our Supplier Quality Survey. The survey is completed by the supplier and returned to Conformance for evaluation. The Conformance Purchasing Department, Lead Auditor and Operations Manager will review the completed surveys to ensure adequate quality requirements are met. In addition to our Quality Survey, suppliers must also supply their Quality Manual and valid Certifications applicable to their industry (ISO, TS, etc.). Once these criteria have been met the supplier will be added to the Conformance Fasteners **Approved Supplier List**. All suppliers must be on the Approved Suppliers List before material or services may be obtained from them.

**Supplier Performance Rating**

Conformance Fasteners will monitor all active suppliers through a Supplier Performance Rating System. Suppliers receive a rated score of up to 100% based on On-Time Delivery and Supplier Non-conformity Notices. The Quality and Purchasing Departments are responsible for initiating and monitoring of supplier performance.

Supplier Performance Ratings are calculated as follows:

- On Time Delivery = Goal is 100%
- Supplier Non-conformity Notices (with C/A required) = Goal 0 Non-conformances

<b>Weighted 50% Total Score</b>	<b>Weighted 50% Total Score</b>
<b>On Time Delivery</b>	<b>SNN Scoring System</b>
Based on Actual Percentage Of: Parts Shipped to Parts Delivered "On Time"	<b>0 SNN                    1</b>
	<b>1 SNN                    0.9</b>
	<b>2 SNN                    0.8</b>
	<b>3 SNN                    0.7</b>
	<b>4 SNN                    0.6</b>
	<b>5 SNN                    0.5</b>
	SNN 0=100%, 1=90%, 2=80%, 3=70%, 4=60%, 5=50%

Supplier Scorecards will be distributed quarterly to active suppliers, (**Supplier Scorecard, Form FP0266**). Based on our system, there are three categories in which suppliers will be placed. A score of (100% - 90%) = Preferred Supplier, (89% - 70%) = Needs Improvement, (< 70%) = Probation. Suppliers with a less than 100% rating may be requested to submit a corrective action plan. Failure to respond may result in removal from the Approved Suppliers List.



## Supplier Quality System Requirements

### Organization and Structure

All suppliers will have an established quality system with documented procedures. All automotive suppliers will follow AIAG standards and hold current ISO certifications. All calibration and inspection companies are required to have and maintain their A2LA accreditation registered to ISO 17025. The supplier must have documented procedures that detail all phases of their quality management system.

### Statistical Process Control

Conformance expects suppliers to be operating beyond the basic training and data gathering stages, and to be actively involved in statistically controlling processes where applicable. Alternate methods of control may be implemented once a process is shown to be incapable, unstable, or off target.

### Delivery

Conformance requires 100% on-time delivery performance from all suppliers. Conformance Fasteners will provide appropriate planning information and purchase commitments to enable suppliers to meet this expectation. The supplier's delivery rating will be monitored on a monthly or quarterly scorecard, based on the expected date of delivery stated on the purchase order. A report will be generated monthly for management to review. Suppliers not meeting the required 100% on time delivery may be required to submit a corrective action. Premium and excessive freight will also be monitored.

### Restricted Substances

Conformance Fasteners requires that each active supplier assures that U.S. Government, safety, and environmental constraints on restricted, toxic and hazardous substances are complied with relative to purchased products and the manufacturing process.

### Production Part Approval Process

When requested by Conformance Fasteners, suppliers are expected to submit a Level III Production Part Approval (PPAP) prior to first production shipment. PPAP's shall be submitted in accordance with the AIAG Production Part Approval Process Manual (Current Edition). PPAP's must also be submitted in accordance with delivery dates and requirements stated on the Purchase Order. Annual PPAP's may be required along with CQI9 and CQI11 documentation.

### Measurement System Control

Suppliers shall establish a system for the calibration of gages used to control processes and/or evaluate material conformance. Accuracy of the gages shall be verified at establishing frequencies against recognized standards that are traceable to NIST. Suppliers will be expected to maintain documentation evidence of calibration compliance. Any Conformance Fasteners gages that are loaned to the supplier will be maintained, calibrated, and copies of the certification will be forwarded to the Conformance Quality Department, or returned to the Conformance Quality Department, packaged appropriately, when the gages are due for calibration.

### Purchased Material

A documented system shall be in effect for the traceability and control of material purchased by the supplier. This system shall, at a minimum, provide documented assurance that the material meets physical, chemical, visual, functional and dimensional requirements as specified. Material certifications must be made available upon request. **No change in source, material or manufacturing process can be made without prior written approval from Conformance Fasteners.**

### Receiving Inspection

Receiving inspection will have an organized, documented process, utilizing inspections or test of materials to evaluate conformance to appropriate specifications. Conformance Fasteners reserves the right to specify methods or measurement techniques unique to our components.



### **Inspection and Laboratory Test Inspections**

Written inspection and test instructions must be prepared by the supplier to supplement the applicable engineering and manufacturing instructions. These instructions may consist of inspection instruction sheets, shop travelers, test procedures or other documents normally used by the supplier. Applicable inspection and test instructions must be made available to Conformance Fasteners upon request.

### **Drawing and Change Control**

Conformance Fasteners' purchasing will send new or revised engineering documents to the supplier. A Change Notice will accompany the documents and the acknowledgement must be completed, signed and returned to Conformance Fasteners. Acknowledgement not returned within 5 days will be resent stating second notice. The supplier must maintain the latest Conformance Fasteners engineering drawings, deviations, and specifications on file. The Conformance Fasteners engineering drawings must be made available to Conformance Fasteners upon request. If the engineering drawing and specifications reference other documents (e.g., other engineering specifications, engineering material specifications, industry test methods, etc.), the supplier must obtain and maintain these reference documents. Concurrent with the effective dates of product changes, the supplier must ensure that the obsolete information is removed from all points of use.

### **Supplier Change Request**

***No change in source, material or manufacturing process can be made without prior written approval from Conformance Fasteners.***

In the event a Conformance Fasteners' Approved Supplier wants to make a change to their source, material, manufacturing or secondary process location, the Approved Supplier must submit a request in writing to the Conformance Quality Dept. for review. Once the Supplier Change Request is approved by Conformance Fasteners, the supplier will be required to submit a Level III PPAP. All supplier-initiated changes will be at their expense. Supplier Change Requests and PPAP's must be retained at the supplier location for the life of the part plus one year.

### **Material Identification and Final Inspection**

Suppliers shall have a documented system in effect to assure that material meets physical, functional, chemical, visual, and dimensional requirements on purchase order. An in-process inspection or test may be used as part of the final inspection requirements, provided no subsequent operations could affect the characteristic involved. Documented evidence must be made available to Conformance Fasteners upon request.

### **Control Of Non-conforming Material**

**The supplier is responsible for the segregation and quarantine of non-conforming product/ material.**

**Notify Conformance Fasteners Purchasing Department in the following situations**

- **If the non-conformance affects form, fit or function of the part.**
- **If there is likelihood that non-conforming product had previously been shipped.**
- **If the non-conforming product will affect required ship dates on Purchase Order.**
- **In all cases where product to be shipped has not been manufactured/serviced in accordance with Purchase Order, print, and/ or approved PPAP.**

Non-conforming product shall not be shipped unless a deviation is granted by Conformance Fasteners Quality Department. Non-conforming product received at Conformance Fasteners without an approved deviation will be rejected and a corrective action will be required.

In cases where product is not manufactured/serviced/delivered in accordance with Purchase Order, print, and/or approved PPAP, and a deviation has not been requested (prior to shipment) a SNN will be issued with Corrective action required.



***FASTENERS & ASSEMBLY PRODUCTS FOR THE GLOBAL MARKET***

The need for further action to maintain approved supplier status will be evaluated in terms of potential impact upon production, quality, performance, reliability, safety, and customer satisfaction. Conformance Fasteners requires suppliers to submit a formal written corrective action plan to address specific non-conformances identified at our location, our customer, or the end user.

When Conformance Fasteners issues a SNN with corrective action required the supplier will be notified via e-mail.

Supplier response to corrective action requests must include root cause determination, containment action (short-term corrective action), and permanent (long-term) corrective action. As part of the corrective action, a defined implementation plan with implementation dates must be included, as well as disposition of suspect material.

Containment action shall be communicated within 24 hours of receipt of corrective action request. Failure Analysis, leading to the root cause determination, shall be completed within a reasonable time period agreed to with the Conformance Fasteners' quality department. The SNN will not be considered closed until proposed corrective action has been approved by Conformance. All costs incurred by Conformance Fasteners due to non-conforming material will be charged back to the supplier.

**Records**

The supplier must prepare and maintain adequate records, including inspection and laboratory test instructions, gage and test equipment verification and calibrations, and engineering specification test methods. The supplier must also prepare and maintain quality performance records indicating inspection and test results. The records must be available for review by the Conformance Fasteners quality representative and copies of individual records must be furnished upon request. All quality related records must be maintained for a minimum of seven years after the last parts covered by those records were shipped to Conformance Fasteners.

**Quality Improvement Plan**

Conformance Fasteners encourages suppliers to work to a quality improvement plan. The plan is a valuable tool in promoting total organizational commitment to continually improve processes, systems and products.

**Labeling and Packaging**

The supplier shall include the latest engineering Revision Level on the packing slip. The shipping container label should include the following information either written or printed on it.

- Manufacturing Lot Number
- Supplier Name
- Part Number
- Latest Engineering Revision Level
- Part Name
- Quantity
- Purchase Order
- Country Of Origin
- Date Packed or Shipped