

Supplier Guide

Purpose:

The purpose of this guide is to inform potential and current Suppliers to Jay Industries, Inc. of our policies as well as quality and performance requirements.

Application:

This guide applies to all potential Suppliers interested in qualifying for our Approved Supplier List as well as current Suppliers who undergo periodic re-evaluation.

References:

- ISO/TS 16949:2009 Quality Management Systems
- Quality System Assessment Checklist to ISO/TS 16949:2002 *Version 01.00, 3/02*
- PPAP -Product Part Approval Process (PPAP) Fourth Edition *Version 04.00, 3/06*
- APQP -Advanced Product Quality Planning & Control Plan (APQP) *Version 01.00, 6/94, Second Printing, 2/95*
- Jay Industries, Inc Supplier Assessment Summary
- Jay Industries, Inc Corporate Quality Manual

Responsibility:

It is the responsibility of the Supplier Development Department to qualify Suppliers to Jay Industries, Inc. prior to approval for placement onto the Approved Supplier List.

Supplier Qualification:

Supplier qualification (Interim Approval)

Suppliers for production material and calibration services may be granted "Interim Approval" for the list in one or more of the following ways:

- ISO9000/2008 certified, with development to TS2
- Supplier history (i.e. current customer list, company profile)
- Sample qualifications
- ISO 17025 Registered

Supplier qualification (Approved Status)

Suppliers for production material and calibration services may be granted "Approved" supplier status in one or more of the following ways:

- ISO/TS 16949 registered
- Accepted qualification audit results
- Customer approval
- ISO 17025 Registered

Suppliers for production material and calibration services may be qualified for re-evaluation of their approval status. Criteria for re-evaluation may include changes within the supplier's organization (mergers, acquisitions, etc.). It is the supplier's responsibility to report such changes to Jay Industries, Inc.

Quality Expectations

Quality System Requirements and Evaluation

Suppliers are responsible for establishing, documenting, and maintaining a quality system which ensures that product conforms to specified requirements. A quality manual must be prepared which includes or references quality system procedures and outlines the structure of the documentation used in the quality system.

Documented procedures must be prepared and effectively implemented. The procedures are to define how the requirements for quality will be met and documented. The procedures may make reference to work instructions that define how an activity is performed.

The Supplier's management with executive responsibility must review the quality system at defined intervals sufficient to ensure its continuing suitability and effectiveness. A procedure for planning and implementing internal quality audits must also be established and maintained to verify whether quality activities and related results comply with planned arrangements and to determine the effectiveness of the quality system. The supplier must have a documented shutdown / startup plan with timing for each major department / area that will protect the customer, tooling, machinery, and facilities.

Advanced Product Quality Planning (APQP)

Suppliers are responsible for establishing and implementing an advanced product quality planning process, calling on internal multi-disciplinary teams to prepare for production of new or changed products. Team actions should include:

- Development/finalization of special characteristics.
- Development and review of Failure Mode and Effects Analysis.
- Establishment of actions to reduce the potential failure modes with high risk priority numbers.
- Development or review of Control Plans.
- Mistake Proofing.

Product Approval Process

Suppliers must utilize a part approval process to determine if all customer engineering design record and specification requirements are properly understood by the Supplier and that the process has the potential to produce product consistently meeting these requirements during an actual production run at the quoted production rate.

Maintaining Process Control

Suppliers must maintain (or exceed) process capability or performance as approved via Product Approval Process. To accomplish this, the Supplier must ensure that a Control Plan and Process Flow Diagram are implemented, including but not limited to, adherence to the specified:

- Measurement technique
- Sampling plans
- Acceptance criteria

- Reaction plans when the acceptance criteria is not met

Suppliers must initiate the appropriate reaction plan from the Control Plan for characteristics which are identified on the Control Plan and are either unstable or non-capable. Reaction plans should include containment of process output and 100% inspection. A corrective action plan shall then be completed indicating specific timing and assigned responsibilities to assure that the process becomes stable and capable. The plans are to be reviewed with and approved by the customer when so required.

Containment

Containment plans must include provisions for subsequent shipments to be 100% inspected and clearly identified as conforming product. If non-conforming product is at Jay Industries, Inc., the Supplier will be contacted for disposition. Disposition may include:

- Jay Industries, Inc. certifies stock at the Supplier's expense.
- Supplier hires an independent source to certify stock.
- Supplier sends their representative(s) to Jay Industries, Inc. to certify stock.

Corrective and Preventive Action

Suppliers must establish and maintain documented procedures for implementing corrective and preventive action. Any action taken to eliminate the causes of actual or potential nonconformities must be appropriate to the magnitude of problems and commensurate with the risks encountered.

Suppliers must use disciplined problem solving methods when an internal or external nonconformance to specification or requirement occurs. When external nonconformance's occur, the Supplier must respond in a manner prescribed by the customer.

Rejected Product

Suppliers will be held financially responsible for the effects of any defective product, material, assembly or workmanship delivered to Jay Industries, Inc. or its customers. This may include costs associated with lost production time, rework, sorting, freight and scrap. Specific charges will be assessed at the time of the incident and communicated to the supplier with the intent of debiting or charging the supplier.

Ordering and Delivery Expectations

Quotations

Potential suppliers of goods or services will be contacted with a request for quote. Submitted quotations will be evaluated upon receipt. Suppliers must meet all criteria of the Supplier Approval Process and Quality Expectations (including Product Approval Process) in order to be considered for quotation acceptance.

Purchase Orders

A purchase order is issued to a Supplier at the time of quotation acceptance. The purchase order defines and describes materials or services in terms of part number, engineering revision level, quantity, price, delivery and compliance to governmental standards and regulations, as applicable. The purchase order may also stipulate requirements for the supply of material certification of any material used in the production of a part. The Supplier is notified in the event that a revision to the purchase order becomes necessary, such as a design change.

Delivery

Suppliers are required to achieve 100% on-time delivery performance. Product is to be adequately packaged and identified (labeled). Product is to be adequately protected during shipment. The Supplier will be notified of any defective or nonconforming product and will be asked to furnish a corrective action proposal, if applicable. All material requiring an MSDS must be shipped with an updated form.

Confidentiality

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Suppliers will maintain confidentiality regarding customer specific designs, prints and math data. The supplier will request written authorization from Jay Industries, Inc. when it is necessary to share such information with other entities.