



# Supplier Manual

Revision 4/15/2013

## Table of Contents

### Introduction

1.1. Overview	3
1.2. Scope	3
1.3. Customer Responsibilities	3

### 2.0 Supplier Quality Expectations

2.1. Quality System Requirements	3
2.2. Incoming Inspection	4
2.3. Corrective Action	4
2.4. Request for Deviation	4
2.5. Charge Back Policy	5
2.6. Hazardous Substance Reporting	5

### 3.0 Purchasing Expectations

3.1. Supplier Assessment	5
3.2. Supplier Responsibility	5

### 4.0 Labeling, Packaging and Shipping Requirements

4.1. Labeling Specifications	6
4.2. Packaging Requirements	6
4.3. Shipping Specifications	

### 5.0 Supplier Performance and Evaluation

5.1. Introduction	6
5.2. Supplier Score Rating Criteria	6

### 6.0 Appendix

6.1. Certificate of Compliance	7
6.2. RoHS Certificate	8
6.3. First Article Inspection	9

## 1.0 Introduction

### 1.1 Overview

DuraTech Industries is committed to our customers to meet their quality needs and expectations. You as a supplier play a vital role in helping us to achieve customer satisfaction.

DuraTech Industries suppliers are viewed as being fully responsible for the quality of their products. Therefore, they must ensure materials are produced in conformance to the required standards. It is our expectation that DuraTech Industries will receive defect-free product. It is the supplier's responsibility to request an authorization to deviate from the purchase orders or the supplier manual before shipping the product. Failure to do so may result in a formal request for corrective and preventive action from the supplier and/or debit cost incurred.

The Supplier Manual is the property of DuraTech Industries and is issued for reference to our suppliers. This document is maintained electronically on J:\ISODOCS\4000\SupplierManual.doc. Printed copies of this manual are considered uncontrolled.

### 1.2 Scope

This standard applies only to suppliers to DuraTech Industries of raw material and subcontract services/parts. It does not apply to Maintenance/Repair/Operations (MRO), Calibration, Equipment and Freight Carrier sources. Acceptance of any and all purchase orders constitutes acceptance and commitment on behalf of the recipient to comply with this manual's content. This manual establishes minimum requirements, is supplemental to, and does not replace or alter any purchase agreement.

### 1.3 Customer Responsibilities

DuraTech Industries is working to develop a strong alliance with our supplier base. We are aggressively upgrading our performance in key areas:

- Setting clear requirements
- Providing timely and accurate feedback on supply base performance
- Acting as a resource to improve supplier performance
- Actively seeking supplier involvement with emphasis on continuous improvement

## 2.0 Supplier Quality Expectations

### 2.1 Quality System Requirements

DuraTech Industries quality system is based on the ISO 9001 quality system requirements. Suppliers not certified to ISO 9001 or ISO/TS 16949 may be subject to a quality system assessment by DuraTech Industries.

Suppliers have the responsibility to provide goods and services that meet all quality specifications. If this is not met, the supplier will be held financially responsible if their failure results in losses to DuraTech Industries or any DuraTech Industries customers.

## 2.2 Incoming Inspection

DuraTech's goal is to eliminate incoming inspection of supplier's products. DuraTech requires a certificate of compliance be included with incoming shipments unless a blanket certification has been established. The certificate of compliance shall state the supplier's conformance to the purchase order and/or product specifications. The supplier is responsible for retaining appropriate test data to confirm compliance. A sample certificate of compliance is provided in Appendix A.

If a shipment is received without a certificate of compliance, it will not be received and communication to the supplier will be initiated via issuance of a Nonconforming Product Report (NPR). This will be reflected in the supplier's quality and, possibly, delivery rating. If a corrective action response is deemed necessary (chronic or frequent occurrence) then a Corrective Action Request (C/A) will be issued (see Section 2.3).

If nonconforming product is found, an NPR will be issued. Corrective action, if required will be requested via C/A (see Section 2.3). The supplier will be placed on the "Audit Required List" and must pass 3 consecutive audits to be removed from the list. This will be reflected in the supplier's quality rating.

## 2.3 Corrective Action

DuraTech suppliers are responsible for providing defect-free product. If defective product is found, a Nonconforming Product Report (NPR) will be issued, the supplier will be contacted and a Corrective Action Request (C/A) may be issued. An NPR or C/A may be issued for the following:

- nonconforming product
- missing certificates of compliance
- improper packaging or labeling
- identified process improvement
- all other issues as deemed appropriate by Purchasing and/or Quality

The supplier is expected to respond in a timely manner to any quality or delivery issues. Response timing and content requirements are as follows:

Initial response within 24 hours of notification including:

- Containment plan to hold and inspect all product at supplier facility
- Disposition of any product in transit, at DuraTech and at DuraTech customers including authorization to return for credit, sort/rework at supplier expense or hold for supplier review

- Timing to replace product with certified product (product that has been 100% inspected for defects). All certified stock must be identified as such

Written Completed C/A within 10 days of receipt of request including:

- Team members involved, problem description, interim containment, root cause analysis, permanent corrective action, verification of corrective action, prevention and request for additional time to complete (including estimated time frame for completion) if applicable

## 2.4 Request for Deviation

Suppliers shall not make any changes in product or manufacturing process without prior customer approval, this also includes reworked or repaired product. A product deviation is used when a specific quality of product being shipped or used is not in compliance with the specified drawing, purchase order or specifications.

Deviation requests shall be submitted in writing by the supplier to DuraTech Industries and approved before the product may be shipped.

The supplier will be expected to pay costs incurred by DuraTech due to material costs, special processing performed by DuraTech and material handling due to deviation.

## 2.5 Charge-Back Policy

Costs associated with supplier product quality issues that are the supplier's responsibility will be charged back to the supplier.

If the rejects cause downtime at DuraTech Industries, the supplier will be debited an amount based on  $(\text{downtime hours} \times \text{labor cost/hour}) + (\text{variable cost incurred, i.e. expedited freight, customer shutdown charges, etc.})$ .

## 2.6 Hazardous Substance Reporting

DuraTech Industries is required by our customers' to comply with European Union's directive 2002/95/EC, Restriction on Hazardous Substances (RoHS) and EC 1907/2006, Registration, Evaluation, Authorisation and Restriction of Chemical Substances (REACH). To achieve this, a RoHS/REACH certificate of compliance is required for product supplied to DuraTech Industries. The certificate shall indicate compliance or non-compliance of the product provided. If the product is non-compliant, the restricted material information and content percent must be provided. A sample certificate of compliance is provided in Appendix A.

### 3.0 Purchasing Expectations

#### 3.1 Supplier Assessment

A supplier survey is a requirement to verify that the potential new supplier has the appropriate quality and business systems in place to meet the minimum requirements of DuraTech Industries. This self-assessment will also be used to verify that current suppliers have maintained their quality and business systems. The Supplier Survey needs to be completed and returned to DuraTech Industries prior to an on-site visit by DuraTech Industries personnel. This includes suppliers that have not met DuraTech Industries performance expectations and suppliers that are not ISO 9001:2008 or ISO/TS 16949:2009 certified.

A Supplier Quality System Audit may be performed at the supplier's manufacturing location by a DuraTech Industries representative.

#### 3.2 Supplier Responsibility

DuraTech Industries suppliers are required to provide an up-to-date copy of their supplier quality manual, a completed Supplier Survey, a copy of ISO/TS certificate, a signed Non-Disclosure Agreement and a copy of their disaster recovery plan.

The disaster recovery plan is to include plans to ensure continuity of product supplied to DuraTech Industries in the event of a business interruption.

### 4.0 Labeling, Packaging and Shipping Requirements

#### 4.1 Labeling Specifications

Each box, roll, etc. is to be labeled with supplier part number, lot number and manufacture date. Special labeling requirements may be noted on the purchase order.

#### 4.2 Packaging Specifications

Suppliers are responsible for packaging product to ensure product integrity during shipping and handling. In addition, suppliers are responsible to identify and communicate any packaging changes, improvements, etc. Special packaging requirements may be noted on the purchase order.

Packages/containers must be free of debris, foreign material and fluids when they are received at DuraTech Industries.

### 4.3 Shipping Specifications

Shipping method and terms are designated on the purchase order unless agreement has been reached for supplier to pay shipping cost. Suppliers are responsible for adhering to shipping instructions on PO. DuraTech should be contacted for any deviation from instructions prior to shipping. Suppliers MUST notify DuraTech if “premium” freight methods are used in order to meet confirmed delivery date so that it can be recorded in DuraTech records.

## 5.0 Supplier Performance and Evaluation

### 5.1 Introduction

Suppliers are rated on a monthly basis. The purpose of this rating is two fold – it provides objective comparison of a supplier’s performance and it is a tool to benchmark the supplier’s competitiveness in the marketplace.

DuraTech Industries wants to ensure that our ratings are accurate and effective. If a supplier feels there is a discrepancy in their rating report, they should contact DuraTech Industries Purchasing within 2 weeks of the report date.

### 5.2 Supplier Score Rating Criteria

Suppliers are rated on the following criteria:

- Delivery
- Quality
- Service and Responsiveness

The delivery rating is calculated as number of shipments received versus number of late shipments. A late shipment is defined as a shipment received after the confirmed due date.

The quality rating is calculated as number of shipments received versus number of Nonconforming Product Reports (NPR’s) issued.

The Quality and Delivery performance together constitute 90% of the overall supplier rating.

Service and Responsiveness is determined on a scale of 1 – 10, 1 being highly dissatisfied and 10 being highly satisfied. Service and Responsiveness constitutes 10% of the overall supplier rating.



**QA4150**  
**Certificate of Compliance**

Customer Name \_\_\_\_\_

We certify that the overlays, part number \_\_\_\_\_ Rev. # \_\_\_\_\_  
\_\_\_\_\_ furnished under your purchase order number \_\_\_\_\_  
conform to the relevant specification requirements and conditions of your  
purchase order.

Work Order Number: \_\_\_\_\_

Material 1: \_\_\_\_\_ Supplier Lot/Serial Number: \_\_\_\_\_

Material 2: \_\_\_\_\_ Supplier Lot/Serial Number: \_\_\_\_\_

Material 3: \_\_\_\_\_ Supplier Lot/Serial Number: \_\_\_\_\_

Adhesive 1: \_\_\_\_\_ Supplier Lot/Serial Number: \_\_\_\_\_

Adhesive 2: \_\_\_\_\_ Supplier Lot/Serial Number: \_\_\_\_\_

Adhesive 3: \_\_\_\_\_ Supplier Lot/Serial Number: \_\_\_\_\_

Quantity Shipped: \_\_\_\_\_

UL Designation: \_\_\_\_\_

Parts are RoHS compliant  Yes  No

Final Inspection \_\_\_\_\_

Date \_\_\_\_\_





(DATE)

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Certificate of Compliance

Restricted Use of Hazardous Substances

(EU RoHS Directive, 2002/95/EC)

We, DuraTech Industries, certify the following parts conform to the EU RoHS Directive 2002/95/EC:

- (List of Parts)

If you have any questions regarding this matter, please contact me at 608-779-3261 or [chris.wehrle@duratech.com](mailto:chris.wehrle@duratech.com).

Sincerely,

Chris Wehrle  
VP Quality

