



Supplier Quality Manual

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Duggan Quality Policy

Duggan Manufacturing is committed to customer satisfaction by providing top quality products and services at competitive pricing that meet or exceed customer requirements working together in a spirit of teamwork and continual improvement.

A major part of the goals of Duggan Manufacturing is to provide *cost competitive products, on-time, with 100% quality*, and we engage our supply base to help further the reach of our goals.

To help facilitate this, the organization has adopted this supplier quality manual.

Definitions: Duggan, Duggan Manufacturing – used interchangeably.

1.0 Introduction

This Supplier Quality Manual (SQM) has been created to assist our suppliers in understanding the purchasing expectations and quality requirements for products and/or services supplied to Duggan Manufacturing. This Supplier Quality Manual will communicate the operating principles, general expectations, and procedures of Duggan Manufacturing, as they relate to the procurement of goods and services.

Adherence to the guidelines described in this manual is required by all Duggan Manufacturing Suppliers. Acceptance of any and/or all purchase orders constitutes acceptance and commitment on behalf of the recipient to comply with this manual's content.

These guidelines are provided as supplement to, and do not replace or alter, any purchase agreement terms and conditions which are included as requirements of applicable drawings, specifications and other contractual documents. This manual describes the minimum requirements for which the supplier has responsibility. However, system improvements that exceed the requirements specified within this manual are always encouraged.

2.0 Quality system overview

Duggan Manufacturing follows the standards and guidelines set forth in ISO-9001, IATF-16949 and SAE AS-9100. It is our mandate, and it is flowed-down from our customers, that all suppliers to Duggan will have a similar level of commitment to Quality. All suppliers to Duggan Manufacturing must at a minimum, demonstrate compliance to ISO-9001 or in the process of certification to ISO 9001.

3.0 Supplier Selection and Performance

Duggan Manufacturing's supply base will consist of organizations supportive of our business needs. Criteria for evaluation and selection of suppliers for placement on Duggan Manufacturing's Approved Supplier List is based upon the suppliers' abilities to consistently deliver quality products and/or services, meet our delivery requirements, be cost competitive and be responsive to our needs.

Supplier Risk Analysis

A risk analysis is performed using criteria that is readily available (common knowledge) and simple questions that are answered over the phone. This analysis helps Duggan determine if a 2nd party audit is or is not required of your (QMS) Quality Management System. This is part of our process to approve you as an Approved Supplier.

Expectations

On-Time deliveries, Zero Defects, Product Verification, Product Identification/Traceability, Standards compliance, Notification of Non-Conforming Product delivered, Notification of Changes in Product and/or Process Definition, Right to Access to Facilities and/or applicable records and flow down requirements to sub-tier suppliers for applicable requirement awareness, including key characteristics where required.

4.0 Supplier Performance and Rating System

Products and Services provided to Duggan are deemed either conforming or non-conforming. There is no in-between. With this in mind, Duggan has adopted a supplier rating system where three factors are considered: Price, Quality & On-Time receipt of product or services from our suppliers, rating our suppliers as either Good performers, or Poor performers, using a 1 thru 10 scale, with scores below 7 as unacceptable. Quality and On-Time delivery is weighed more heavily than price.

5.0 Non-conformances, corrective action procedures, and supplier detected non-conformances.

In the event that there is a non-conformance from a supplier, the supplier will be informed by Duggan Mfg. of this non-conformance. The supplier will have 24 hours to submit an interim corrective action and containment response to Duggan Mfg. The supplier can choose to use the Duggan form, or equivalent from your own quality system. Excessive non-conformances can lead to remedies that include a quality hold (a stop of all financial processing until an agreed-upon improvement solution and mistake-proofing efforts), removal from the Approved Supplier List, and charges for rework, downtime, travel, sorting, or other extraneous expenses caused by the non-conformity.

If the supplier detects non-conforming material prior to it leaving their facility, the supplier must immediately notify Duggan of the finding, and await disposition instructions from Duggan. If the supplier determines that Duggan has received or is about to receive non-conforming material, the supplier must inform Duggan immediately.

6.0 Drawing, Engineering Changes and Document Control

The supplier is expected to establish and maintain procedures to control all documents that define process requirements. These procedures must support the following:

- a. Revision control
- b. Review and approval prior to use
- c. Prompt removal of obsolete documents
- d. Record retention – Minimum 7 years
- e. Duggan Manufacturing requires all suppliers to seek written acknowledgement /approval from Duggan if there is a change in the process.

A waiver may be requested for the requirements of section 6.0. The request must be in writing and it will be considered on a case-by-case basis.

7.0 Purchase orders

To proceed with work for Duggan Manufacturing, you must have a purchase order from us, or at minimum, a signed letter of intent. Duggan will supply the following within the purchase order:

- a. Description of expected purchase
- b. Revision level, if applicable
- c. Date delivery is expected
- d. Pricing – itemized accordingly
- e. Any requirements for approval of product, procedures, processes and equipment
- f. Any special requirements for qualification of personnel
- g. Any quality system, statutory and/or regulatory requirements
- h. A reference to applicable specifications, drawings, process requirements, inspection instructions and other relevant technical data
- i. Any requirements for design, test, examination, inspection and related instructions for acceptance
- k. References to applicable Quality Clauses that may cover each of the above-mentioned bullet points.

8.0 Counterfeit Work/Parts

The organization shall plan, implement, and control processes, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to Duggan Mfg.

NOTE:

Counterfeit Work/Parts - means work that is or contains unlawful or unauthorized reproductions, substitutions or alterations that have been knowingly mismarked, misidentified or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used work represented as new or the false identification of grade, serial number, lot number, date, code or performance characteristics. Processes that are not performed or tested to the required standard or by qualified personnel during application/manufacturing or testing and falsely represented.

Questions or Concerns

For any questions or concerns regarding the requirements of this manual, contact the Duggan Manufacturing Purchasing Manager or Quality Manager @ (586) 254-7400