



Supplier Quality Manual

1.0	Introduction
2.0	Quality System Overview
3.0	Supplier Selection and Performance
4.0	Supplier Performance Measure & Rating System Procedure
5.0	Non-conformances
6.0	Drawing, Engineering Changes and Document Control
7.0	Purchase Orders
8.0	Questions or Concerns

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 requirements 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 requirements 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 Duggan product related suppliers to Duggan Manufacturing must at a minimum, demonstrate compliance 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 quoted delivery requirements, be cost competitive and be responsive to our needs.

4.0 Supplier performance measure and rating system procedure

Supplier Ratings

Product 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, and on time receipt of product or services from our suppliers, rating either supplier's as either good performers, or poor performers, using a 1 thru 10 scale, with scores below 7 as unacceptable. Quality and on-time receipt is weighed more heavily than price.

5.0 Non-conformances

In the event that there is a non-conformance from a supplier, the supplier will be informed by Duggan of this non-conformance. The supplier will have 24 hours to submit an interim corrective action and containment response to Duggan. The supplier can choose to use the Duggan form, or equivalent from your own quality system. Excessive non-conformances can lead to removal from the Approved Supplier List.

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.

6.0 Drawing, engineering changes and document control

The supplier is expected to establish, implement & 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 to defined periods
- e. Duggan Manufacturing requires all suppliers to seek an authorized deviation from Duggan if there is a need to change any provided process

7.0 Purchase orders

To proceed with work for Duggan Manufacturing, you must have a purchase order from us, or at minimum, a 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

It is acceptable however, to reference a supplier's quote (dated or with a revision level) to cover some or part of the above mentioned purchase order requirements.

8.0 Questions or concerns

For any questions or concerns regarding the requirements of this manual, contact the Duggan Manufacturing Purchasing Manager.