External Providers Quality Requirements

Stranco Products

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1.0 **Purpose:**

1.1. Inform Stranco Product potential and current External Providers of procedural requirements and performance reporting information,

2.0 **Scope:**

2.1. Scope includes all Class "A" providers to Stranco Products as deemed applicable by internal procedures:

2.1.1. Reflects products, components or services related to finished product goods, sold and distributed by Stranco Products.

2.1.2. External Providers are required to develop, implement and improve a Quality Management System Certified to ISO 9001 current international standard at a minimum

2.1.2.1. Other relevant Quality Management System Third Party Certifications are acceptable.

2.1.2.1.1. Providers of products and services that are not third party registered; will be notified of purchase requirements by the Purchasing Manager, with customer waiver of QMS Certification requirement.

2.1.2.2. It is recommended that external providers of automotive products and services attempt to become certified to the current Automotive Quality Management System Standard.

2.1.3. External providers may reference the following documents to support their QMS:

2.1.3.1. IATF 16949 Automotive Quality Management Standard

2.1.3.2. AIAG Core Tools (FMEA; SPC; PPAP; APQP and MSA) with special attention to PPAP 4th edition.

2.1.4. Performance Metrics:

2.1.4.1. Performance Metrics for external providers will be measured on a monthly basis; Quarterly performance reporting will be completed for Class "A" External providers and provided to relevant contacts within external providers' organization.

3.0 **Definitions:**

3.1. QMS:

3.1.1. Quality Management System

3.2. Purchase Order:

3.2.1. Documented information related to the requirements of products, processes and services utilized to complete production of goods.

3.3. PPAP:

3.3.1. Production Part Approval Process per AIAG PPAP 4th Edition.

3.4. IMDS:

3.4.1. International Material Data System

3.5. OEM Restricted Disclosures

3.5.1. Information related to product contents

3.6. Regulatory Or Customer Requested Information

3.6.1. Reach

3.6.1.1. Registration, Evaluation, Authorization and Restriction of Chemicals

3.6.2. RoHS

3.6.2.1. Restriction of Hazardous Substances Directive

3.6.2.1.1. RoHS 2 directive (2011/65/EU)

4.0 **Responsibilities:**

4.1. Expectations:

4.1.1. External providers are responsible to develop, implement and improve a Quality Management System (QMS) which ensures product conformity, to Stranco's and external provider defined requirements.

4.1.2. Quality System third party certification, with documented evidence bearing the accreditation mark of a recognized body.

4.1.3. PPAP Requirements:

4.1.3.1. As requested Stranco Products requests that external providers provide PPAP documentation as required per Stranco Products Purchase Order.

PPAP requirements will flow down from customer to provider as defined per Purchase Order requirements.

4.1.3.2. PPAP process requirements and production run samples are to be developed and submitted in accordance with the process described in the Automotive Industry Action Group PPAP 4th edition.

4.1.4. Regulatory conformance:

4.1.4.1. Stranco Products expects external providers to provide products, processes or services compliant to statutory and regulatory requirements.

4.1.4.1.1. Reach and RoHS Requirements are to be met, or declarations for products provided will be completed to identify any materials of concern, with relevant product information.

4.1.4.1.2. Other regulatory requirements as required by external providers' product or industry segment are to be maintained to insure compliance to internal specifications and other requirements.

4.1.4.1.3. IMDS requirements are provided to external providers as registered users of the system.

4.1.4.1.3.1. IMDS is a service supported for Stranco Products customers.

4.1.4.1.4. Relevant Catalog page information, technical specifications or published data requirements are deemed as requirements per external providers current product documented information.

4.1.5. Product/Process Changes:

4.1.5.1. Product composition or significant process changes are to be communicated to Stranco Products with as much advance notice as possible.

4.1.5.1.1. Requested change information a minimum of 6 months in advance of product or process changes is desired.

4.1.5.1.2. Notification shall be in the form of written documentation, provided to the Quality Manager, and Purchasing Manager at a minimum.

4.1.6. Non-Conforming Outputs:

4.1.6.1. In the event non-conforming outputs are noted at Stranco Products or customer located facilities, the external provider is required to complete the following actions.

4.1.6.1.1.1. Disposition Support: Stranco Products expects external providers to support customer needs for disposition of goods in a timely manner.

4.1.6.1.1.2. Defective product samples or photographic images, and/or other pertinent information will be provided to external providers, with the goal of expediting disposition activities.

4.1.6.2. Disposition Activities:

4.1.6.2.1. Stranco Products may be required to support customer containment and segregation activities associated with disposition including but not limited to:

4.1.6.2.1.1. Inspect and certify stock at Stranco location

4.1.6.2.1.2. Inspect and certify stock at customer location

4.1.6.2.1.3. Provide independent source for inspection and containment duties

4.1.6.2.1.4. Authorize Scrap or Return to external providers location.

4.1.6.2.2. Stranco Products requires support from the external providers to support cost implications noted as a result of non-conforming outputs, including relevant charges for travel or other incidental costs associated with customer support.

4.1.6.3. Containment:

4.1.6.3.1. Containment is required for all product associated with non-conforming outputs, products produced on same similar equipment with potential for replicated non-conformance shall be inspected prior to shipment to prevent further contamination of the product stream.

4.1.6.3.2. Relevant containment information should be provided to Stranco Products to support segregation at Stranco and Customer Facilities, information may include:

4.1.6.3.2.1. Lot Numbers Produced with potential for non-conformity

4.1.6.3.2.2. Date of Manufacturing for suspect products

4.1.6.3.2.3. Other traceability information or product/process data that may be relevant to non-conformity.

4.1.6.4. Correction and Corrective Actions:

4.1.6.4.1. External providers are expected to insure correction activities are taken and review of non-conformity is included in QMS data stream.

4.1.6.4.2. Corrective Actions and documents required/requested by Stranco Products will be determined based on cause, and conformance implications, in the event the non-conformity is of a nature requiring corrective actions Stranco Products will request actions per improvement requirements defined in internal procedures.

4.1.6.4.3. In the event of a customer request for corrective action the request will flow down to external providers for documented actions to insure issue does not recur or occur elsewhere.

4.1.6.4.3.1. Correction and corrective actions should be completed per documented requested dates.

4.1.6.4.3.2. In the event the investigation requires additional timing, please provide information to the Stranco Quality Manager regarding time needed to insure effective QMS improvement.

4.1.7. Purchase Orders:

4.1.7.1. Purchase orders describing materials or services are provided to external providers in the following terms: (As needed)

4.1.7.1.1. Part Number

4.1.7.1.2. Part Description or Description or process or service requested

4.1.7.1.3. Dimensional Material Requirements

4.1.7.1.4. Revision level

4.1.7.1.5. Quantity

4.1.7.1.6. Price

4.1.7.1.7. Delivery Method

4.1.7.1.8. Customer Specific Requirements

4.1.7.1.8.1. PPAP Requested:

4.1.7.1.8.2. IMDS Requested:

4.1.7.1.8.3. Test Reports;

4.1.7.1.8.4. Certificate of Conformance

4.1.7.2. Purchase Order information, may include additional requirements regarding products, processes and services as noted in Purchase Order Terms and Agreements.

4.1.7.3. Purchase order acknowledgement is requested in a timely fashion, with confirmed shipping dates.

4.1.7.3.1. In the event of a confirmed shipping date change, the external providers will be deemed late shipment based on original confirmed shipping dates.

4.1.7.3.2. Shipping Performance Goal of 100% is required of Stranco Products external providers; it is Stranco Products goal to support customer supply chain timing requests, deliveries noted past confirmed shipping dates will negatively impact Stranco Products performance with customer.

4.1.8. Labeling:

4.1.8.1. Products received are to be adequately packaged and identified including:

4.1.8.1.1. Stranco Part Number

4.1.8.1.2. External providers Lot Number

4.1.8.2. Lot Number information is required on all associated documents including but not limited to:

4.1.8.2.1. Test Reports

4.1.8.2.2. Certificate of Conformance

4.1.8.2.3. Certificate of Analysis

4.1.8.2.4. Packing Lists

4.1.8.2.5. Individual Products packaged inside containers.

4.1.9. Performance Metrics:

4.1.9.1. External Provider Performance metrics are compiled monthly.

4.1.9.2. External Provider Metrics will be reported to interested parties on a quarterly basis, depending on external provider activity noted during the reporting cycle.

4.1.9.3. Performance Expectations are defined in the table below:

4.1.9.4. Class “A” External providers scoring table is identified below: Scoring less than quarterly acceptable scoring will result in correction and improvement action requests.

4.1.10. Scoring Table:

92 – 100	Excellent	Please maintain your outstanding quality system and service to Stranco!
84 – 91	Good	Continue to maintain scoring, with a view towards continual improvement.
< or = 83	Conditional	A formal Correction and Improvement Request will be issued to seek out your plans for improvement when the Quarterly average score is at or below 83.

4.1.10.1. External providers Quality Requirements will be provided to external providers in the form of this standard procedure in addition to the external provider assessment form.

4.1.10.2. Providers are determined to be Class "A" providers if provisions are utilized in the production of finished goods materials within the quality management system.

4.1.10.2.1. Calibration Services and Third Party Registrars will also be deemed Class "A" providers based on risk and impact to business.

5.0 Procedure:

5.1. Stranco Products Quality Manager will provide Stranco Products External Provider Questionnaire.to external provider organizations, based on reference from the Stranco Products Purchasing Manager

5.2. Based on completed questionnaires and certification by authorized third part registrars, external providers will be added to the approved Stranco Products External Provider register.

5.2.1. Quality Manager will scan and file completed questionnaires and certificates to directories for documented information purposes.

5.2.2. Updated Approved External Provider listing will be provided to interested parties, and change history of relevant register will signify approved status.

5.3. Performance Reporting:

5.3.1. Based on quarterly reporting the Stranco Products Quality Manager will forward to identified External Provider contacts a report identifying performance over the previous quarter, in the form of a Quarterly External Provider Report

5.3.1.1. See References and appendices section 6.0

5.3.2. Correction requests as deemed appropriate per scoring table will be provided by the Stranco Products Quality Manager to relevant QMS System contacts at external providers.

5.4. Re-Assessment:

5.4.1. Based on acceptable performance External Provider Assessments will not be required.

5.4.2. Based on performance continued acceptance will be assumed without cause and/or related risk of provider to Stranco Products QMS

6.0 Appendices/References:

6.1. External Provider Questionnaire

6.2. Approved External Provider Register.

6.3. Quarterly External Provider Report

7.0 Change History:

REV	DATE	DESCRIPTION
A	11/16/16	External Providers Quality System Requirements to reflect ISO 9001:2015 and IATF16949 Requirements.
B	7/21/17	Remove references to requirements related to IATF 16949 requirements