

# Supplier Quality Requirements Manual

# LP+P Supplier Quality Requirements

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# LP+P Supplier Quality Requirements

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## 1.0 FOREWORD

The automotive industry is both competitive and demanding, with ever increasing levels of customer expectations for both product performance and reliability.

Our objective is to develop a reputation of excellence in manufacturing standards, and without a doubt the single most important strategy for achieving this is through continuous improvements.

Purchased materials from our suppliers are a vital ingredient for success, and the purpose of this manual is to define the basic systems and procedures we expect our suppliers to adopt to ensure that their quality responsibilities are completely met.

We utilize a diversified supplier base and expect our suppliers to consider and include within their abilities, minority suppliers as well. If your company is a certified minority-owned company, please submit a copy of your certification to our Purchasing Department, [purchasing@lpp-inc.com](mailto:purchasing@lpp-inc.com).

It is the intention of Lapeer Plating + Plastics, Inc. (LP+P) to develop a long term partnership with those suppliers who can consistently achieve these standards so that together we can provide the level of quality excellence necessary to satisfy all our customer's needs.

We look forward to your commitment and support in achieving this goal.

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## 2.0 INTRODUCTION

### Goal

The goal of this manual is to communicate to the supplier minimum requirements to assure the quality of supplied product.

### Purpose

The purpose of the manual is to define the systems and controls LP+P requires its suppliers to fulfill. [By doing business with Lapeer Plating + Plastics, Inc. you are agreeing to the requirements stated in this Supplier Quality Manual.](#)

### Implementation

Suppliers are to comply with: current revision *ISO9001* or *IATF16949* requirements; [all statutory and regulatory requirements for country of origin, country of receipt and country of destination, if known](#); utilize current AIAG publications as applicable.

### References:

ISO9001:2015 Quality Management Systems- Requirements

IATF 16949 Automotive QMS Standard

Measurement Systems Analysis (MSA)

Statistical Process Control Manual (SPC)

Potential Failure Mode and Effect Analysis Manual (FMEA)

Production Part Approval Process (PPAP)

Advanced Product Quality Planning and Control Plan Reference Manual (APQP)

AIAG B-10 Bar Code Label Guide

AIAG M-7 Global Material Management Operations Guideline (MMOG)

CQI-9 Heat Treating Assessment

CQI-11 Plating System Assessment

CQI-12 Coating System Assessment

CQI-23-Molding System Assessment

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## Continuity of Supply

Suppliers are required to have well-defined business contingency plans in place to ensure continuity of supply in the event of disruption to their operations and/or supply of materials. Proposed contingency plans must be submitted to LP+P's Purchasing Department for review via the purchasing department email address below. If the proposed contingency plan is not approved by LP+P as submitted, supplier will modify the proposed contingency plan as required by LP+P within a specified timeframe and re-submit the revised contingency plan for review. Supplier will continue to make the necessary revisions until the contingency plan is approved by LP+P.

## **2.0 INTRODUCTION (continued)**

Supplier shall identify an individual that has sufficient authority to assume responsibility for dealing with any product quality and / or delivery issues that may impact LP+P. Supplier is responsible to forward that individual's contact information to LP+P's Purchasing Department: [purchasing@LPP-INC.com](mailto:purchasing@LPP-INC.com).

## Conduct & Ethics

LP+P conducts business with integrity, fairness and respect. We are committed to comply with both the letter and spirit of all applicable laws and regulations. The same is required from all suppliers, contractors, consultants or other representatives we may conduct business with.

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## Working Conditions

LP+P is committed to maintaining working conditions and standards that result in dignified and respectful treatment of all employees within our operation as well as those of our supply chain. Suppliers will support the following LP+P standards:

- a) Child labor as defined by local, state or federal law will not be utilized under any circumstances.
- b) There will be no form of forced or compulsory labor.
- c) A safe and healthy work environment free from any type of harassment or discrimination as defined by law shall be provided.
- d) Workers shall be accorded open communication with management regarding working conditions without the fear of reprisal, intimidation, harassment or any other negative actions.

## Conflict Minerals

To ensure compliance with the SEC requirements, LP+P must request information regarding the use of conflict minerals, from any appropriate suppliers. Any supplier contacted by LP+P, must support LP+P by accurately providing all requested data and reports.

## **3.0 SUPPLIER SELECTION REQUIREMENTS**

LP+P Purchasing will procure material only from approved supply sources. Purchasing will ensure that only capable suppliers are considered for approval, unless otherwise mandated by LP+P's customer.

*Suppliers must be certified to a minimum of the current ISO 9001 standard with goals of achieving IATF 16949 certification.*

3.1 Supplier Evaluation Questionnaire (form 8.4.1.2F) must be completed by all suppliers, updated when changes occur, and submitted to your LP+P Purchasing Contact.

3.2 A request may be made by LP+P to review a supplier on site. (Utilize Supplier Evaluation Questionnaire information)

3.3 2<sup>nd</sup> Party Audits may be utilized if deemed necessary.

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## 4.0 SUPPLIER QUALITY RATING SYSTEM

On-going supplier quality performance will be assessed based on PPM, Delivery Performance, [Premium Freight Occurrences and Customer disruptions](#). The method is based on the resulting status of all direct incoming material problems experienced.

The Performance Rating is comprised of the following subcategories:

- 4.1 **PPM performance** is the direct result of rejection against the number of parts delivered from the supplier. This will be measured as follows:

$$\text{PPM Rating} = (\text{defect} / \text{amount shipped}) * 1,000,000$$

Unless otherwise required by LP+P, the *maximum* acceptable PPMs is less than or equal to 100. Without prejudice to its other rights and remedies, LP+P may require implementation of an improvement plan approved by LP+P for PPM ratings greater than 100, or, if applicable, the other specified maximum PPM level,

- 4.2 **Delivery Performance** is measured against 100% on time delivery.

$$\text{Delivery Performance} = (\text{delivery violation} / \text{amount of shipments})$$

Without prejudice to its other rights and remedies, LP+P may require implementation of an improvement plan approved by LP+P if seller fails to meet 100% on-time delivery.

- 4.3 [Tracking of Premium Freight Occurrences and any Customer Disruptions.](#)  
[Overall Rating to be adjusted per occurrence at Purchasing Manager's discretion.](#)

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## 5.0 CORRECTIVE AND PREVENTATIVE ACTION

When a quality or delivery problem has been reported to the supplier it is the supplier's responsibility to respond to LP+P within 24 hours with Interim Corrective Action. The interim shall include a plan to quarantine, recall, sort, rework or replace all material in the flow. The supplier shall respond with Permanent Corrective Action within 7 working days. If Permanent Action cannot be met in the allotted 7 days, it is the responsibility of the supplier to submit in writing for an extension prior to the 7-working day deadline. LP+P may approve or reject any such requested extension in its sole discretion. Interim actions are to stay in effect until Permanent Corrective Actions have been verified. An 8-D Corrective Action report is required to be used.

Without prejudice to any of LP+P's other rights and remedies, repeat quality problems could result in Level I or Level II controlled shipping set forth by LP+P and /or an on-site 2<sup>nd</sup> Party Audit.

**Level 1 Controlled Shipping** includes a problem-solving process as well as a redundant inspection process. The inspection process is enacted by the supplier's employees at the supplier's location in order to isolate LP+P from receipt of nonconforming parts/material.

**Level 2 Controlled Shipping** includes the same process as Level 1 controlled shipping, with an added inspection process that is completed by an impartial third party. The third party is selected by LP+P and paid by the supplier. In special cases, the Level 2 inspection may be required to be performed outside the supplier's facility deemed appropriate by LP+P.

An exit plan with supporting data will be required prior to release from Level 2 Controlled Shipping.



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## 6.0 PPAP PROCEDURE

Suppliers submitting PPAP will ensure that all submissions are Level 3 unless otherwise specified by LP+P.

The supplier will fully comply with all requirements in the current Production Part Approval Process (PPAP) manual.

PPAP dates will be agreed upon with LP+P representative and the supplier as stated in the Purchase Order. If dates cannot be met it is the responsibility of the supplier to notify the representative with corrective action and new timing.

No production parts will be shipped without PPAP approval.

## 6.1 SUPPLIER CHANGE REQUEST

Supplier will not make any change relating to the products and/or services provided to LP+P, including without limitation, with respect to the product's contents, approved suppliers, design, specifications, manufacture, assembly, processing, packing, marking, shipping, price, date or place of delivery, or place of manufacture, assembly or production, except at Buyer's written instruction or with the written approval of LP+P's Purchasing Department.

The supplier shall convey this requirement to their suppliers.

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## 7.0 PACKAGING AND LABELING

An LP+P representative must approve packaging in writing prior to shipments of production parts. Pack for all parts, components and tapes must be sufficient to protect from damage during shipping and storage.

### 7.1 Labeling

LP+P requires that ALL material being received into the facility be labeled per this format specification, unless otherwise specified in writing.

#### **Label Size and Material:**

The label shall be 4.0 in. (102mm) high by 6.0 in. (165mm) wide. The label shall be white in color with black printing. The label adhesive should ensure that the label shall remain attached to the material carton.

#### **Placement of the Label:**

The material container shall be labeled for a standard expendable/returnable container.

#### **Barcode Symbology:**

Barcodes shall be type Code 3 of 9 (Code 39) and shall conform to the standards published by the Automotive Industry Action Group standard (AIAG-B1) B-10 Label specification.

#### **Barcode Types:**

A Container label shall be affixed to all containers shipped to LP+P. Product LOT NUMBER must be included on and clearly identifiable on each label.

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## 8.0 CUSTOMER OWNED-TOOLING

The supplier shall maintain and implement a preventative maintenance program that is satisfactory to both LP+P and LP+P's customer(s) for any customer-owned tooling, secondary equipment, and gage. LP+P and LP+P's customer shall be entitled, at any time, upon request to the supplier, to require improvements to the supplier's preventative maintenance program. At minimum, such program must include and address:

Customer Tool Identification

Tool preventative maintenance system per cycle

Tool room department personnel for minor repairs

Secondary equipment preventative maintenance

Secondary equipment personnel for repair

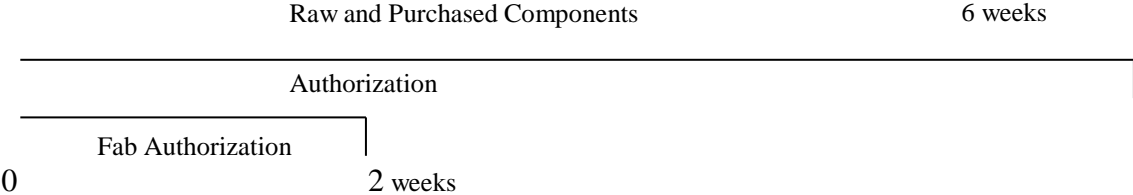
Gage maintenance, calibration, and R&R as needed.

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## 9.0 MATERIAL AUTHORIZATION

### Definition:

Authorization is the number of weeks of financial commitment for released material LP+P provides the supplier. In other words, it is how much material (measured in weeks) LP+P will buy from the supplier if the part is no longer required. If a supplier has a raw authorization of six weeks, LP+P will purchase no more than six weeks of raw material from that supplier if LP+P decides no longer to use the part.



(The above illustrates two weeks of authorization for fabricated material and an additional six weeks of authorization for Raw material.)

Additional planning requirements provided in LP+P releases are for forecast planning purposes only and are not binding on LP+P. It is the supplier’s responsibility to work on continuous improvement activities to reduce the Material Authorization needed. Proposals for Extended Material Authorization must be submitted to your buyer for review. LP+P may approve or reject any such requested extended material authorization in its sole discretion.

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## 10.0 INTERNATIONAL MATERIAL DATA SYSTEM (IMDS) REQUIREMENTS

Material Data Sheets (MDS) must be created on the IMDS about the components and materials that your company is supplying to LP+P. You should contact your buyer for the Site Code. **Failure to submit this information will lead to PPAP rejection.**

We are requesting that our suppliers register their company with the IMDS and submit data as soon as possible. To register your company, go to [http://www.mdssystem.com/html/en/home\\_en.htm](http://www.mdssystem.com/html/en/home_en.htm) and follow the simple online instructions. Information on IMDS Training is also available on the IMDS web page.

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## Revision History

DATE	REVISION DESCRIPTION (most recent updates in BLUE font)	APPROVAL
2/17/16	Initial Release	Management
1/26/18	Replaced TS w/ IAFT16949 & ISO9001:2015, updated to new logo and LP+P throughout document, complete review with various updates.	Joyce Westphal, Purchasing Manager
8/29/18	Added statutory & regulatory IATF requirement of suppliers and statement of acceptance by supplier, updated form title and number for Supplier Evaluation Questionnaire	Joyce Westphal, Purchasing Manager

## Supplier Information Sheet

Company Name:	
Complete Address:	
Company Phone # & Fax #	

### COMPANY INFORMATION

Products Manufactured for Lapeer Plating + Plastics, Inc. (specifically products for the auto industry) example: Paint, resin, tape, parts, components, etc...	
Quantity of active parts supplied to LP+P:	
% Plant Capacity Dedicated to Lapeer Plating + Plastics, Inc.	
# of Employees:	
Effective Working Hours / Day & Day / Week:	
Ability to Expand Capacity (e.g. Add Shifts, Add Manpower, Add days, etc.)	
IT-System; MRP System:	
ISO/IATF16949 Certification Date:	
Last Surveillance Visit:	
Registrar:	

### CONTACTS

	Name	Phone #	Extension	Email
Sales/Account Manager				
Materials Manager				
Production Control				
Quality Manager				
Shipping Supervisor				
IT Manager				
Engineering Contact				
Emergency Contact (After Hours)				

Date Completed: \_\_\_\_\_ Completed by: \_\_\_\_\_ Email: \_\_\_\_\_

**PLEASE COMPLETE AND RETURN TO LP+P PURCHASING  
FAX: 1-810-667-3091 OR EMAIL: [purchasing@lpp-inc.com](mailto:purchasing@lpp-inc.com) THANK YOU!**

\*A copy of this Supplier Quality Requirements Manual can be found @ [www.lpp-inc.com](http://www.lpp-inc.com)