



# ***Supplier Requirements Manual***

## **Introduction**

We value the partnership we form with our suppliers and recognize that our suppliers are a key to the long-term growth to our business.

Our expectations from our suppliers are identical to those expected by our customers.

## **Purpose**

This Supplier Manual describes the purchasing procedures of Amptech. Because purchased materials, parts, products and services affect every part and assembly shipped by us, these obligations are to ensure that the Supplier can and does conform to Amptech's quality requirements and is committed to customer satisfaction through continuous improvement of its processes and product.

## **Scope**

This Manual (as it may be amended) shall be incorporated into each contract agreement issued by Amptech to the Supplier. Supplier's sale of any Goods and / or Services to Amptech constitutes acceptance of the applicable PO (including this Manual). Obligations of the Supplier contained in this Manual may only be modified or waived by an Amptech Executive Representative (Quality, Purchasing) in writing.

## **Contacts**

Quality: Robin Bailey-Parks

Purchasing: Tammy Jans

## **Purchasing Philosophy**

It is our intention to team with suppliers that are committed to and deliver quality products. These suppliers can support Amptech's goals by consistently providing defect free products on time, taking a proactive approach to continuous improvement, and reacting quickly to our collective needs.

Quality, Delivery, Value, and Service are factors that govern the evaluation of all sources prior to soliciting a quotation and during the tenure of the purchase contract. Amptech must be assured that new suppliers will be able to produce an improved product, reduce costs, or offer other advantages.

In an effort to improve both quality and cost of Amptech products, we are constantly searching for additional suppliers who offer the best value.

## **Supplier Eligibility**

In order to be an eligible supplier to Amptech, the supplier will have to meet the following criteria. A supplier may qualify to be included in the Approved Supplier List through the following processes:



- **Customer Directed:** After the customer identifies the supplier as the selected source for a specific part or commodity, the approval will start. There will be no special exemptions for these suppliers and all requirements must be met in order to be approved. Should the supplier not be approved, the President will require a letter from the customer that instructs the Company to use the supplier. Details surrounding these circumstances will be handled on a case-by-case basis.
- **Competitive Bidding:** Quotes and proposals may be solicited from potential new suppliers who are not included in the Amptech's Approved Supplier List. Tentative sourcing decisions to award business to a new supplier may be made with the requirement that the supplier has completed all selection requirements prior to the issuance of purchase orders.
- **The approval process is as follows:** Suppliers must be certified to the latest version of ISO 9001 (Gage Calibration Sources - ISO/IEC 17025 or A2LA). Suppliers who are not certified may be approved at the Quality Manager and Purchasing Manager combined discretion. Documentation will be maintained in their supplier file detailing the reason(s) for the exception.
  - ~ **Dodd-Frank Wall Street Reform and Consumer Protection Act.** Conflict Mineral Statement with completion of the mandatory Conflict Mineral Report Template (CMRT) available at the following website [www.conflictreesourcing.org](http://www.conflictreesourcing.org)
  - ~ Maintaining a secure data system and a non-disclosure philosophy when sensitive materials are exchanged.
  - ~ Have in place a **Counterfeit Awareness Program** that includes action plans for Avoidance, Detection, Mitigation and Disposition.
  - ~ An Ethics Policy and/or Code of Conduct in place that is communicated throughout the organization.

### **Quality and Supplier Visits**

Amptech recognizes the latest version of ISO 9001 requirements. All suppliers are encouraged to establish documents and implement effective quality management systems compliant with latest version of ISO 9001 requirements as a minimum. This manual defines Amptech specific requirements and is in conjunction with latest version of ISO 9001 Requirements.

Amptech reserves the right to verify supplier compliance to latest version of ISO 9001 requirements on-site for those suppliers identified as having a high impact to quality.



Amptech will flow down any other customer specific requirements such as ISO/TS 16949, AS 9100, ISO 14001 & etc. These specific requirements are identified on the PO and will be part of our requirements when indicated.

### **Internal Audits**

#### **Supplier Internal Self-Audits**

Suppliers are expected to conduct regular internal audits to ensure that internal systems and procedures which have been implemented in order to assure that customer requirements are being met, are in effect, are meeting goals and objectives, and are subject to a continuous improvement code.

Internal Audits are to be conducted by personnel who are independent of the organization or functional activity that is being audited.

Documented procedures should be in effect for the internal audit, indicating:

- Audited system review for effectiveness from use of continuous improvement analysis.
- Defined responsibilities for personnel conducting the audit.
- Records of the results of the audit are reviewed at Management Review.

Follow-up Audit shall be performed to verify the effectiveness of the corrective actions for any non-conformances found in the Internal Audits showing follow-up activities are to be maintained on file for three years and are to be available for review, upon request by Amptech.

Audit Review(s) may be performed anytime a supplier's performance is deemed unsatisfactory by Amptech Management. An Internal Audit shall be done annually at a minimum.

### **Purchase Order Administration and Acknowledgment**

Upon being deemed eligible as a supplier, going through the RFQ process and being selected as a supplier to Amptech, the initial Purchase Order will be released from Amptech Purchasing.

Suppliers are required to acknowledge the receipt of the PO and the commitment date(s). This is typically in the form of an email or fax.

### **Quality Planning**

All suppliers are required to use quality planning to support the development of new products and/or services, in accordance with the guidelines in latest version of ISO 9001 requirements. The supplier is to report the status of the quality planning activities to the Amptech Purchasing Manager as required.



### **Part Approval Process (PPAP or FAI)**

Suppliers are expected to have systems and procedures in place to ensure the capability of the products and/or measurement system used to evaluate product conformance prior to shipment of goods to Amptech.

### **Product/Process Changes**

Amptech Purchasing must be notified prior to any change in product or production process. Samples may be required for review and to evaluate potential impact on Amptech's process. Submission for PPAP/FAI is required unless specifically waived. Unapproved changes will result in Rejection and/or Quarantine of all goods at the discretion of Amptech and New Business Hold. Any charges incurred due to the lack of advanced notification will be the responsibility of the supplier.

### **Production/Fabrication Location Changes**

Amptech Purchasing must be notified prior to any change in production/fabrication location. Amptech Purchasing will facilitate the development of a move plan with input from Amptech Management and the supplier. Any charges incurred due to the lack of advanced notification will be the responsibility of the supplier.

### **Receiving Inspection**

All Production components and materials will be subjected to Receiving Inspection.

### **Quality & Delivery Problem Reporting and Resolution Notification from Supplier to Amptech**

In the event that a supplier has reason to believe that a non-conforming condition exists in the areas of Quality, Delivery or other services:

Immediate action must be taken by the supplier to contact Amptech Quality Manager. Contact shall be by telephone for emergency issues.

Notification to Amptech shall be followed up by providing immediate action to sort or replace the material in house within 24 hours.

Long-term corrective action with irrevocable conditions to prevent any further occurrence of similar non-conformance and with applicable statistical documentation to support evidence of verification of irrevocable corrective action taken, to be forward to Amptech within 15 days unless otherwise directed sooner.

Corrective actions shall be in an industry accepted format including root cause analysis (8D, Fishbone, Pareto, 5 Why's & etc.)



### **Charge Backs**

For every Rejection issued, the supplier will be charged for expenses accrued from Amptech and its customers.

### **Expenses for sorting, reworking and transportation charges will be charged at cost.**

You will have 30 days to dispute any charges, in writing, to our Purchasing Department.

### **Repeat Concerns**

Repeated concerns in Quality will result in Containment Shipping.

### **Lot Traceability**

Supplier must ensure lot traceability on all materials, components and assemblies to support customer needs.

### **Material Certifications**

Material certifications are required with all shipments for raw materials to be included into Amptech products. Other certifications requirements from Amptech are to be identified on the PO.

### **Quality/Environmental Records**

The supplier is to maintain all applicable quality and/or environmental records dependent upon the quality/environmental system which applies to the material or product being purchased.

PO's which indicate AS 9100 as the quality system of record requires the supplier to forward all applicable quality records to Amptech's Quality Department with each shipment due to record retention requirements.

### **Delivery**

Amptech requires 100% on-time delivery performance from all suppliers.

Any delivery delays must be reported to Amptech's appropriate buyer immediately. On-time deliveries are defined as 0 days late. All deliveries are to be made per the logistics arrangements determined and within the normal scheduled delivery time. Excess costs attributed to supplier lateness are the responsibility of the supplier.



### **Premium Freight**

It is Amptech policy to avoid usage of premium freight. Unfortunately, its usage is unavoidable due to varying circumstances. Supplier attributed issues (Quality rejection, late delivery, etc.) will require premium freight to be paid by the supplier in order to meet required dates.

Amptech attributed issues (Inventory loss, short lead time, etc.) will be paid for by Amptech.

### **Safety & Environmental**

All suppliers supplying goods to Amptech which are considered to be “controlled” under W.H.M.I.S. (Workplace Hazardous Material Information Systems) must be familiar with and comply with all such regulations, for packaging and shipping. Material Safety Data must accompany any initial shipments from all suppliers and marked to the attention of the Amptech Quality Department.

Where required, Material Certifications should be placed in a separate envelope and addressed to the Amptech Quality Department. All material safety data sheets should be in a separate envelope and addressed to the Amptech Quality Department.

## **SUPPLIER DEVELOPMENT AND PERFORMANCE MONITORING**

### **Supplier Monitoring**

Where Amptech or its customer intends to perform verification at the supplier's premises, Amptech will state the intended verification arrangements and method of product release in the purchasing information.

Amptech verification activities may include:

- a) obtaining objective evidence of the quality of the product from suppliers (e.g., accompanying documentation, certificate of conformity, test reports, statistical records, process control),
- b) inspection and audit at supplier's premises,
- c) review of the required documentation,
- d) inspection of products upon receipt, and
- e) delegation of verification to the supplier, or supplier certification.

Where specified in the contract, the customer or the customer's representative shall be afforded the right to verify at the supplier's premises and at Amptech's premises that subcontracted product conforms to specified requirements.



Verification by the customer shall not be used by Amptech or our suppliers as evidence of effective control of quality by the supplier and shall not absolve Amptech or our suppliers of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer.

### **Supplier Profile**

Suppliers are requested to forward a copy of their Quality System Certification. For those suppliers that are not certified to the appropriate standard, Amptech Purchasing requires evidence of compliance.

### **Monitoring Methods**

Quality performance will be monitored by tracking defective parts received. The requirement for quality performance is 100% (Zero Defects).

Delivery Performance will be monitored by tracking compliance to shipment due date(s) and quantity accuracy from the Amptech receipts.

Performance data will be periodically reviewed by Amptech. Delivery performance requirement is 100%.

### **New Business Hold**

At Amptech's discretion, suppliers will be placed on New Business Hold for any one, or combination of, the following criteria:

- Suspension of their Quality System Certificate (supplier must notify Amptech if this situation occurs).
- Performance issues resulting in multiple instances of Quality or Shipping problems
- Financial risk or instability
- Contractual issues (at Purchasing discretion)

### **REVISION HISTORY**

4/15/16 – UPDATE QA Name Change

12/22/16 – Added Counterfeit Awareness Program

3/1/17 – Added Ethics Policy

1/30/18 – Amptech Logo Change