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## Document History

The Information on this page relates to the completed Quality Record.

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### Revision History

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## 2 Foreword

KMF are committed to providing world class customer service and solutions in the field of fully integrated bespoke metal work and precision sheet metal fabrication.

With sales of over £30M, 350 committed employees and 110,000 sq. ft. of manufacturing facilities. KMF customers can be assured of a professional response, production flexibility and total quality commitment

Our over-riding objective is to develop a World-Class reputation in the sphere of this scope, and without doubt the single most important strategy for achieving this aim is through continuous improvements in **Quality**:

- Quality of Process Development
- Quality of Manufacture
- Quality of Service

Clearly, our purchased material supplies are a vital ingredient for success, and this Manual has been compiled to define the basic systems and procedures we expect our Suppliers to adapt in order to ensure that the KMF (Precision Sheet Metal) Ltd quality responsibilities are fully met.

It is our intention to develop long term partnerships with those Suppliers who can consistently achieve these standards so that together we can provide the level of quality excellence necessary to satisfy all of our needs.

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

With very best regards

Terry Stanway  
**Purchasing & Facilities Director**

Gary Sutton  
**Quality Manager**

### **3 Introduction**

This supplier requirements manual defines the systems and controls KMF requires its suppliers to fulfil in order to produce materials that consistently meet expectations.

The content is comprised of the main categories:

- Initial Supplier selection, assessment and on-going surveillance.
- Manufacturing controls utilising defect prevention methods.
- Initial sampling and first supply control through the application of FAI techniques.

The supplier will be expected to demonstrate compliance with the requirements of the manual and will be subjected to periodical review as deemed necessary by KMF.

## 4 Supplier Selection Requirements

KMF shall procure production material from approved sources only. The purchasing department will ensure that only capable and stable suppliers are approved, using the following process:

The Purchasing Director / Manager will award “Approved Supplier” status based upon the criteria shown overleaf. Changes to the scope of supply or supply conditions may only be authorised through the Purchasing Manager acting on behalf of KMF.

For all new direct material suppliers, KMF will conduct a credit check where it feels appropriate to ensure financial stability. **This requirement shall be enforced from April 2015.**

Minimum approval requirements are represented below.

Supplier Type	Market	Specification	Expectation
All	All	Historical Performance	Supplier quality and delivery performance acceptable prior process implementation
		Single Source	Product cannot be procured from another source. Must use and specification cannot be amended.
		Customer Dictated	KMF must use an existing supply route which has been implemented by the customer.
		Third Party Accreditation	Supplier is accredited by a third party organisation. i.e. Rolls-Royce SABRe,
		Self-Assessment	To be completed by potential new suppliers at the discretion of the Purchasing Manager.
		ISO9001	Desired requirement for all suppliers.
		ISO14001	All suppliers are expected to have or be working towards compliance with ISO14001 or be working in accordance to the principles of compliance and improvement.
Material	Aerospace	Customer Flow down	It is expected that all suppliers supporting aerospace and defence sector shall also meet customer and KMF Advanced Solutions flow down requirements.

New suppliers with AS9100 accreditation may, at the discretion of the Purchasing Director / Manager, be allowed to complete an internal self-audit using a supplied KMF audit package to negate a site visit. Dependent upon the commodity and scale of supply intended.

Area's identified as requiring future development will be identified and the supplier is expected to implement and maintain adherence to an improvement plan.

This will then be used as a basis for on-going supplier development. Suppliers will be expected to initiate corrective actions to the agreed timing plan as determined with KMF.

#### 4.1 Approval Status

Suppliers will be graded after initial assessment using the grading system below; subsequently suppliers will be re-considered on an annual basis. Exceptional circumstances such as poor supplier performance may result in a more frequent review. Authority to change approval status shall remain with the Purchasing Manager.

Categorisation	Definition
Approved	Supplier is approved to provide product in-line with their scope of supply. Purchasing may place orders for production demand.
Under Review - Conditional	Supplier has been removed from the approved list pending completion of actions or demonstrable improvement. Similarly, supplier may be under review to be installed as an approved supplier
Removed	Supplier has failed to improve performance and shall not be considered for future business. Also if accreditation is withdrawn by the certification body at any point in time the supplier will not be considered for future business.

### 5 Communication of requirements to sub-contractors (Flow Down)

It is the responsibility of the supplier to ensure that all technical, assurance or commercial requirements relating to KMF orders are communicated and enforced with any further sub-contractors within the supply chain. KMF must be notified of the supplier's intention to further sub-contract business placed by KMF Ltd and have formal written approval from the purchasing manager/nominated deputy.

### 6 Request for Quotation

#### 6.1 Introduction

Whenever there is a requirement for KMF to obtain quotations from suppliers for new parts, modified parts or even existing parts, the supplier shall provide a full costing build up relating to the quotation unless otherwise agreed with the purchasing function.

#### 6.2 VA/VE Proposal

Suppliers to KMF (Precision Sheet Metal) Ltd may be required to participate in the KMF continuous improvement programme and will be encouraged to participate in any relevant VA/VE programmes.

Each year KMF will target product for improvement and suppliers will be encouraged to propose VA/VE improvements to meet KMF targets. In such instances where a product has been targeted for improvement the supplier will be required to complete the Value Engineering Change Proposal (VECP) form, prior to implementation any changes must be formally approved by KMF, including where necessary the changing of any relevant drawings or other parts of the product specification. A copy of the VECP Form can be obtained from KMF Purchasing Department on request.

## 7 Packaging & Identification Considerations

### 7.1 Introduction

These are guidelines only and are written to help suppliers to KMF with the mutual aim of achieving consistency in the packaging and identification requirements for the shipment of production parts. The emphasis is on preserving the quality of product in a practical and economical way. The guide concentrates on standard packaging. Special purpose/durable packaging will be dealt with by agreement in each relevant case.

### 7.2 Suppliers should avoid the following common packaging faults

- Broken or damaged pallets.
- Steel banding cutting through packaging - no protective corners used.
- Packaging not sufficiently robust, i.e. spillage of contents caused by weak construction or bad handling.
- Incorrect type of stillage, i.e. un-stackable.
- Materials not adequately protected against the elements, i.e. causing rust, contamination, etc.
- Loads crushed by disproportionate weight, i.e. heavy loads over lighter loads.
- Uneven weight distribution on pallets - potential safety hazard.
- Packaging units, designed to be manhandled, are sometimes too heavy.

### 7.3 Label Requirements

The label must carry as a minimum, the following information:

- KMF Part Number
- KMF Purchase Order No.
- The quantity contained within
- Traceable batch, Week Number or Works Order No. (as applicable to KMF Advanced Solutions)

Optional additional information could include:

- Advice note number
- Supplier's name
- Drawing issue level
- Bar coded information



## 8 Supplier Quality Rating System

On-going Supplier quality performance will be assessed on a weekly basis in terms of delivery and quality performance and will be measured using receipt date v's due date and quality GRN data. The supply chain criteria reviewed for KMF Precision Sheet Metal Ltd will be limited to the top 15 active suppliers within the month. The activity is identified from an Epicor report; Vendor Shipments Summary – Excluding Advanced Solution and is measured by the number of order lines that have been received within the month. ALL suppliers who have supplied product into KMF Precision Sheet Metal Ltd Advanced Solutions will be reviewed on a monthly basis. These suppliers are identified from an Epicor report; Vendor Shipments Summary – Advanced Solution Only.

For this selected supply chain a supplier score card will be produced and this will detail live information for a 12 month period; financial spend, delivery, return payment and quality performance. This information will be reviewed for all of the selected supply chain and shared with the supplier requesting feedback if required.

### 8.1 Financial Spend

Supplier financial spend will be reviewed on a weekly basis. Graphical data will detail the value of spend per month rounded to the nearest £10,000. Actual spend value will also be detailed in table format.

### 8.2 Delivery Performance

Supplier delivery performance will be measured and reviewed on a weekly basis and published monthly; the suppliers will be measured against a target of 100% on time delivery by the Purchasing Department. On time is calculated based on the agreed delivery date from a supply chain order acknowledgment document. The graphical data will be displayed using red and green stacked columns; lines received on time – green, lines received one day or more late - red. The percentage on time is also detailed with a trend line documented within the graph. Early delivery will not be highlighted as a negative within the Supplier DSA scope however early delivery and any deviation in quantity will only be accepted if agreed with the material expeditor prior to delivery or if influenced by KMF.

### 8.3 Quality Performance

Supplier quality performance will be monitored, again on a weekly basis and published monthly; based upon a PPM defect rate. The number of defective parts / number of delivered parts (within one month, three month and 12 month period) is multiplied by 1,000,000. A conformance percentage will be reviewed and assessed against the KMF expected criteria.

## 8.4 Classification and Assessment

Supplier classification and assessment is the direct result of the Classification.

Delivery Performance (%)	Quality Performance (%)	Classification	Assessment
95-100%	99.5	A	Acceptable
<95%	<99.5	B	Individual performance review process

KMF Precision Sheet Metal Ltd will identify all suppliers falling below classification A; the score card will be shared with additional supporting detail to quantify the lines received late and the related GRN's. These suppliers that fail to deliver improvements in accordance with their delivery plan expose themselves to the risk of being removed from the "Approved Supplier Register(s)".

*E.g. A score in either category which falls into the B Classification will automatically trigger a performance review for the period measured.*

Those suppliers that fail to deliver improvements in accordance with their delivery plan expose themselves to the risk of being removed from 'approved supplier register (s)'

*Note: Costs incurred by KMF resulting from the delivery of non-conforming product to KMF without prior agreement will be passed back to the respective supplier; an administrative cost will be passed on as standard & any additional costs relating to machine downtime, production of scrap relating to non-conforming raw materials etc. may also be passed back to the supplier. Should non-conforming product be identified by the supplier then KMF Deviation Request Form must be completed and returned to the Purchasing Department and approval gained prior to the submission of non-conforming product.*

## 9 FAI Procedure

Suppliers submitting Initial Samples will ensure that all submissions are supported by the FAI documentation at the level agreed with KMF (Precision Sheet Metal) Ltd unless previously agreed by the end user.

### 9.1 Suppliers Responsibilities

KMF (Precision Sheet Metal) Ltd will identify FAI requirements on its purchase orders when required; this shall be derived from one of the following circumstances

Requirement	Clarification or Examples
1. A new part or product (i.e. a specific part, material, or colour not previously supplied)	Submission is required for a new product (initial release) or a previously approved product, which has a new, or revised (e.g. suffix) product number assigned to it. A new part/product or material added to a family may use appropriate FAI documentation from a previously fully approved part within the same product family.
2. Correction of a discrepancy on a previously submitted part.	Submission is required to correct any discrepancies on previously submitted part. A "discrepancy" can be related to: The product performance against the customer Requirement Dimensional or capability issues Subcontractor issues. Full Approval of a part replacing an interim approval. Testing, including material, performance, engineering validation issues
3. Engineering change to design records, specifications, or materials for production product/part number(s)	Submission is required on any engineering change to production product/part design records, specifications or materials.

- An electronic copy of the FAI blank documentation may be obtained on request from KMF
- FAI samples submitted must be from production tooling and production processes and must be from the materials specified.
- A Sample Label will be used to identify each FAI supplied.
- The consignment will be identified with an Envelope attached to a container with the FAI paperwork enclosed.
- Any re-submission of samples must have the resubmitted FAI clearly marked 'Re-submission'.

### 9.2 First Production Shipment Requirement – Machined Components Only

After the approval of initial samples from a production process, the supplier must carry out a first production shipment check for all bulk supply items to verify or demonstrate capability on special characteristics.

On a random basis KMF will inspect product from the first every production batch received. Should parts be non-compliant then the batch will be rejected in full, and the supplier will be debited for any costs incurred, including inspection, scrapped product etc.

A first production shipment can be rejected if capability is not proven.

In this particular instance the supplier must apply 100% inspection of the parts manufactured. If capability cannot be re-established the supplier must review the position with the KMF purchasing department.

Items must be delivered and packed in acceptance with the relevant specification. Where no packing method is specified the Supplier will ensure that unless otherwise agreed by the purchasing department that a standard euro pallet with collars shall be used. The supplier must ensure that packaging suitably protects its contents from damage and deterioration.

Failure to comply with KMF packaging requirements may result in the rejection of shipments, alternatively KMF may, at their discretion choose to pass on any disposal costs back to the supplier.

All returnable packaging is to be maintained in a clean condition, and must be stripped of all redundant labels prior to use. Any damaged returnable packaging is to be removed from the system immediately.

*Note: All KMF (Precision Sheet Metal) Ltd Owned (including our customer-owned) tooling shall be permanently marked so that ownership of each item is visually apparent.*

## **10 Rights of Access**

KMF (Precision Sheet Metal) Ltd, its customers and any regulatory authorities reserve the right of access to all facilities involved in the management, and production of goods under its Purchase Orders, including access to any and all relevant documentation and records. Furthermore it is the responsibility of the supplier to ensure that this condition is subsequently agreed with any secondary suppliers having input into the manufacture of product against KMF (Precision Sheet Metal) Ltd requirements.

## 11 Record Control and Traceability

Material suppliers to KMF must maintain records of batch type, material grade, source, mechanical properties and volume supplied to KMF for a period of 3 years, the supplier must provide copies of mill certification upon request.

All other suppliers with particular records for KMF sheet metal shall be of a 3 year duration unless otherwise stated. **Suppliers to KMF for the intended use within KMF Advanced Solutions must maintain records for a period of 25 years relative to material / product conformance to requirements.**

Copies must be made available upon request from KMF, its customers or regulatory bodies on behalf of either KMF or its customers.

Traceability of non-sheet material supplies shall be agreed by KMF with you the supplier on a case by case basis.

## 12 General Quality Obligations

As a supplier to KMF you must:

- Notify KMF of any non-conforming product produced, especially where shipped inadvertently or where KMF is at risk from known failings.
- Obtain KMF approval, in writing, before the supply of any non-conforming materials
- Notify KMF where the requirements which trigger an FAIR/ISIR have been applied
- Maintain accreditation to ISO9001 (Note – In the event of withdrawal of certification by accreditation body, the supplier is responsible for communicating this to KMF within 3 working days of notification)
- **Notify KMF of any changes to accreditation body, standard etc.**
- Maintain Records in accordance with this manual

## 13 Work Transfer Policy

“The movement of the work (products and associated activities) from one manufacturing site to another.”

It is critical to our business that as a supplier you consider and mitigate the risk of impact on KMF when changing any aspect of a manufactured component.

Examples of this include –

- Outsourcing of a current process to a sub tier supplier (makes or buys)
- Change of a sub tier supplier (resourcing from A to B – i.e. Raw material/finishing process)
- Change of site – factory relocation
- Site re-organisation – machine repositioning
- Introduction of alternative / new machinery
- Change to business ownership

Any change which is covered under this policy **MUST** be formally communicated to KMF for review and feedback prior to implementation.

KMF will formally carry out a risk assessment based on the above information which could trigger formal on site audits / increased inspection levels / request for new ISIR / formal action plan to ensure minimised risk to KMF and its customers.

## **14 Ethical Supply Chain Policy**

The KMF Group takes social and environmental factors into consideration alongside financial factors in making decisions on the purchase of goods and the commissioning of services. Our purchasing decisions should where practicable consider whole life cost and the associated risks and implications for society and the environment.

KMF Group's Ethical supply chain policy seeks to cover the ethical issues and social responsibility within supply chains when managing business to business supplier relationships and the purchasing of goods and services from our suppliers.

Upholding the principles of this policy is a shared responsibility between KMF Group and its suppliers and the policy will be adopted at director and senior level within the company. KMF Group expects its suppliers to assign and accept similar responsibility.

All KMF Group staff involved in the procurement of goods and services have a responsibility to be aware and have a thorough understanding of the ethical issues referred to in this policy.

**The formal Policy document is available on request**

## **15 Product Safety**

Suppliers are responsible for adhering to the requirements of the contract / purchase order to fully mitigate any potential risk to product safety.

## **16 Counterfeit / Unapproved Parts**

Suppliers will have systems in place to prevent the shipping of counterfeit / unapproved products or parts to KMF.