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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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# Foreword

KMF Precision Engineering are committed to providing world class customer service and solutions in the field of precision machined components for a diverse range of products.

With ongoing investment our people and the latest production technology 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, with a strategic focus on achieving this aim through continuous improvement approach to **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 adopt in order to ensure that the KMF (Precision Engineering) 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 our customer needs.

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

# Introduction

This supplier requirements manual defines the systems and controls KMF (Precision Engineering) Ltd 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 (Precision Engineering) Ltd.

# Supplier Selection Requirements

KMF (Precision Engineering) Ltd 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 Buyer 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 (Precision Engineering) Ltd.

For all new direct material suppliers, KMF (Precision Engineering) Ltd will conduct a credit check where it feels appropriate to ensure financial stability. **This requirement shall be enforced from April 2019**

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 Lead Buyer/Quality 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 (Precision Engineering) Ltd flow down requirements. |

New suppliers with AS9100 accreditation may, at the discretion of the Buyer / Quality Manager, be allowed to complete an internal self-audit using a supplied KMF (Precision Engineering) Ltd 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 (Precision Engineering) Ltd.

## Approval Status

Suppliers will be graded after initial assessment using the grading system below; subsequently suppliers will be re-considered on a bi-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 Buyer.

|  |  |
| --- | --- |
| 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. |

# 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 (Precision Engineering) Ltd orders are communicated and enforced with any further sub-contractors within the supply chain. KMF (Precision Engineering) Ltd must be notified of the supplier’s intention to further sub-contract business placed by KMF (Precision Engineering) Ltd and have formal written approval from the lead buyer/nominated deputy.

# Request for Quotation

## Introduction

Whenever there is a requirement for KMF (Precision Engineering) Ltd 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.

# 7 Packaging & Identification Considerations

## Introduction

These are guidelines only and are written to help suppliers to KMF (Precision Engineering) Ltd 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.

## 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.

## Label Requirements

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

* KMF (Precision Engineering) Ltd Part Number
* KMF (Precision Engineering) Ltd Purchase Order No.
* The quantity contained within
* Traceable batch, Week Number or Works Order No.

Optional additional information could include:

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

# Supplier Quality Rating System

On-going Supplier quality performance will be assessed on a weekly basis by means of Delivery Performance and Quality performance. The method is based on the resulting status of all direct incoming material problems experienced.

## Delivery Performance

The Delivery Performance is calculated as shown below:

Delivery Performance = (Number of On-time Deliveries/Number of Planned Deliveries) x100

Supplier delivery performance will be measured and reviewed on a weekly basis and published quarterly; each supplier will be measured against a target of 100% on time delivery by the Purchasing Department. On time delivery is calculated based on the agreed delivery date, 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 (Precision Engineering) Ltd.

## Quality Performance

Supplier Quality performance is monitored, again on a weekly basis and published monthly; based upon a PPM defect rate. Where the number of defective parts / number of delivered parts (within a time period) is multiplied by 1,000,000.

Note – Supplier performance is measure and recorded using KMF-T-078

## Classification and Assessment

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

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

KMF (Precision Engineering) Ltd shall identify on a monthly basis any suppliers falling below classification A and implement a recovery/improvement action plan.

*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 (Precision Engineering) Ltd 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 (Precision Engineering)* Ltd *Deviation Request Form must be completed*

*and returned to the Purchasing Department and approval gained prior to the submission of non-conforming product.*

# FAI Procedure

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

## Suppliers Responsibilities

KMF (Precision Engineering) 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. |

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* An electronic copy of the FAI blank documentation may be obtained on request from KMF (Precision Engineering) Ltd
* 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'.

# Rights of Access

KMF (Precision Engineering) 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 Engineering) Ltd requirements.

# Record Control and Traceability

Material suppliers to KMF (Precision Engineering) Ltd 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 Precision Engineering shall be of a 3 year duration unless otherwise stated. **Suppliers to KMF PE for the intended use of Aerospace customers must maintain 25 year records of material/product conformance to requirements**.

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

# General Quality Obligations

As a supplier to KMF (Precision Engineering) Ltd you must:

* Notify KMF (Precision Engineering) Ltd of any non-conforming product produced, especially where shipped inadvertently or where KMF PE is at risk from known failings.
* Obtain KMF (Precision Engineering) Ltd approval, in writing, before the supply of any non-conforming materials
* Notify KMF (Precision Engineering) Ltd where the requirements which trigger a 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 (Precision Engineering) Ltd within 3 working days of notification
* **Notify KMF (Precision Engineering) Ltd** **of any changes to accreditation body, standard etc.**
* Maintain Records in accordance with this manual

# 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 (Precision Engineering) Ltd 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 (Precision Engineering) Ltd for review and feedback prior to implementation.

KMF (Precision Engineering) Ltd 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 PE and its customers.

# 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**

# Product Safety

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

# Counterfeit / Unapproved Parts

Suppliers will have systems in place to prevent the shipping of counterfeit / unapproved products or parts to KMF (Precision Engineering) Ltd.