

# **Res Manufacturing Company Supplier Manual**

Revision: 3

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Approved By: \_\_\_\_\_  
Mike Grimm, Materials Manager

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## **1.0 Overview**

### **1.1 Introduction**

Res Manufacturing Company, a metal stamping manufacturer, founded in 1907, is an innovative producer of metal stamped components and subassemblies. Locally and nationally recognized for excellence, Res focuses on providing engineered solutions for its customers' metal stamping challenges.

### **1.2 Mission Statement**

*"Our mission is to be the best-in-class provider of precision metal stampings, assemblies and value-added services. Res will operate safely, ethically and profitably for the benefit of its associates, shareholders, suppliers, and customers."*

### **1.3 Quality Policy**

Res embraces the requirements documented in the ISO/TS 16949:2009 Technical Specification as activities that add value for our customers.

Res is dedicated to continually improving customer satisfaction through enhanced product quality and the reduction of waste created by non-value added activities.

### **1.4 Purpose**

Res Manufacturing Company's relationship with its suppliers is one of the most important aspects of its operations. This relationship must be mutually beneficial for the continued success and profitability of each party.

An understanding of the responsibilities of both parties relative to quality conformance is necessary. This booklet describes the quality involvement that Res Manufacturing Company expects of its suppliers and also describes the general procedures used in assuring quality of purchased materials and components.

Res Manufacturing Company will continue to seek better methods to assure quality. This manual is provided to aid suppliers in meeting the various terms and conditions of our purchasing documents, engineering specifications, engineering drawings and related requirements. It does not alter or replace them. This Supplier Manual is part of the purchase order contract issued by Res Manufacturing Company. The supplier's obligations may only be modified or waived by Res in writing.

### **1.5 Scope**

This manual applies to all current and future suppliers who provide Metals, Purchased Components, Purchased Parts, or Outside Services for use in Res Manufacturing's production products. This manual outlines minimum requirements, and defines the quality performance required of each supplier's quality management system in providing products or services.

### **1.6 Confidentiality**

Supplier and Res Manufacturing must have signed non-disclosure agreement on file. See Attachment A (Non Disclosure Agreement).

### **1.7 Maintenance of Document**

This document and attachments will be available on Res Manufacturing website, [www.resmfg.com](http://www.resmfg.com). Any revisions made to this document will generate a change in revision date.

## **2.0 General**

### **2.1 Receiving Hours**

Res Manufacturing Company's receiving operations are Monday through Thursday 7am – 4pm. Any shipments that arrive outside of these timeframes without special approval from Res Manufacturing's Purchasing Department will be turned away at the supplier's expense.

### **2.2 Shipments and Deliveries**

Shipments and deliveries shall be in accordance with Buyer's instructions and must be made to the specified ship-to location. Deliveries should not be made to individuals or departments. Seller's responsibility for all risks for loss or damage to the items or material to be delivered under the purchase order will be governed by standard UCC terms indicated on the PO form.

### **2.3 Receipt Inspection**

All Metals, Purchased Components, Purchased Parts, or Outside Services for use in Res Manufacturing's production products received at Res Manufacturing shall be subject to certification review or physical checking. Failure to meet any criteria, may result in return at supplier's expense, rework at supplier expense, or scrap. Reference sections 3.6 and 4.4 of this document.

### **2.4 Packaging Requirements and Product Identification**

Each individual package received at Res will be clearly marked with:

1. Res part number
2. Res Purchase Order number
3. Manufacturing lot number or heat number
4. Date of manufacture

### **2.5 Transportation Guidelines**

A "Selected Carriers" letter will be maintained by Res Manufacturing Purchasing (Attachment B). This document will specify inbound carriers to be used for each shipment type (small package, LTL, truckload, airfreight). Unauthorized deviation from this list of selected carriers may result in excess freight charge that will be charged back to the supplier.

## **3.0 Purchase Order Terms and Conditions**

### **3.1 Purchase Order Number**

The purchase order number must be shown on each package, packing slip and invoice of Seller. Res Manufacturing Company reserves the right to return to Seller any invoice that does not conform. Payment shall not be rendered unless Res Manufacturing Company receives an invoice showing the purchase order number.

### **3.2 Packing Slips**

Packing Slips must be included in all shipments and must state the Res purchase order along with the Res part number.

### **3.3 Quantities**

The specific quantity ordered must be delivered in full quantity and may not be changed without Res Manufacturing Company's written consent. Any unauthorized quantity is subject to rejection and will be returned at the supplier's expense. Res assumes normal industry standards.

### **3.4 Price**

If the price is not stated in the purchase order, it is agreed upon that the items or material covered by this purchase order will be billed at the price last quoted or the supplier's current list price, whichever is lower. The purchase order may not be filled at a higher price than last quoted or previously invoiced, without specific buyer's written consent. The price stated in the purchase order includes all applicable Federal, state and local taxes and will not be changed as a result of failure of the supplier to include applicable tax or as a result of any increase in supplier's tax liabilities.

Price change requests need a 60-day advanced written notice. It is Res's intention not to grant price increases, but to work together to drive out waste, lowering cost and providing more value to our customers

No additional charges of any kind, including surcharges, charges for boxing, packing, cartage or other extras, will be allowed unless specifically agreed to in writing by Res Manufacturing Company.

### **3.5 Payment**

Payment terms are Net 30, unless stated on individual PO.

### **3.6 Inspection**

Res expects that all purchased material will be received defect-free. Reference section 2.3.

### **3.7 Warranty**

Res Manufacturing Company expects supplier to warrant product up to 24 months from date of receipt. At its option, Res may return to the Supplier any nonconforming or defective items, or require correction or replacement of the item, all at the Supplier's expense. Any down time will be subject to appropriate charges at Supplier's expense. Reference section 4.4 of this document.

### **3.8 Acceptance**

Supplier will acknowledge receipt and acceptance of all Res Manufacturing Purchase Orders. Acknowledgement will be in writing and will be within 48 hours of receipt of the PO.

### **3.9 Purchase Order Changes**

No changes without the consent of Res Manufacturing including but not limited to price, quantity and "date needed" by.

### **3.10 Cancellation**

Res reserves the right to cancel a PO up to 30 days from date issued without incurring any expense.

## 4.0 Supply Base Management

### 4.1 Supplier Evaluation

- 4.1.1 Suppliers of items or services that are incorporated into the final product are evaluated and selected based on the price, availability, and quality of their product.
- 4.1.2 New suppliers may be requested to provide any or all of the following
- Copy of quality assurance manual
  - Current certificate of quality system registration, from an accredited registrar.
  - Description of relevant processes, process equipment, and machines,
  - Professional resumes (if engineering or consulting is involved),
  - Samples of similar products and/or workmanship (if applicable)
  - References
- 4.1.3 Purchasing evaluates the submitted information, and if deemed necessary, may request a visit to audit the supplier's quality system and/or production processes.
- 4.1.4 Suppliers are placed into one of the following categories in the Supplier Code Log based on the evaluations and assessments. Ref 4.1.2 and 4.1.3. Supplier status may only be upgraded or downgraded after review by Purchasing, and corrective actions are completed as necessary.
- 4.1.4.1 **APPROVED (A)** – Products or services may be ordered from this supplier.
- 4.1.4.2 **PROVISIONAL (P)** – A new supplier deemed PROVISIONAL through the Supplier Evaluation Process or a supplier with poor quality history. Products or services may be ordered from this supplier. However, the supplier has been presented with corrective action requests that must be implemented within 60 days.
- 4.1.4.3 **NOT APPROVED (N)** – The supplier is not qualified due to poor audit results or poor performance history. Products or services may not be purchased from this supplier.
- 4.1.5 Purchasing may impose special receiving inspection requirements for provisional suppliers.
- 4.1.6 Purchasing may place a new supplier on provisional status as a means of evaluating the supplier's product prior to placing the supplier on Approved status.

### 4.2 Supplier Certification Requirements

Res embraces the requirements documented in the ISO/TS 16949:2002 Technical Specifications as activities that add value for our customers. In order for us to meet this requirement, suppliers of automotive metals, components, parts or services are required to be certified to the TS 16949 or current ISO 9001 standard. If supplier has already achieved the appropriate certification, a current copy of that certificate from an accredited registrar must be provided to Res Manufacturing. If supplier is not certified to the appropriate standard, he may be used only with written waiver from Res' customer.

### **4.3 Supplier Performance Reporting System**

#### **4.3.1 Quality Performance Monitoring**

- 4.3.1.1 Suppliers of items that are incorporated into the final product are monitored for quality and delivery performance by the Purchasing department based on their impact on our ability to meet customer requirements.
- 4.3.1.2 “Supplier Performance Report” to communicate the supplier’s performance rating, and to request action, if necessary.
- 4.3.1.3 100% on-time delivery performance is required. When a poor delivery or quality trend is noted, suppliers are notified and a corrective action is requested as necessary.

### **4.4 Rejected Materials**

- Rejected materials will be communicated to supplier within a reasonable amount of time
- Disposition decision of material is expected within 2 days after notification.
- Actual disposition will occur within 2 weeks after notification.
- CAR (corrective action report) will be submitted to the supplier and a written response will be due as indicated on the form
- Res intends to recover costs as result of supplier non-conformance. These costs will include, but are not limited to actual and reasonable sorting costs, actual premium shipment costs, and any charges related to resulting scrap activities.

### **4.5 Corrective Action Request Fee**

- In the event Res Manufacturing must initiate a CAR (Corrective Action Request) to a supplier, the supplier will be assessed a \$75 handling fee for each occurrence. Charge-backs for nonconforming material are determined by Res Manufacturing, based upon the final root cause analysis and will be discussed with supplier prior to assessment whenever possible.

### **4.6 Late Shipment Policy**

The supplier will be responsible for all premium freight charges to our customer if any shipment arrives later than the agreed upon due date and causes interruption to Res Manufacturing Company’s 100% delivery performance requirement to our customer.

### **4.7 New Part Approval/PPAP requirements**

Suppliers of parts and services for automotive applications are expected to adhere to AIAG APQP/PPAP guidelines & methods. Deviation from these methods must be pre-approved by Res Manufacturing Quality Department.

**4.8 Approvals**

**RES MANUFACTURING COMPANY**

**CONTRACTING PARTY**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: Materials Manager

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

**ATTACHMENTS:**

- A. Non-Disclosure Agreement
- B. Res Manufacturing Selected Carrier List