



# Supplier Requirements Manual



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## **I. Introduction**

The world is both competitive and demanding with ever increasing levels of customer expectations for both product performance and reliability and related certifications of both processes and products.

Our objective is to develop a reputation of excellence in manufacturing standards, products and processes that support our customers. In order to achieve this, continual improvement initiatives will be the strategy practiced to sustain a desired outcome.

Purchased materials/services from our suppliers are a vital factor identified for success. The purpose of this manual is to define the basic systems and procedures we require our suppliers to adhere to in order to ensure that their quality responsibilities are completely understood and executed as required and recorded for evidence of conformance in all areas.

The contents of the Supplier Requirements Manual are in addition to and an elaboration of the terms and conditions contained in the CIGNYS, aka Saginaw Products Corporation and its Subsidiaries, purchase orders and other binding legal agreements entered between the parties relating to the supplier relationship (Supplier Contract(s)). To the extent that a conflict or ambiguity may arise between the terms and conditions of the CIGNYS Purchase Orders and the contents of the Supplier Requirements Manual, the order of precedence shall be: 1) the CIGNYS Purchase Order(s) and 2) the SRM (Supplier Requirements Manual) or contact the buyer as listed on the purchase order for further direction.

It is the intention of CIGNYS to develop a long-term partnership with those suppliers who can consistently achieve these standards. Together we can provide the desired level of quality necessary to satisfy all of our customer's needs. All references to CIGNYS in this manual refer only to CIGNYS and not to any affiliated organizations, customers or other suppliers.

Please review and understand this manual. Feel free to copy it for any members of your organization that require this information. It is your responsibility as the supplier to determine if any printed copies are at the correct revision level as listed on the CIGNYS website. It is considered a proprietary document and should not be made available to anyone outside your company.

## **II. References**

The following publications will help in better understanding the requirements established in this manual.

- ISO-9001 Standard, latest edition
- Aerospace SAE AS-9100 Standard, latest edition
- AS-9102 Standard, latest edition



## Section 1

### Quality System Requirements

#### 1.0 Shared Responsibilities between CIGNYS and its Suppliers

- 1.1 CIGNYS will provide the purchasing requirements for purchased materials and services. This information includes specifications and record requirements that are part of the normal flow down requirements from our customers through CIGNYS to you, the supplier.
- 1.2 Changes to our purchasing requirements will be documented and communicated to you in a timely manner by the buyer listed on the purchase order. **No verbal revisions to purchase order or document requirements will be honored nor should they be accepted by you the supplier.** Only the listed buyer or Purchasing Management Personnel has the authority to make revisions to the purchase order in anyway.
- 1.3 Adequate lead time will be given to fill the purchase requirements as agreed to and outlined in our purchasing documents. The lead time and due date must be strictly adhered to and can only be changed with documented approval from CIGNYS Purchasing Representative.
- 1.4 Suppliers will be provided with feedback information regarding nonconformance and late deliveries. All non-conformances and late deliveries will be included in our supplier monitoring system.
- 1.5 Counterfeit and prevention should be monitored and reported on by external suppliers. Assuring traceability of parts and components to the original manufacturer should be verified to avoid prevention of counterfeit parts, as well as ensure contribution to product safety and ethical behavior
- 1.6 Suppliers are strictly forbidden to entice, bribe or supply unreasonable or excessive gifts to any employee of CIGNYS

#### 2.0 Supplier Evaluation System

- 2.1 All critical suppliers are perpetually monitored for Performance on Delivery and Quality as agreed to in the purchase order accepted by the supplier. The purchasing documents form the basis for the specific product, quality and delivery requirements including price.



2.2 The initial evaluation system begins with the communication of your capabilities to CIGNYS Purchasing or Management Representative. This information can include such items as:

- Certifications and accreditations you may have received
- Customer feedback and audit results
- Equipment lists with capacities
- Brochures
- Contact information or contact lists
- Samples of product with inspection records
- Capabilities and processes you employ in your organization
- Status regarding your Quality Management System.
- Financial documents and forms.

This information will assist us in categorization as a “Potential Aerospace or Commercial Supplier”. We require all “Aerospace Content Suppliers” to be compliant and preferably registered to at least ISO-9001 Quality System Standard. As an Aerospace AS-9100 supplier, we are required to use only top-Quality Suppliers and we trust this is your goal also. Compliance to ISO-9001 or Aerospace AS-9100 requirements is evident by Third Party Certification. If your organization is identified as a “Potential” Aerospace Supplier and you are not registered, an onsite audit will be performed by our Quality Personnel.

2.3 Suggestions for improvements to existing products can be submitted to the buyer as listed in the Purchase Order. The information will be submitted to the Engineering Department Personnel for review.

### 3.0 On-time Delivery

3.1 Due dates as listed on the Purchase Order or purchasing information communicated to you are the date(s) the order / material is due on the dock at the location listed on the Purchase Order and **not the ship date out of your facility**. You are required to meet the date as listed or to communicate problems or delays to the buyer listed on the purchase order as soon as determination is made the delivery date will not be met for any reason.

3.2 Late deliveries will require the supplier to furnish CIGNYS Buyer:

- 1) A new firm delivery date
- 2) Reason for the product or service being late
- 3) If requested, formal corrective action

3.3 Continuous, on-time delivery of purchased products and outsourced services is critical to CIGNYS in order to meet our customers’ needs and expectations.



#### **4.0 Supplier Quality Performance Communication**

- 4.1 All products received at CIGNYS are expected to be as specified on the purchase order/requisition and other related prints, drawings and specifications. Drawings are listed on each purchase order and can be obtained from CIGNYS or other government or commercial agencies that publish and control the documents.
- 4.2 Certificates of Conformance (C of C) must contain the following information:
- Raw Material: certifications must include the applicable specification for the material being purchased. Chemistry and physical property results are also a requirement for inclusion into the certification.
  - Processes with measurable results (plating, painting, heat treating, etc.): Certificates must specify in detail the standard/specification used, i.e. Specification, type, grade, class, etc.; and the actual measurement results in a range to record and document the conformance to specification.
  - Inspection Reports to the assigned drawing.
  - All Certifications and C of C's are to be attached or included with the Packing Slips.
  - An original signed C of C with a Signature and title of authorized representative must be received with the shipment.
- 4.3 CIGNYS will notify your organization of defective material that is identified during receipt or processing at our facility and its disposition. Internal DMR's (Defective Material Reports) are issued to the Purchasing Personnel and are tracked for action and closure by Quality Personnel. Quick decisive action is expected to mitigate the effects of the nonconformance. Purchasing will require the corrective action taken to be detailed and communicated in writing. It is critical that products conform fully to the purchase order, drawing and related specifications. It is expected that your organization controls processes and performs required inspections to products to ensure that all products meet or exceed requirements.
- 4.4 Formal "Corrective Action" in response to nonconformance is not considered a "punishment" but rather a tool in determination of root cause. Application of Corrective Action will include documentation from your organization as to what will be done to correct the nonconformance and prevent a recurrence. All Corrective Action will be reviewed by Quality Management Personnel who will work with the supplier and the CIGNYS Buyer to ensure the issue has been properly and completely addressed.



- 4.5 Debits may be issued for any rework, materials, or premium freight costs that are incurred by CIGNYS due to the nonconforming issues for delivery or product quality.
- 4.6 All CIGNYS Customer Requirements that require flow down to our suppliers will be listed in the purchasing information to the supplier. All documented requirements are to be followed and if you have questions or issues the Buyer is to be notified of any conflict or issues. These requirements are further outlined in Section 15 of this manual.

### **5.0 Supplier Performance Monitoring System**

- 5.1 All Suppliers who supply raw materials, outsourced services, calibrations, testing and components parts will be perpetually monitored to evaluate performance. Our “Approved Supplier Lists” is reviewed on a routine basis to identify suppliers who are having recurring issues regarding delivery and nonconforming product or any contractual issues.
- 5.2 Three issues in quality or delivery for a rolling three-month period will put the supplier in a “Probationary” status with regard to the Approved Supplier Listing and also requires documented action by the supplier to correct the issue.
- 5.3 Six successive orders are tracked for performance and if the issues are not resolved the supplier is put on a “Do Not Use” status.
- 5.4 Failure to correct poor performance will result in removal from the active supplier list, and future purchases will be suspended. Good performance results in a lasting relationship and future business with CIGNYS. If at any time you feel that a nonconformance has been unjustly issued, please contact the Purchasing Representative at CIGNYS.

### **6.0 Resolution of Drawing / Print Discrepancies**

- 6.1 If there are discrepancies in any of the purchase requirements or related documentation, please contact the Purchasing Representative authorizing the purchase for resolution or clarification. Do not assume you have the answer or can correctly determine the information content in our behalf. A careful review of the purchase order, specifications and related purchasing information is imperative on your part with all issues communicated to our Purchasing Representative. ***Resolution of the issue direct with CIGNYS Staff outside of the named Buyer on the PO is not allowed.***



6.2 It is the supplier's responsibility to control drawing revision levels and specifications. If there are any questions, it is better to ask the question than to proceed with incorrect information. The drawing revision, specification revision levels are communicated to your organization in the purchasing documentation.

## **7.0 Rejection/Nonconformance of Purchased Product**

7.1 If CIGNYS rejects purchased product or service because of nonconformance to specification or drawing requirements, we will communicate the issue via a "Defective Material Report" or a "Corrective Action Report" to address the action needed, which may consist of:

- Return to the supplier for rework
- Return to the supplier for scrap
- Authorization to scrap product at CIGNYS and replace at credit cost.
- Sorting onsite at the CIGNYS facility identified in the "Defective Material Report"
- Processing a "Corrective Action Report"

If the reject is discovered at CIGNYS' customer, or in the field, the supplier will be charged all costs associated with the issue and corrective action resulting from the issue. The supplier may also be held responsible for resulting charges imposed by CIGNYS customer, such as warranty claims or costs associated with a recall campaign.

7.2 Nonconforming product identified at CIGNYS will be documented on a DMR internally and the supplier contacted by the Buyer or Quality Personnel for corrective actions. All costs incurred by CIGNYS for sorting, rework, expediting of shipments and processing costs are debited to the supplier in question.

7.3 CIGNYS is to be notified of any nonconforming product that has shipped to our locations once you have identified the issue. CIGNYS does not allow any product that is not to the drawing or specification to be shipped unless specifically approved through a deviation. Deviation forms can be obtained by the supplier from the CIGNYS Buyer listed on the purchase order.

## **8.0 Premium Freight/Fees for Late Deliveries and Nonconforming Product**

8.1 Premium freight, for any reason that you are behind schedule to the due date as agreed upon, will be at the Supplier's expense. You will be required to notify CIGNYS if for any reason you must expedite the order to us.





8.2 Please supply the Buyer with tracking information in order for CIGNYS to maintain updated delivery information.

### **9.0 Surveys, Audits and Inspection**

9.1 At times it may be required to have CIGNYS' Quality Personnel or our customer's representative inspect product and review your Quality System at your location. If the need arises, we will notify your organization in advance.

9.2 Internal Audits/Supplier Visits may be needed to ensure us that your Quality System is in place and functioning correctly. Internal audits at your location(s) may be outsourced to a third-party independent auditor or Government Auditor as appropriate based on our customer's requirements. Suppliers are required to respond promptly in these inspection and audits.

### **10.0 Part Marking Requirements**

10.1 All products supplied to CIGNYS must be correctly and **positively** identified on receipt. Small parts that are packaged in boxes, containers, and plastic bags are to have each unit identified with the appropriate number or identification and lot information.

10.2 Specific part marking intended to be etched or engraved directly on the products are to be located on the product in the designated location per the CIGNYS buyer or if noted on the drawing in the exact location as identified. Working surfaces are not to have any type of engraving or etching identifications on them.

### **11.0 Supplier Internal Nonconforming Product**

11.1 Any nonconforming product returned by CIGNYS must be correctly processed upon receipt at your location. All paperwork will state that the product returned was non-conforming with documentation that identifies the specific issues/issues. Your organization is responsible to ensure that the records and documentation that accompany the replacement product contain information certifying that the matter was resolved and what actions took place.

11.2 If you identify non-conforming material while still in your facility, it is expected that you will segregate, control, and prevent such non-conforming material from affecting CIGNYS. It is required by CIGNYS that any scrap be destroyed and rendered unusable. This will prevent scrap product from potentially being allowed in the product stream. Your organization is not allowed to conduct MRB or disposition to nonconforming Product. This must be requested to the Quality Department at CIGNYS.



- 11.3 Any nonconforming material that has been shipped in error to CIGNYS and discovered to be defective will require that CIGNYS be notified immediately so we can contain the material and quarantine it our facility.
- 11.4 Any acceptance of known non-conforming material must be made by CIGNYS prior to shipment and documented to identify the CIGNYS Personnel authorizing the shipment.
- 11.5 A document specifically listing the following information is required to be sent:
- Part Numbers
  - Purchase Order Number
  - Print Specification / Dimension
  - Actual Condition of the Non-Conformance

## **12.0 Government, Safety & Environmental Regulations**

- 12.1 All purchased materials will satisfy current governmental and safety constraints on restricted, toxic and hazardous materials as well as environmental, electrical and electromagnetic considerations. Restricted Chemicals, Agents and Materials banned by the EPA, Federal Regulation or CIGNYS may not be used or incorporated into any orders.
- 12.2 The supplier is responsible for submission of an SDS sheet to CIGNYS on request or for any new shipment or change in material supplied to CIGNYS.

## **13.0 Supplier Sample Submission**

- 13.1 All sample submission requirements will be directed in the Purchase Order by the CIGNYS Buyer. Objective evidence of conformance to all dimensions, notes and specifications referenced in product drawings or specifications and purchase orders must be recorded. If there are any questions or concerns about the Sample submission requirements, please direct them in writing to the Buyer listed on the purchase order.
- 13.2 **First Article Inspection Reports requested on the PO must use the AS 9102 Latest edition with complete records and the physical part used in the report tagged and provided with the AS 9102 report or Aerospace APQP/PPAP Process if specified.**



## **14.0 Supplier Records**

- 14.1 Quality records must be maintained by Suppliers to demonstrate conformance to specified requirements and the effective operation of the quality system. Pertinent quality records from the subcontractor shall be an element of these data and must be made available to CIGNYS Personnel on request
- 14.2 Production and manufacturing records, inspection records, purchase orders, amendments are to be maintained for a minimum of 15 years. Government or customer requirements supersede these requirements. All specified retention periods shall be considered “minimums”. It is suggested that your organization employ electronic record filing and storages systems that support this requirement.

## **15.0 Supplier ITAR & Government Documentation Requirements**

- 15.1 Suppliers identified by the Purchasing Department as Military, Aerospace or Government Regulated are required to supply applicable documentation to CIGNYS related to:
- ITAR Registration
  - ITAR Documentation, Data & Records Control, distribution and confidentiality
  - Control of subcontracted products and processes with downstream suppliers that required controlled documents and information
  - Acknowledgement of CIGNYS ITAR documents and program requirements and agreement for conformance.
- 15.2 Suppliers must comply with all applicable laws and regulations, including but not limited to the following requirements, which are specifically expected to be enforced by your organization:
- United States Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. These countries include the Democratic Republic of the Congo and the nine countries with which it shares an internationally recognized border: Angola, Burundi, Central African Republic, and Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia.
  - DFARS requirements for metals produced in the United States or recognized approved allies.
  - Anti-Bribery and Kick Back regulations.
  - Anti-Slave, Child, Migrant and Foreign Nationals Labor
  - Any other Government or Flow Down Requirements as listed.
  - Compliance to Combating Trafficking in Person (EO 13627)