

Supplier Quality Manual

2018 Edition

Revisions are in blue text.

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About us...

American Metal and Plastics Inc. is a privately-owned Michigan Corporation formed in 1962. Our Philosophy towards business is embodied in the following Mission Statement:

*“Our Mission is to be successful by providing our customers
With cost competitive, value added, quality products, utilizing plastics, metal
stampings, and assemblies”.*

American Metal and Plastics Inc. strives to be on the cutting edge of technology in our field. It is our company plan to stay at the cutting edge of technology by continually investing in new machinery and training.

American Metal and Plastics top management is dedicated to the [IATF 16949](#) Quality Management System Requirements and that it is effectively implemented, understood and maintained at all levels of our organization...

*The Quality Management System was founded on the **Five Basic Quality Principles** listed below:*

1. Do it right the first time
2. Never pass a defect on to the next operation
3. Continuously improve processes
4. Standardize Work – Ensure Consistent results
5. When solving problems, always identify the root cause

“AMPI” is an acronym for American Metal and Plastics Inc. and will be used throughout this manual.

Supplier Development

AMPI is committed to impacting the overall success of our customers and our suppliers and attain financial and profit goals for our customers, suppliers and AMPI.

We want to do business with those suppliers who will provide quality parts and services on time, and at a price that enhances our overall profitability. Our supply base will need to help us satisfy the needs of both our external and internal customers. We will conduct our activities with honesty and integrity and try to provide timely and accurate information to our suppliers.

All Suppliers that have direct impact on part quality are required to be 3rd Party Certified to ISO 9001 or equivalent unless waived in writing by *AMPI* or our customer. Suppliers that are not certified will be required to submit a written plan & timeline of their process to become certified to *AMPI* purchasing. Low volume suppliers or those suppliers without a significant volume of automotive type work may request a waiver and will be addressed based on the impact of their product or service.

Purchasing Department

The Purchasing Manager at *AMPI* is the person who handles our commodity groups. If you have a problem and cannot get a hold of the *AMPI* Purchasing Manager, you can always contact our Engineering Manager or our Quality Manager.

Yearly Supplier Update Information Sheet

Annually, in January, a Supplier Profile will be emailed to you. This questionnaire keeps us abreast of your quality system, management personnel, and process capabilities. Please return it within two (2) weeks of receiving it. In addition at any time throughout the year, suppliers must notify *AMPI* purchasing department in writing when there any changes within your company. This includes changes in management responsible for quality, a change in company ownership, company mergers, acquisitions or affiliations associated with *AMPI* Suppliers. *AMPI* may require verification of the continuity of the supplier's quality management system and its effectiveness. Suppliers will be asked to provide contact information to *AMPI* Purchasing.

Purchase Orders

Ampi uses standard purchase order (P.O.) information. Please contact the *AMPI* Purchasing Manager if any of the information is incorrect, unclear, or does not agree with applicable minimum quantity requirements or order multiples. The due date is the date the material is to arrive at *AMPI's* dock; this is not the shipping date. Please advise your *AMPI* Purchasing Manager if any discrepancies on the price. Also, please check the revision level of the part order against the prints you are using. If they do not agree, contact your *AMPI* buyer. Any deviations to the print or purchase order, etc. needs to be received in writing on the

acknowledgement form. Purchase orders must be signed by an authorized *AMPI* representative to be valid. All verbal purchases must be followed by a written P.O.

Acknowledgements

AMPI will assume that the requirements of an order are understood if purchasing is not contacted for clarification. Orders will not require an acknowledgement by the supplier if not specified by *AMPI* purchasing.

Expediting

If a supplier cannot make a regular scheduled delivery they must notify *AMPI* purchasing and will be responsible for premium freight charges.

Due Dates

It is required that product arrive 100% on time. Last date agreed upon by *AMPI* and the supplier is the date scheduled for delivery. Delivery window is stated in the Purchasing documents. Typically: a) due week of mm/dd/yy. Early delivery is generally not a problem. Supplier responsible premium freight is tracked by *AMPI* Purchasing. *AMPI* generally follows the lead time you quoted. Due dates on stock orders are calculated using the lead times you provided plus additional days for shipping and inspection.

Proprietary Information

Suppliers may be asked to sign a Confidentiality Agreement. You will be contacted on a as needed basis. Any listing of *AMPI* customers made available to you is the property of *AMPI*. This information may NOT be reproduced or shared with any third party without *AMPI*'s express written permission.

Tooling

AMPI requires that suppliers contact them before reworking existing tooling for a new production part. Existing tooling may be required to provide service parts. Proprietary tooling may not be reworked or destroyed without prior written authorization.

Specifications

AMPI provides product specifications (prints in most cases) for all items. If a change occurs to the specification, then an updated specification is sent to you. If a proposed change affects production of the part, *AMPI* will involve you in approving and quoting said part.

If you have suggested changes to a specification, please let us know. We believe our suppliers have valuable insight into the design of our products. We welcome changes that will clarify our expectations, hold down costs, improve ease of manufacturing,

improve quality, and so forth.

Special packaging and shipping requirements are listed in the specification. In all cases, it is required that all products be securely packaged to insure damage free arrival.

All specifications are considered as confidential, whether they are in hard copy or CAD files. You may be asked to sign a confidentiality agreement before certain types of information is shared.

Cost Changes

To keep *AMPI's* cost records up to date, suppliers are required to inform *AMPI* of all cost changes in advance. Failure to inform *AMPI* of cost changes will lead to delays in invoice payment and in placing purchase orders.

Quoting Procedure

A request for quote will be communicated by phone or email from the purchasing or engineering departments. Timely responses are important to maintaining project timetables.

AMPI is committed to quickly respond to its customers. If your quote is received too late, it might not be considered. All verbal quotations need to be confirmed with a written quote.

Production Part Approval Process (PPAP)

AMPI requires that all suppliers submit PPAP (level 3) per AIAG guidelines for all product prior to start of production, and revalidation annually. Exceptions must be noted on the purchase order or in writing from *AMPI* purchasing and quality departments.

Note: *AMPI* IMDS ID number is 5948

Product Changes

AMPI requires at least 90 days advance notification of a supplier's decision to revise, replace or discontinue a part or product.

Obsolete and No Longer Supplied

AMPI requires at least 90 days advance notification of a supplier's decision to obsolete or no longer supply product.

Termination of Business Relationship

AMPI asks to be notified no less than 90 days in advance of supplier wishing to terminate the business relationship.

Invoicing

To facilitate payments please be sure all invoices include the following:

- P.O. number and packing slip number
- Part number. Reference *AMPI's* part number exactly as it appeared on the P.O., including any suffixes that have been added to your part number.
- Quantity. Please include quantity ordered, quantity shipped and quantity back ordered (if applicable).
- Price
- Ship date and method of shipment
- Shipping number or bill of lading number
- Bill to and ship to address

Payment Terms and Conditions

Payment terms and conditions are as negotiated between the supplier and *AMPI*. Generally, *AMPI* terms are 60 days from the date of receiving the goods on our dock, NOT the ship date on the packing slip.

Shipping Discrepancies

Exhaustive research is performed by Accounting personnel when there are receiving discrepancies. Supplier may be requested to supply proof of delivery and/or parts weights to assist with this research. If we are unable to resolve the discrepancy, the supplier will receive a debit memo.

Statements

AMPI pays only from invoices, not from periodic statements.

Credits

To ensure proper application of credit memos, please include at least one of the following on all credit memos:

- *AMPI* debit memo number. Also, include an explanation if the amount is issued is different from *AMPI* debit memo.
- P.O. number

Debit Memo/Short Pay and Outstanding Balances

If a debit memo is not going to be accepted, please contact the *AMPI* Accounts Payable Department as soon as possible so the matter can be resolved. In the event a supplier owes *AMPI* moneys, a cash payment will be requested to clear the balance.

Non-Conforming Material

If the material received is non-conforming, a debit memo is sent against the invoice. Replacements should be sent under the same P.O. with a new packing slip and new invoice.

Shipping

Expeditious shipments and control of costs are important to *AMPI*. The method of shipment is specified by *AMPI*'s shipping department, who will contact you in writing. Routing compliance is monitored. *AMPI* will contact suppliers who do not comply with shipping instructions

AMPI will not pay for premium delivery services (second or next day air) unless specified.

Suppliers found in non-compliance can be debited by *AMPI* for the additional freight charges incurred.

Packaging

AMPI's goal is to have parts packaged to allow the part to be handled multiple times and arrive at *AMPI* undamaged and in saleable condition. This requires good individual packaging and good case/carton/pallet packaging. *AMPI* requires product packaging that contains easily located labels and packing slips referencing *AMPI*'s part number.

Incoming Inspection

All purchased products are subject to incoming inspection by the *AMPI* Quality Department. *AMPI* has experienced inspectors to fairly evaluate receipts. All test equipment is regularly calibrated, with standards traceable to NIST and maintained in accordance to ISO standards.

AMPI utilizes a Dock to Stock Program for purchased materials, components and services. Dock to Stock allows products and services from Approved Suppliers to go directly into inventory. Receiving Inspection based on sampling typically will not effectively detect a low % defective and parts or materials are inspected as part of the normal In Process and Final Inspection processes. All new Suppliers and new purchased components must establish a history of dependable quality prior to being included in the Dock to Stock program. Any suppliers that are not certified to ISO 9001 or equivalent standards will not participate in Dock to Stock.

Certificates

Products/services provided require material certificates of analysis for each manufactured lot provided unless otherwise stated on the *AMPI* purchase order.

Certificates are expected to arrive via email before or at the time of the shipment. Please email to certifications@ampi-gr.com.

Quality Audits

AMPI reserves the right to conduct audits of suppliers' quality and business systems. These audits are conducted by trained auditors. The audit results are shared with you and are intended as a mutually beneficial experience. All audits are scheduled in advance at a mutually agreeable time. Audit results are confidential.

Non-Conforming Material

If a shipment is determined not to meet specification a non-conforming material action notation is added to the supplier data base scorecard. The describes the non-conformance and states pertinent receiving information.

Non-conforming material has four (4) possible dispositions: return to suppliers, sort, rework, or scrap are agreed upon prior to execution.

AMPI may elect to accept material as is. You are encouraged to gain approvals for deviations prior to shipment, if necessary. This practice expedites receipt of shipment, and avoids "surprises" during incoming inspection.

In some cases, non-conformance is detected after initial acceptance. The supplier is still responsible for such non-conformance. Suppliers are charged for the costs of returning rejected parts.

Supplier Corrective Action Request

A corrective action request will be issued for non- conforming product. The supplier of non-conforming material is asked to complete the Supplier Corrective Action Request (SCAR).

The purpose of the SCAR is to permanently prevent future receipts of non-conforming material. *AMPI* will assist you, if necessary, in responding to the SCAR. Please use your own internal corrective action system, which typically should include items such as a containment plan, verification of effectiveness, and preventive action.

You are requested to send a reply within fifteen (15) working days to the Quality Department. If more time is required, an extension must be requested before the due date. Your SCAR is reviewed by *AMPI*. Unacceptable SCAR's are rejected and returned with an explanation. Rejected SCAR's remain open until acceptable response is received.

Please review the corrective action guidelines for further insight into the objectives of the SCAR.

Questions regarding non-conforming material or supplier corrective action request should be directed to the Quality Department (616) 452-6061 Ext 283 or 287

Corrective Action Guidelines

1. For Reference Use

As the owner, you are not expected to do all the investigation and problem solving unaided. Instead, your objective is to gather those who are most likely to offer the best contributions toward:

- Fixing what is defective
- Discovering what has gone wrong
- Developing procedures to prevent it from happening again.

IMPORTANT: Operators do make mistakes, just like the rest of us. The point is to discover what can be done to eliminate the causes of those mistakes (other than random human error).

2. Ask “Why?” when a cause is discovered.

Often something went wrong, which caused something else to go wrong, which finally caused suspect or scrap parts. You want to discover all of the bad parts or processes; be aware that some might try to hide out.

EXAMPLE: Cause = worn vise jaws

This failure is going to be fixed by repairing the vise jaws. But if you do not ask “Why?” the failure can and will happen again. You should ask such question as, “Why didn’t we find out about the worn vise jaws before defective parts were made? Did the jaws wear out due to natural causes, or were they used improperly?”

IMPORTANT: Corrective action is intended to produce permanent solutions.

3. Be specific.

Avoid listing an ambiguous cause, such as “bad tool,” because it could refer to a variety of actual causes. To be specific, you might ask:

- Was the tool calibrated? If not, why? (Maybe tool calibration does not exist for the tool.)
- Did the operators use the tool they were given? If not, why? (Maybe they knew better, but fear kept them from speaking out.)
- Was the tool used properly? If not, why? (Maybe the leader was too busy to train the operators.)
- Was the tool maintained? If not, why? (Maybe it was considered too expensive to have it serviced.)

4. What is the point?

- We want to solve all of the causes in order to prevent recurrence.
- Once a cause is discovered, we can ask: Does this cause affect anything else we do? When the answer is yes, we might be able to fix a problem before bad parts are made.

Supplier Scorecard

Suppliers are rated within a scorecard data base for quality and delivery performance that has been developed by AMPI. The scorecard will be sent to suppliers, via email, at the beginning of each quarter the score card will reflect the performance from the previous quarter. Quality issues and general comments are documented within the scorecard to build the supplier data base. The supplier scorecard

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contains directions for review upon receipt. If you have any questions about the scorecard please direct them to the Quality Department.