

<b>Martin Industries</b>	<b>QMSP-1015 Supplier Development</b> Effective date: 3/2/18	Rev 1.0 Page 1 of 4
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## **1.0 Purpose and Scope**

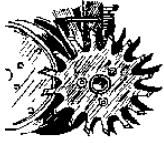
- 1.1** The purpose of this procedure is to provide a supplier with guidance, which will ensure that supplier methods, systems, products, and services meet Martin Industries expectations.
- 1.2** Procedure applies to suppliers of parts or services to Martin Industries. This procedure applies to both current and new suppliers.

## **2.0 Responsibilities**

- 2.1** Suppliers' quality system shall ensure that all parts provided must meet agreed-upon quality levels.
- 2.2** Suppliers are encouraged to establish, implement, and maintain a quality system per ISO9001 (latest version) Standards throughout their entire operation.

## **3.0 Purchasing Expectation**

- 3.1** A supplier profile/self-audit can be requested of any existing or potential new supplier by Martin Industries.
- 3.2** It is the responsibility of the supplier to complete and return the supplier profile/self-audit form within 10 working days of receipt. All received profiles will be reviewed for approval by Purchasing, Quality, and Engineering.
- 3.3** After the review process, if approved, supplier will be entered into the Approved Supplier List.
  - a) Suppliers are encouraged to update their profile annually. A new self-audit can be requested by Martin Industries at any time.
  - b) Any concerns from the self-audit may be addressed by Martin Industries conducting an on-site review.
- 3.4** A supplier can become unapproved at any time, if repeat issues of quality, delivery, and customer service exist.



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## 4.0 Quality Expectations

**4.1 Quality System/Manual-** As an approved supplier of Martin Industries, we highly recommend that you develop, utilize, and document a comprehensive quality management system, which includes ISO9001 requirements.

**4.1.1** In the event you have not developed this type of quality system, the following is required:

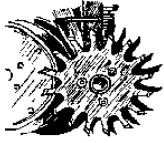
- a) A documented process control method must be provided to Martin Industries. (Control plan, in-process test, etc.)
- b) All shipments of products must be accompanied by a Certificate of Compliance.

**4.2 Supplier Selection and Approval-** Supplier may be approved by submitting an active registration of ISO9001 Quality Management System.

**4.2.1** Suppliers without an active registration must provide evidence of compliance to responses on supplier self-audit. Suppliers may be subject to an on-site audit by Martin Industries Purchasing and Quality prior to approval.

**4.3 Supplier Performance Tracking-** The quality department will issue and maintain quarterly supplier performance rating reports for suppliers with delivery and/or quality issues.

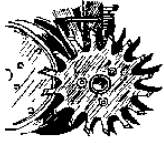
- a) Indicators tracked will be:
- Delivery Performance
  - Defective Parts (PPM)
  - Reoccurrences of Issue



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#### 4.4 Supplier Performance Rating

Table #1			
Category	Target	Measurable	Action Needed
Late Deliveries (including sample submission)	0	Maximum= 40  40% or more=0 21% to 39%=10 11% to 20%=20 01% to 10%=30 00% =40	See Table # 2
PPM	0	Maximum=30 0 =30 001 to 150 =25 151 to 250 =20 251 to 500 =15 501 to 1000 =10 1001 to 1250=5 1251 or more =0	See Table # 2
No of Reoccurrence	0	Maximum = 30 Zero = 30 One = 15 Two or more = 0	See Table #2



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#### 4.5 Overall Supplier Performance Rating System

Table # 2	
<b>Rating</b>	<b>Comment</b>
Outstanding 100-95	Thank you for your performance during this evaluation period.
Satisfactory 94-85	Please be advised of your marginal performance during this evaluation period. Development or corrective action may be requested.
Development 84-70	Please be advised that your performance during this evaluation period has resulted in the need for corrective action. Continuous Improvement is recommended to achieve an Outstanding status.
Unsatisfactory Below 70	Supplier performance rating below 70% for two consecutive quarters will result in supplier's rating changing from "A" approved to "ND" where no new business will be awarded. Supplier will be requested to submit an improvement plan to Martin Industries. Martin Industries will provide any requested support to improve the supplier's rating before moving the supplier to "NP not approved status.

### 5.0 Supplier Survey/Audit and Development

5.1 Supplier survey/audits will be conducted by Martin Industries based on the following criteria:

- Follow-up to rating improvement corrective action.
- Quality system breakdown
- Performance issues (quality, delivery, other)
- New Supplier

5.2 Martin Industries in developing its suppliers and encourages suppliers in establishing a quality system that meets ISO9001 (latest revision) standards.