



**All State Fastener Corp**

# Supplier Quality Requirements Manual

***Quality System Procedure***

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<b>Subject: Supplier Quality Requirements Manual</b>		Written By: E. Paul
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## All State Fastener Corp

1. Working Together as a team to achieve Quality and New Business.
2. It is the responsibility of the users to assure that only the latest revision of this standard is used.
3. All previous editions are obsolete and should not be used.
4. The official business language for all documents referenced in this Supplier Quality Requirement Manual must be English
5. Acceptance of ASF Purchase Order shall be considered as acceptance for meeting the terms and conditions within this ASF Supplier Quality Requirement Manual.
6. Any deviations must be in a formal written document and approved by ASF Quality and Management Team prior to ASF acceptance.
7. It is ASF policy that our suppliers are to conduct all of its business in an honest and ethical manner. ASF takes a zero-tolerance approach to bribery, corruption, slavery, and human trafficking in any form.
8. Suspect parts will be scrapped at the cost of the manufacture/supplier, if no response or direction is received



# All State Fastener Corp

within 10 working days. ASF will make every effort to continue communication prior to scrapping.

## Table of Contents:

Cover Sheet

General Statements

Expectations and Philosophy

Section 1- Introduction

- A. Policy and Vision
- B. Purpose
- C. Scope
- D. Responsibility
- E. Manual Distribution

Section 2- All State Fastener Corp Supplier Requirements

- A. Supplier Selection and Approval Process
  - 1. IATF 16949:2016/ISO 9001-2015
  - 2. All State Fastener Corp Supplier Evaluation
  - 3. Preferred Supplier Lists
  - 4. Customer directed sources
  - 5. De-source Policy and Procedure
- B. Supplier Launch Readiness
  - 1. Advanced Product Quality Planning (APQP)
  - 2. Production Part Approval Process (PPAP)
  - 3. Audits/Supplier Assessments
  - 4. Run @ Rate
  - 5. Government Regulatory Compliance (C-TPAT)
  - 6. End of Vehicle Life
  - 7. Restrictive/Prohibit Material Report.
  - 8. AIAG M12 Crisis Management for Automotive Supply Chain.
  - 9. Packaging
  - 10. Lot Control/Traceability
  - 11. Continuous Improvement
  - 12. Concern Management/Problem Solving
  - 13. Supplier Request for Engineering Change (SREA)
  - 14. Verification of Purchased Product
  - 15. Error Proofing



# All State Fastener Corp

- 16. Preventive/Predictive Maintenance
- 17. Supplier Charge Back Fees
- 18. References

## **EXPECTATIONS AND PHILOSOPHY:**

*All State Fastener Corp competes for business in the most competitive markets in the world. We must constantly improve our performance, our technologies and our costs to remain competitive. Our suppliers are critical to our ability to succeed and must fully support our efforts in these activities.*

*The goals for All State Fastener Corp and our suppliers are simple; be the very best at what we do and do it at the lowest cost. We must have the best quality, the lowest cost and the highest level of customer satisfaction to survive and to ensure profitable growth for all. To achieve this we must have a highly flexible, highly motivated and highly robust supplier base.*

*All State Fastener Corp requires 100% on-time delivery from all suppliers. We expect “zero” defects and rigorous continuous improvement from all our suppliers. We expect 100% on time and 1<sup>st</sup> time approval for PPAP from all suppliers. We expect “flawless” supplier launches.*

*ASF considers our suppliers as valuable team members, and in order to achieve objectives of zero defects, 100% on- time delivery, on-time PPAP, Continuous Improvements we must continuously work together to improve the overall efficiency, communication and productivity*

*The procedures and policies defined in this manual will help support supplier efforts toward our shared objectives.*

## **SECTION 1- Introduction:**

### **A. Policy and Vision:**



# All State Fastener Corp

It is the policy of All State Fastener Corp to utilize only those suppliers that can fully support our competitive goals, fully embrace the concepts of continuous improvement and strive to be “world class” in quality, delivery and costs.

It is our vision that by utilizing suppliers that share our sense of urgency and profound desire to be the best, we will continue to be leaders in our market place and we will continue to provide products and services with exceptional value to our customers, our employees and our stakeholders.

## **B. Purpose:**

The purpose of the All State Fastener Corp Supplier Quality Requirements Manual is to clearly define the expectations and adherence of the policies for suppliers to All State Fastener Corp.

## **C. Scope:**

This manual applies to all direct material suppliers to All State Fastener Corp. In addition, many of the policies and procedures defined in this manual apply to indirect material and service providers when indicated on the purchase order.

## **D. Responsibility:**

1. Suppliers are responsible for meeting the requirements defined in this manual; the IATF 16949:2016 standard and other requirements that may be specified on the All State Fastener Corp Purchase Order and the Customer Print.
2. Failure to meet these requirements may result in loss of existing or future business with All State Fastener Corp. Any/all costs associated with supplier failures will also be the responsibility of the supplier.
3. Suppliers are responsible for 100% on-time delivery and “Zero” defects.
4. Suppliers are responsible for supporting All State Fastener Corp continuous improvement activities.
5. Suppliers are responsible for supporting All State Fastener Corp efforts and procedures for ensuring flawless launches, including on-time PPAP submissions.
6. Suppliers are responsible for developing and implementing part specific and executable contingency plans for ensuring continued delivery of product and services in the event of unplanned events including catastrophic events.
7. Suppliers are responsible for adhering to all applicable governmental regulations and industry safety and health standards.

## **A. Manual and Internet Distribution:**

1. All printed copies of the All State Fastener Corp Supplier Quality Requirements Manual will be “Uncontrolled Copies”. All State Fastener Corp will ensure all



# All State Fastener Corp

- updates are made available to suppliers. It is the supplier's responsibility to ensure they have the most current revision.
2. Downloadable copies of the ASF Supplier Quality Requirements Manual are available on our website at: [www.allstatefastener.com](http://www.allstatefastener.com).

## SECTION II - All State Fastener Corp Supplier Requirements:

### A. Supplier Selection and Approval Process:

#### 1. ISO/TS 16949-2016 Registration:

- Suppliers to All State Fastener Corp must be 3<sup>rd</sup> party certified (at a minimum) to ISO 9001-2015. All State Fastener Corp customers have established IATF 16949-2016 as the standard for the future certification. All State Fastener Corp will also recognize ISO9001-2015 for those suppliers that are not manufacturers, and therefore may not be able to comply with IATF 16949-2016.
- Suppliers to All State Fastener Corp shall be 3<sup>rd</sup> party registered to IATF 16949-2016 or ISO 9001-2015. Formal plans for achieving IATF 16949-2016 must be submitted to All State Fastener Corp Supplier Quality/Purchasing when submitting the “self-audit” form to become an “Approved Manufacture/Supplier” in our system.
- Copies of ISO 9001/IATF 16949 registration certificates need to be submitted to ASF Purchasing team. Should the status of any accepted accreditation change (I.e. new certification, de-certification, or reassessments and etc.); the supplier shall notify ASF Purchasing and Quality Team.
- Suppliers must also satisfy the appropriate AIAG standards. Some examples: Production Part Approval Process (PPAP), Advanced Product Quality Planning (APQP), Potential Failure Mode and Effects Analysis (FMEA), Measurement Systems Analysis (MSA) and Statistical Process Control (SPC). These AIAG standards are included in the “5 Pack” available from AIAG.ORG. Suppliers are required to have the latest editions of these items. Suppliers must understand and comply with the All State Fastener Corp Supplier Requirements Manual (See ASF website for downloadable version)
- Suppliers must manufacture products to meet the current ASTM-F 1470 and ASME/ANSI B-18.18.2 standards.

#### 2. All State Fastener Corp Supplier Evaluation:



# All State Fastener Corp

- All potential suppliers to All State Fastener Corp must meet the minimum requirements defined in *All State Fastener Corp Supplier Self -Evaluation Survey*.
- All potential suppliers will complete a “self-assessment” utilizing the All State Fastener Corp Supplier Self - Evaluation Survey. Upon review of the evaluation documents, All State Fastener Corp Purchasing/Supplier Quality will decide whether to accept the results of the self-assessment or conduct an “onsite” evaluation at their facility.

### **3. Preferred Supplier Lists:**

- All State Fastener Corp Purchasing will maintain an “Approved Suppliers List” which will be used to determine supplier status, based on quality and performance results. These lists will be used when looking for suppliers to respond to our RFQ’s. Suppliers not meeting or maintaining a high level of quality and delivery will be placed on “New Business Hold” by the Quality Manager and Purchasing Manager.
- Suppliers will be considered for new business based on their current Status on our Approved Supplier Lists and the current rating (if applicable) at All State Fastener Corp user plants.
- At minimum, the ASF Team shall provide supplier scorecards once a year, if score is not at an acceptable criterion, supplier may be asked to join the ASF team at ASF facility to discuss an action plan.

### **4. Customer Directed Sources:**

- Customer dictated sources must also comply with the requirements defined in this manual unless otherwise directed by All State Fastener Corp.

### **5. De-source Policy and Procedures:**

- Suppliers that can not or do not comply with the requirements defined in this manual, and/or poor performance may be removed from the Approved Supplier Lists and will not be allowed to quote or receive new business pending re approval. The process for removing suppliers can include:
  - a) Probation/ New-business Hold
  - b) Formal containment activities including 3<sup>rd</sup> party audits or Customer audits.
  - c) To be placed back on the Approved Supplier List the supplier will need to meet certain requirements as directed by the Quality and Purchasing departments, before a final decision is made.

#### **A. Supplier Launch Readiness:**

Suppliers will be required to follow formal procedures for launching new product. The procedures will include the steps identified in IATF 16949:2016 and the



# All State Fastener Corp

appropriate AIAG guidelines. Successful launches and submitting launch documentation on time will be a key performance metric for suppliers. Examples of some of the requirements include:

**1. Advanced Product Quality Planning (APQP):**

Suppliers to All State Fastener Corp must meet the requirements defined in the AIAG APQP Manual- (Current Edition). Specifically, All State Fastener Corp requires suppliers include “process” parameters in the PFMEA and Control Plans and not just product parameters.

**2. Production Part Approval Process (PPAP):**

Suppliers must submit parts and processes for approval following the All State Fastener Corp. PPAP Requirement Checklist (Form #459). All suppliers must submit to Level 3 unless notified in writing another level of submission is permissible. All operations shall be documented and aligned within the Process Flow Diagram, PFMEA and Process Control Plan.

- a. PPAP requirements will be identified and documented on ASF PPAP Requirement Checklist.

**3. Audits/Supplier Assessments-Audit Conditions:**

- a. Supplier Monitoring (Quality/Delivery) performance
- b. Supplier Quality Management System Development
- c. Product Audits
- d. Engineering Changes
- e. Process Changes
- f. Plant location changes (tooling transfer or different manufacturing location).

**4. Run @ Rate:**

Suppliers may be required to submit Run @ Rate data to All State Fastener Corp. (*GP-9 Run @ Rate Summary*)

**5. Government Regulatory Compliance:**

Suppliers shall comply with all applicable governmental regulations and safety standards. Registration to ISO 14001 for manufacturers is strongly recommended. At a minimum, suppliers shall have a formal process in place to ensure compliance to government regulations, health and safety of employees and a positive impact on the environment.

**6. End-of-Vehicle Life Directive (ELV):**

The European Commission implemented the End-of-Life Vehicle Directive (ELV), which prohibits the use of mercury, lead, cadmium and hexavalent





# All State Fastener Corp

chromium in vehicles and components. The Directive is intended to minimize the impact of “end-of-life” vehicles on the environment. This is mandated for all European Union (EU) Member States and is also required by North American and Japanese vehicle manufacturers.

## **7. Restrictive/Prohibit Material Reporting:**

North American OEM companies require all suppliers supply detailed information for all Restricted and/or Prohibited materials found in their products. The format for this is either the International Material Data System (IMDS) or the AIAG Compliance Connect™ Spreadsheet. The IMDS can be found at [www.mdsystem.com](http://www.mdsystem.com) and the AIAG Compliance Connect™ Spreadsheet can be found at [www.aiag.org](http://www.aiag.org). All State Fastener Corp suppliers can also obtain information and forms for reporting Restricted and Prohibited materials by contacting the Quality Department.

**NOTE: Suppliers must provide the proper information to satisfy this requirement before they can achieve PPAP approval.**

## **8. AIAG M12 Crisis Management for the Automotive Supply Chain:**

Suppliers to All State Fastener Corp must also comply with the AIAG M12-“Crisis Management for The Automotive Supply Chain”. This standard ensures suppliers are prepared for natural disasters and man-caused events that can disrupt business practices.

Suppliers must prepare for unplanned emergencies and document the preparation using the forms and checklists found in AIAG M12. The contact lists required by the AIAG must be kept current at all times, including alternate contacts. These lists will be forwarded to All State Fastener Corporate Purchasing.

## **9. Packaging – All Suppliers:**

Basic requirements will include:

- All packaging must have a proper label that complies with AIAG barcode label guidelines. The labels must include the following information at minimum:
  - ASF Part Number with engineering change level and description
  - Master Barcode label on skid
  - Purchase order number
  - Number of pieces/quantities
  - Supplier name and proper supplier code



# All State Fastener Corp

- Lot Control/ Traceability information
  - Not more than 35 lbs per box
  - Country of Origin on AIAG label
- 
- **There can only be only one label with ASF part number on each box, and whenever possible only one-part number and one lot number on each pallet.** Otherwise, any mixed pallet must have a mixed label clearly attached on all 4 sides. Pallet size must be uniform and meet the following size once material is loaded 30” W x 32” L. No pallet higher than 30” Max. All pallets must have corner protection and be stackable and the cartons durable. Only full pallets stacked 3 layers high.

**All State Fastener requires the use of Data Matrix 2D Barcode Symbology. The size of the labels should be 2” (50.8mm) by 4” (101.6mm). The following information must be on the label. An example is shown for reference.**

- Lot Number – Barcoded. Traceability number assigned to a unique batch or group of items (lot, heat, batch) by the supplier/manufacturer.
- Item ID – Barcoded. Part number, Assigned by All State Fastener.
- Country of Origin (COO) – No barcode necessary. Country code where part was manufactured.
- Description – Description that is on the Purchase Order.
- Quantity - Total number of parts in the package.
- Date – No barcode. Use the shipped date.

## General Label Specifications



- Font Size:
  - The Item ID will be 15-point font
  - The rest of the label will be 12-point font.
- Color: White in color with black printing.

Application: Part Labels must be applied in designated label locations if applicable. Labels should be applied without wrinkles



# All State Fastener Corp

4 Inches

<b>MBHSC6125C109I73801BDP</b>  <b>M6 – 1 X 25 Butt Hd          Soc Cap Cl 10.9 ISO          7380 – 1 Blu Dye Pkg</b>		 <b>123ABC</b> <b>Lot Number</b>
<b>QTY: 1000</b> <b>COO: USA</b>	<b>08/04/2017</b>	

2 Inches

**All partial boxes must be clearly identified with a separate label marked “PARTIAL”.**

Packaging must be robust enough to protect the component/ materials and prevent damage or contamination during shipment. All State Fastener may require formal, independent testing.

**10. Overseas Containers:**

All containers that are used for ASF must have a 7-point security inspection at the point of stuffing.

**All vendors outside of the US will provide a heat-treated certified pest free pallet and appropriate certification. Pallets must be in compliance with Wood Packaging Materials (WPM) regulations**

All freight forwarders must have a high security procedure compliant with PAS ISO 17712 in place. As well as a 7-point inspection procedure.

**11. Lot Control/Traceability:**

Lot control and traceability are essential requirements for suppliers to All State Fastener Corp. The size of the lot reflects the amount of risk the supplier is taking take should a problem with product occur and therefore must be managed accordingly. Traceability ensures quick and effective retrieval of information for containing concerns and for problem solving.



# All State Fastener Corp

Suppliers must have effective lot control systems in place for ensuring incoming materials to ASF is Lot controlled, easily identified on all containers and all documents.

## **12. Continuous Improvement Process:**

All State Fastener Corp will establish Supplier “ratings” by tracking their performance in quality and delivery. The standard requirements will include Zero Defects as measured in Parts Per Million (PPM) and 100% on-time delivery. In addition, suppliers may also be monitored for on time PPAP and 1<sup>st</sup> time approval rate. Suppliers may also have specific objectives for cost improvement, engineering support and EDI support. The supplier shall implement continuous improvement efforts throughout their entire organization. Results of the continuous improvement process shall be documented and retained at the supplier’s location and available upon request.

### **1. Plan Do Check Act- (PDCA)**

Suppliers must incorporate the Plan, Do, Check and Act process for monitoring key performance indicators. (KPI)

**Plan-** Establish the objectives and processes necessary to deliver results in accordance with customer requirements and the organization’s policies.

**Do-** Implement the processes as planned

**Check-** Monitor the processes and product against policies, objectives and requirements for the product and report the results.

**Act-** Take actions to continually improve process performance.

## **13. Concern Management/ Problem Solving:**

All State Fastener Corp expects our suppliers to be able to promptly assist ASF in any and all problem solving (8D’s) assigned by the customers as a result of discovery of non-conforming product. This 8D must be returned in the customers format to meet both ASF and customer approvals. The 8D is expected to show both corrective and preventative actions that have been implemented and verified then signed to prove verification.

### **Containment:**

- a. Containment within 24 hours (1 calendar day including weekends and holidays) of notification by ASF personnel. Any verbal communication must be followed up with written documentation.



## All State Fastener Corp

- b. Containment actions must include all affected material in the supplier's control, in transit to ASF, in the possession of ASF facilities, and the finished product shipped to ASF customer.
- c. The supplier shall notify ASF Quality Department on certified material availability.

### **Certified Material:**

- a. All shipments of affected material must be "certified", in compliance with the containment actions, until corrective action issues are formally closed by ASF Quality Department.
- b. All containers must be identified as 100% certified, and communicated with the ASF Quality Department on what the identification will be.

### **Initial Response:**

- a. A written initial response must be submitted to ASF Quality Department within 48 hours of the formal notification of the concern. The initial response must have at the minimum:
  - i. Problem Description
  - ii. Containment Action
  - iii. Containment action verification (quantitative results)
  - iv. Certified material shipments dates and identification.
  - v. Root Cause analysis status.

### **Formal Corrective Action Report:**

- a. A formal corrective action report and supporting evidence, (at a minimum listed below), must be submitted no later than 15 working days.
- b. Root Cause of the concern and verification
- c. Corrective Action
- d. Verification of containment and corrective action.
- e. Preventive measures for lessons learned and applicable to similar products and processes. These measure actions must be proactive and predictive intention with the focus on avoiding re-occurrences.
- f. FMEA, Control Plans, Working Instructions, and other appropriate documentation that has been revised to address the changes resulting from the concern.

**Controlled Shipping:** If supplier containment actions are not effective, progressive process will be implemented. ASF Quality Department will define the exit criteria, any re-occurrence will result in a **30-day inspection period to start over.**



# All State Fastener Corp

- a. **Controlled Shipping Level 1 (CS1):** The supplier or ASF will implement 100% inspection for a period not less than 30 days with no re-occurrences. If ASF initiates the CS process, all cost associated will be passed through to the supplier.
- b. **Controlled Shipping Level 2 (CS2):** CS1 containment process was ineffective at containing a nonconformance. A containment process under customer controlled. Containment conducted at the customer site, supplier or third-party location at the supplier's expense. The supplier will implement a 200% inspection for a period of not less than 30 days without a re-occurrence of the issue.

If a supplier's parts are found to be defective (do not meet one or more specified requirements) a charge back may be incurred. These charge backs may include material, shipping or handling, direct and indirect labor, contracted services, living and travel expense, and costs incurred by All State Fasteners customers. Additionally, all incoming parts from the manufacturer for the next 3 shipments will be under 100% sort to verify no ongoing non conformances are discovered.

This procedure applies to all suppliers of production material, parts, subassemblies or services. This is the procedure suppliers will utilize for resolving any/all issues including quality related problems, delivery related problems, and late submissions and other issues identified in this manual and on the All State Fastener Corp purchase order.

## **14. Supplier Request or Engineering Change (SREA):**

Any changes to process or product MUST be approved by All State Fastener Corp prior to implementation of the change. Failure to obtain approval before any change is implemented can result in immediate business "hold" and removal from The All State Fastener Corp Preferred Suppliers List, it can also result in immediate loss of existing business.

## **15. Verification of Purchased Product:**

All State Fastener Corp representative and/or our customer's representative shall be afforded the right to verify at the supplier's premises and other tier suppliers that the product/services conform to specified requirements. Such verification shall not be used by the supplier as evidence of effective control of quality by the supplier. Verification by All State Fastener Corp/our customer shall not absolve the supplier the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer.

- 16. Error Proofing:** Results of error proofing shall be documented and retained at the supplier's location. The information needs to be made available upon request from ASF.



# All State Fastener Corp

**17. Preventive / Predictive Maintenance:** The supplier shall implement a preventive / predictive maintenance program for process equipment, and machinery. The supplier shall document and maintain this program and it shall be available upon request.

**18. Supplier Charge Back Fees:** will included but not limited to defective material, late responses to corrective action request, documentation issues and delivery issues.

1<sup>st</sup> incident \$250.00 USD

2<sup>nd</sup> repeat Incident-\$500.00 USD

3<sup>rd</sup> repeat incident \$750.00 USD, and supplier re-evaluation.

- a. Administrative fees for each corrective action.
- b. All hourly fees are subject to overtime rules.
- c. All freight for product returned or replaced due to supplier related defect, including expediting fees.
- d. 3<sup>rd</sup> party sort company
- e. In house sorting costs.
- f. Any warranty cost incurred from ASF customer.
- g. Missing, and or late documentation.
- h. Delivery issues.
- i. Suspect parts will be scrapped at the cost of the manufacture/supplier, if no response or direction is received within 10 working days. ASF will make every effort to continue communication prior to scrapping.

## **19. References:**

**IATF 16949:2016 Technical Specification International Automotive Task Force**

**ISO 9001: 2015 International Standard Organization**

**AIAG Production Part Approval Process (PPAP) Current Edition**

**AIAG Advanced Product Quality Planning and Control Plan (APQP) Current**

**AIAG Potential Failure Mode and Effects Analysis (FMEA) Current Edition**

**AIAG Statistical Process Control (SPC) Current Edition**

**AIAG Measurement Systems Analysis (MSA) Current Edition**

**AIAG M-12 Crisis Management for the Automotive Supply Chain**

**AIAG M-9 Materials Operation Management Guidelines**

Quality/ISO 9001 Supplier Manual

SQM-317 All State Fastener Corp Supplier Quality Requirements



# All State Fastener Corp

**All State Fastener Corp Terms and Conditions**

**Plus all requirements and standards referenced on the print that may include:**

**ASME - SAE – ASTM – ISO – DINS - CQI-9, CQI-11, CQI -12**