

Supplier Quality Evaluation

Owner: Quality Manager

Questions/Comments – POC: Quality Manager (quality@datapath.com.)

Objective

To define the standard procedure for Quality organization's evaluation of a new supplier. Continuous evaluation of the supplier's performance will be provided to the supplier in accordance with SQM-P-014 Supplier Performance Monitoring. Suppliers not meeting the standard outlined in section 8 will be re-evaluated in accordance with SQM-P-053 Re-evaluation of Suppliers.

Scope

All DataPath, Inc. (DPI)

Policy Narrative

1. Responsibility

DPI Quality organization is responsible for evaluation of supplier's quality management systems. Evaluating the quality of products to be purchased is the responsibility of the department requesting the product. Business evaluation is the responsibility of Purchasing.

2. Supplier QMS Requirements

All new suppliers providing deliverable products or services that may affect deliverable product (except suppliers expected to be classified "Low" or "Insignificant", see section 8.0); shall initially be evaluated for the criteria:

- a. Have a valid 3rd party Quality certification (ISO 9001, equivalent or stronger, verify that third party is accredited)

OR

- b. Be audited and approved on
 - 1) Management Commitment and Management Review
 - 2) Control of Nonconforming Product
 - 3) Corrective and Preventive Action
 - 4) Supplier Quality Management

3. Supplier Quality Questionnaire

A supplier is required to complete a Supplier Quality Questionnaire Form (QMS-F-000-02). The questionnaire is sent out by Purchasing. The Quality organization evaluates the questionnaire and decides if further review is required per Supplier Classification outlined in section 8.

4. Quality Management Onsite Evaluation

An on-site quality evaluation is recommended if supplier does not have a 3rd party certification. (Even if it is customer directed.) Other occasion when an on-site is recommended to complete initial supplier evaluation is for:

- a. OEM or Build-to-print supplier.
- b. Supplier was previously blocked by DPI for Quality reasons.

The on-site evaluation must produce clear and adequate evidence of the minimum quality elements stated in section 2 above.

If a visit to a supplier has potential to include the disclosure of supplier or company proprietary information, Quality organization shall ensure that a non-disclosure agreement has been put in place prior to the visit.

An audit checklist or equivalent may be used by Quality organization for evaluating a supplier's quality management system.

5. Custom Evaluations

Custom evaluations where requirements for formal documentation of a QMS can be modified, are applicable to the following:

- a. A small supplier that sells items or provides services in a narrow market, or provides unique products not intended for rated production.
- b. When use of a specific supplier is required by contract, supplier approval may be based on customer direction alone.

6. Recording the quality evaluation

The Supplier Qualification Form (SQM-F-013) should be used to record results of quality evaluations together with results of other functions' evaluations. Quality organization should base the evaluation on (one or several of):

- a. Supplemental data (beyond Supplier quality questionnaire requirements)
- b. On-site audit report

c. Custom evaluations

When determining the quality level, the following should be considered:

- a. If any of the 4 mandatory on-site criteria are not acceptable, Level = Low. If level is Low, there MUST be an action plan for correction (SCAR), with follow-up, if the supplier is approved.
- b. Quality level = Medium (at least) if there are any items evaluated that are not compliant to checklist requirements. If Level = Medium, there should be an action plan for correction (SCAR), with follow-up, if the supplier is approved.
- c. If all items evaluated are acceptable, Quality level = High.

Supplier classification is described in section 8.0.

7. Acronyms

DPI - DataPath Inc.

QMS - Quality Management System

SCAR – Supplier Corrective Action Request

SQM – Supplier Quality Management

8. Supplier Classification Table

Supplier Classification	Definition
Priority	<p>Suppliers of complex and often expensive Build-To-Print-solutions. Purchases with a higher frequency (not one-off). Business relationships are likely to be long term partnerships tied to multi-year contracts.</p> <p>Those suppliers are often single source, hence difficult to replace, and a missed delivery or delivery of poor quality may have large impact on Production Operations. Thus, we focus on these suppliers regarding procurement strategies as well as preventive quality effort such as continuous improvements of suppliers' processes.</p>
Standard	<p>Suppliers of expensive off-the-shelf products, often single source, with purchases at high to medium frequency. A missed delivery or delivery of poor quality may have large impact on Production Operations.</p> <p>From a procurement strategy point of view, these suppliers are important, but the standardized character of the products limits our influence on the design and quality level.</p>

	In general, the quality work with those suppliers is focused less on supplier development and more on ensuring implementation of corrective actions for any defects that are found, including certain root cause analysis.
Special	Supplier of products / services purchased at low frequency and/or quantity, and not for ongoing serial production. For example, service related or customized solutions; prototypes; suppliers appointed by customer; samples etc.
Low	Suppliers of less complex products and/or products which are bought with low frequency and/or quantity. Those suppliers are possible to replace if needed and any parts shortage risk level is lower. Product quality control is ensured by the receiving part.
Insignificant	Supplier whose products does not affect quality of deliveries to our customers. These suppliers are not evaluated or monitored from quality perspective.

9. Definitions

Deliverable items - Items purchased or produced by DPI that will be delivered to a customer to satisfy contractual obligations.

10. Related Documents and Forms

QMS-F-000-02 Supplier Quality Questionnaire Form

SQM-F-013 Supplier Qualification Form

SQM-P-014 Supplier Performance Monitoring

SQM-P-053 Re-evaluation of Suppliers

Revision History & Control

Revision Date	Initiated by	Description of Change	Approved by
11/30/2016	B. McGuire	Replaces DataPath international's document QMS-043-P, dated 2/10/2015, to reflect new company alignment	J. Petrisko, MJ Parker
8/31/2017	E. Withers	Added Supplier Classification Table, section 8.0. Removed references to OPS-P-012 document. Minor verbiage amendments in Objective & sections 2, 3, 4, 6 & 10	B. McGuire

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