



CONCORD
TOOL AND MANUFACTURING

SUPPLIER QUALITY MANUAL
Revised 16 NOVEMBER 2021

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Introduction

The Concord Tool & Mfg. Supplier Quality Manual serves to communicate and clarify general business practices relating to the supplier-customer relationship. This manual is applicable to the entire CTM supply chain. While this document serves to clarify the majority of supply relationships with CTM, purchase orders, drawings, contracts and other authorized business agreements may supersede this manual. All questions and requests for clarification should be submitted in writing to:

Concord Tool & Mfg., Inc.
Attn: Purchasing Manager
118 North Groesbeck Hwy.
Mt. Clemens, MI 48043

Pratik Shadambi
Quality Manager

Gage Pratt
Purchasing Manager



SUPPLIER MANUAL ACKNOWLEDGEMENT

Receipt of Revision 4

CTM. requires that a representative of the supplier acknowledge receipt and acceptance of this supplier policy manual. Please confirm this acknowledgement by signing the form below and return along with all required documents no later than _____ to:

Concord Tool & Mfg., Inc.
Attn: Gage Pratt
118 North Groesbeck Hwy.
Mt. Clemens, MI 48043

Please ensure that this manual is distributed to all appropriate functions within your organization.
Recommended distribution is:

- President / Plant Manager / General Manager
- Sales
- Quality
- Logistics / Traffic / Purchasing / Materials
- Accounting / Finance
- Engineering/Design/Tooling

Supplier Name _____

Address _____

City _____ State _____ Zip _____

Phone _____

Fax _____

Authorized Signature: _____

Name and Title (Please Print): _____

Date Signed: _____



Supplier Required Documents Checklist

Supplier Name: _____

Date Submitted: _____

Along with the signed acknowledgement page, please enclose the following completed documents:

- Supplier Capability Survey – must be submitted, including Key Employee Contact List for business hours and after hours.
- ISO/IATF 16949 Certificate
- Certificate of Liability Insurance
- Minority Status Certificate (if applicable)
- Sample label for each product supplied
- Tool/Rack Information Card for all tooling that is owned by CTM and Supplier
- NAFTA Certification of origin for each product shipped to CTM



Section – 1 – General Information

1.1 Scope

This manual applies to organizations are under agreement to provide a product and/or service to Concord Tool & Manufacturing (CTM). All suppliers are expected to adhere to the requirements contained within. Where this document is referenced in CTM purchase orders it is considered inclusive to the purchase order.

This document also serves to communicate CTM's supplier development and control practices to its customers and other interested parties.

1.2 Exceptions / Precedence

A CTM purchase order, contract or CTM supply chain management representative may waive conformance with specific requirements described in this manual. Such waivers and/or exceptions must be in writing and specifically describe the waiver or exception. Where any inconsistency exists between provisions specified in the purchase order or other documents the following precedence shall apply:

FIRST: Purchase Order
SECOND: Statement of Requirements and all related documents
THIRD: Other documents

1.3 Distribution and Revision Control

This document is written and distributed under the direction of the CTM Purchasing Development department and is approved by the President of Concord Tool & Mfg., Inc.

This manual will be reviewed and revised as necessary. Suppliers will be notified of revisions in a manner specified by the Purchasing Manager. Suppliers are responsible for ensuring that obsolete documents are promptly removed and revisions are appropriately distributed.

1.4 Ownership of Information

All information furnished or made available by Concord Tool & Mfg., Incorporated to its suppliers shall be treated as confidential by the supplier and its employees and subcontractors. Such information shall not be disclosed by the supplier, its employees and subcontractors to anyone, either in whole or in part, without Concord Tool & Mfg., Inc.'s prior written consent.

The supplier agrees that all designs, drawings, computer math data records, processes, compositions of material, specifications, software, test data, or other technical information made and furnished by suppliers shall be the sole and exclusive property of CTM.



Section – 2 – CTM General Business Policy and Practice

2.1 Advanced Quality Planning Process

It is the mission of CTM purchasing to seek out the 'best value' suppliers of a specific commodity or industry. CTM defines 'best value' as those suppliers providing, in totality, best in class:

- Quality
- Value
- Service and support

CTM embraces the concept of strategic supply alliances with key suppliers.

2.1.1 Commercial Matters

Commercial arrangements between CTM and the supplier are defined in approved purchase orders or contracts. All other arrangements (verbal or otherwise) are superseded by such documents. Suppliers shall direct matters pertaining to pricing and commercial terms to the CTM Purchasing department.

2.2 Supplier Assessment

Suppliers shall complete the Concord Tool & Mfg. Supplier Capability Survey prior to award of business. Based on the supplier's impact further assessment may be required as determined by Concord Tool & Mfg., Inc.

CTM's level of control, interaction and development will vary depending on the supplier's determined level of supply impact to CTM. Suppliers that perform a Special Process, shall submit the appropriate CQI audit evidence to CTM annually.

2.3 Accounting Practices and Policy

2.3.1 Payment terms are as specified on the approved CTM purchase order.

2.3.2 All invoices to CTM shall meet the following standard. Failure to meet these standards will result in the invoice being returned, unpaid, along with a \$250 administrative charge.

PRODUCTION MATERIAL

Invoices for production material shall include:

- Complete Part number as it appears on the purchase order (all alpha and numeric digits).
- Complete CTM ID number as it appears on the purchase order (all alpha and numeric digits).
- Purchase order number. If multiple purchase order numbers are billed in one invoice, the purchase order number must appear on each line item. Otherwise, separate invoices for each purchase order are required.
- Shipper number must appear on the invoice for each line item shipped. If shipper numbers and invoice numbers are identical, it must be noted as such.
- All prices, terms and descriptions shall match those reflected in the Concord Tool & Mfg., Inc purchase order.



TOOLING / CAPITAL EQUIPMENT

Invoices for tooling and capital equipment shall include:

- Purchase order number
- All prices, terms and descriptions must match those reflected in the CTM purchase order referenced on the invoice.
- Include a copy of the purchase order with the invoice

MRO ITEMS

Invoices for general maintenance, repair and operating items shall include:

- Complete CTM part number as it appears on the purchase order (all alpha and numeric digits).
- Purchase order number. If multiple purchase order numbers are billed in one invoice, the purchase order number must appear on each line item. Otherwise, separate invoices for each purchase order are required.
- Shipper number must appear on the invoice for each line item shipped. If shipper numbers and invoice numbers are identical, it must be noted as such.
- All prices, terms and descriptions shall match those reflected in the Concord Tool & Mfg., Inc purchase order.

2.3.3 Payment Disputes:

CTM strictly enforces a ninety (90) day policy regarding issues of payment disputes, past due invoices, or short payments. Notification is required within 90 days of the ship date in question. All notifications shall be made in writing and followed up by a telephone call within 10 days of submission to the CTM accounts payable department.

Any payment issue brought after the ninety (90) day dispute period will not be honored.

In cases of supplier lost checks a \$250 check cancellation charge will apply. This amount will be deducted from the replacement payment.



3.0 Supplier Performance

3.1 Supplier Performance Measurement and Evaluation

All Concord Tool & Manufacturing, Inc., Major Suppliers of the following commodities and services: Raw Materials, Component Parts, Special Processes (Heat Treat, Plating, & Coating), and Independent Laboratories.

The following defines the Quality, Delivery, Complaint, and Notification expectations which Concord Tool & Manufacturing, Inc. Suppliers must adhere to the following:

1. Suppliers to Concord Tool & Manufacturing, Inc. must be third party registered to a minimum of ISO-9001:2015 by an accredited third-party certification body.
2. Independent Calibration and / or Testing Laboratories used by Concord Tool & Manufacturing, Inc., must be accredited to ISO/IEC 17025 - 1999, by an Accredited Certification Body.
3. All Purchased Products or Materials used in our product, shall conform to applicable regulatory requirements.
4. Where determined applicable, Purchase Orders shall stipulate Requirements for furnishing Material Certifications, and/or MSDS documents.
5. All Suppliers are expected to provide 100% On Time Delivery Performance to meet Concord Tool & Manufacturing, Inc., Material Planning Requirements.
6. All Suppliers are expected to provide their product or service to fully meet Concord Tool & Manufacturing, Inc., Specifications.
7. If any product or service is found to be non-conforming to Concord Tool & Manufacturing, Inc., Purchase Order Specifications; the Supplier will be required to furnish Concord Tool with appropriate Corrective and Preventive Actions utilizing a formal Problem Solving Process (8-D, 5 Why's, 3 Legged 5 Why) or other industry recognized Problem Solving methodology.

3.1.1 Supplier quality performance will be monitored by the Purchasing/Quality team. If there is a drop in the Supplier rating the supplier will get a Supplier Confidence Letter. All new suppliers start off at a C Level, as the supplier moves up or down in rating, Supplier will be responsible for any additional sort requirements implemented by CTM's customer.

- 5 consecutive shipments, heats and/or lots, from Supplier at level "C" with no defects – Supplier advances to level "B" confidence level.
- 3 consecutive shipments, heats and/or lots, from Supplier at level "B" with no defects – Supplier advances to level "A" confidence level.
- Supplier remains at level "A" unless a defect is found.
- If, at any time, defective material is received from a Supplier, they will be dropped to confidence level "C" and must begin the process again.
- If, at any time a Supplier sort or corrective action is not effective, or Supplier material is passed through to Concord Tool & Mfg. customer, the Supplier will fall to a level "D" confidence level. At level "D" 3rd party certifications are required with each shipment or lot/heat, (whichever is larger).
- 3 consecutive shipments, heats and/or lots, from Supplier at level "D" with no defects – Supplier advances to level "C"
- DNU (Do Not Use) in Supplier Status, means this Supplier has been removed from our Approved Supplier List and should never be used again.

3.1.2 Suppliers demonstrating unacceptable performance (quality and/or delivery) will be invited to a supplier quality improvement meeting at CTM. Suppliers attending improvement meetings are expected to bring completed QPR documents, and action plans detailing the supplier's methods for resolving the open issues.



3.2 Supplier Problem Communication

3.2.1 Suppliers will receive problem communication in the form of a Quality Problem & Resolution Report (QPR). The Quality Problem & Resolution Report is a three tab Microsoft Excel document, which will be sent electronically when possible. The three parts consist of:

- 1) QPR – Actual details of the failure, including photos where applicable
 - 2) Certified Material Tag for shipments going forward as needed
- Additional tabs may be added to include photos, documentation, etc.

3.2.2 Suppliers who make any change in the process, material, sub suppliers etc. must notify CTM in writing 30 days prior to shipping first parts and you must have CTM Approval of deviation.

- 1) Deviation Request.

3.3 Supplier Corrective Action and Problem Resolution

3.3.1 Suppliers shall respond to Quality Problem & Resolution Reports using the one of the following: 8-D, 5 Why's, 3 Legged 5 Why for problem solving. The Concord Tool & Mfg. quality representative may prescribe a customer specific format where applicable.

3.4 Standard Supplier Charge-back Guidelines

3.4.1 Quality and/or delivery discrepancies may result in a charge-back (debit) to the supplier. These charges are determined by the costs incurred by Concord Tool & Mfg. resulting from the supplier-induced discrepancy. Following is a summary of the administrative charges typically assessed. Additional charges may apply based on actual product costs.

A \$250.00 cost recovery charge may be assessed for any of the following discrepancies:

- Packing slip discrepancies or no packing slip with the shipment
- Incorrectly labeled containers – no label or label doesn't match container content
- Noncompliance with the CTM invoicing standard (see section 2.3).
- Each notification of nonconforming product (QPR)
- Incorrect, incomplete or discrepant PPAP submissions (when PPAP is required)
- No Certifications provided with shipments as required
- Change in Supplier Confidence Level due to quality issues, increased sorting costs, etc.

In addition to the \$250.00 cost recovery charge, the following charges may also apply:

- Any and all customer charges incurred by CTM resulting from supplier nonconforming product.
- A \$50 per person-hour charge for time spent sorting and/or reworking supplier nonconforming product.
- Any and all line stoppages caused by supplier delivery or nonconforming product. Charge to be determined based on machine and person-hour rates.
- Negotiated rate for third party inspection services.

Debits will be made in the currency specified on the relevant purchase order, and shall equal the specified amounts in US currency.



Section – 4 - Quality System Requirements

4.1 General Requirements

Concord Tool & Mfg., Inc. requires all suppliers of production materials to establish and maintain a documented quality system based on a minimum of ISO-9001:2015. The quality system requirements contained within the ISO-9001:2015 requirements are considered part of these quality system requirements and standard expectations of suppliers. Certain suppliers will maintain an ISO/IATF-16949:2016 quality system, depending on commodity or service supplied to CTM Suppliers maintaining third party registration to an international quality system standard shall forward a copy of their certification.

4.2 Production Part Approval Process

Suppliers shall fully comply with the most current edition of the AIAG Production Part Approval Process (PPAP). Requests for exceptions, deviations and/or waivers from the PPAP process shall be submitted in writing to CTM purchasing prior to contract award.

Component Suppliers must submit a full Level 3 PPAP w/a 100 pc sample.

The PPAP approval process is a two-step process: 1) Dimensional Layout/Layout Method App. Datum/material approval from the program team and 2) Functional approval from the CTM production facility. PPAP approval status is communicated to the supply base via the AIAG warrant.

Steel Suppliers are not required to submit a PPAP however all suppliers must submit a full Material Certification including but not limited to: Yield Strength (MPA), Tensile Strength (mm), and Elongation %. All steel products to be **certified** to the **specification** provided on **CTM's Purchase Order**.

Plating/Heat Treat Suppliers must submit a PPAP with **all requirements** per the **specification** listed on **CTM's Purchase Order** from the first shipment and MSDS on request. Plating Certifications must be sent with every Shipment.

Drawings are transmitted to the supply base via a PPAP request.

4.3 Supplier Quality Improvement Process

The goal of Concord Tool & Mfg.'s supplier quality improvement process is to monitor deficient suppliers and assist in long-term problem resolution. This process is driven by the supplier's quality and delivery data as collected and reported by the CTM production facility using the products.

In addition to requests for corrective action corresponding to individual Quality Problem & Resolution Reports (QPR), corrective action requests are made to suppliers that fail to meet Concord Tool & Mfg.'s quality and delivery requirements. These requests originate from the CTM Quality Department. The Purchasing Manager will monitor all Suppliers whose Confidence Rating drops to a "D" or below.

Suppliers who fail to show improvement during the containment status will be designated as a "Do Not Use" DNU suppliers will be placed onto new business / quote hold status. Those suppliers who continue to demonstrate poor quality and/or delivery performance while in step three activities may eventually result in desourcing, loss of business and ultimately removal from the CTM approved supplier list.



Section – 5 – Tools, Fixtures and Gages

5.1 Tool Standard

GENERAL REQUIREMENTS/CHANGES APPROVAL:

Supplier must submit a Tool/Rack Information Card for all equipment owned by CTM as well as any equipment owned by Supplier that is used for a specific CTM Part. Supplier Must include a picture of CTM's Part on the equipment/tooling/racks. If Asset tags are supplied to supplier by CTM they must be attached as and picture sent to CTM Purchasing.

Program timing officially begins, unless otherwise agreed, when the tool source receives the Purchase Order. The tool source is fully responsible for all aids used.

A Tool Progress Report, using Microsoft Excel, must be sent to Concord Tool & Mfg. Monthly, on a mutually agreed to day. The reports shall be sent by e-mail on the same day every other week until project completion. Digital pictures showing the tool in different stages of development shall be included with the progress report and e-mailed to Concord Tool & Mfg..

The Concord Tool & Mfg. Tooling Engineer along with the Concord Tool & Mfg. Product Development Team will review the preliminary tool drawings. Changes will be marked on the drawings and following review by the tool source and Concord Tool & Mfg., they will be incorporated into the final tool drawings and tool build.

Prior to tool completion, the tool source shall provide two sets of final tool drawings to Concord Tool & Mfg., for review. If changes are required a marked-up drawing will be returned to the tool source for incorporation in the final tool drawing. A copy of the final tool drawing, including a detailed bill of material and all detailed sections, must be provided, along with CAD data of the drawing, to Concord Tool & Mfg. at the time of tool delivery.

Tool steel dimensional certification will be completed by the tool source prior to tool delivery. As well as the dimensional layout per part, layout method per datum scheme.

NOTE: The tool source may be responsible for tryout costs needed to bring tool to dimensional, functional, and aesthetic standards as required by Concord Tool & Mfg. and their customer, if satisfactory correction can not be obtained following two initial tryouts.

Upon dimensional approval, the Concord Tool & Mfg. Tooling Engineer will give direction to the tool source for final needs or other functional items. If rejected, the Concord Tool & Mfg. Tooling Engineer will forward information regarding dimensional areas to be rechecked in the tool. The tool source will be responsible to have the tool steel checked to verify steel dimensions. The tool source is to correct and re-certify as needed. The Concord Tool & Mfg. Tooling Engineer must approve any deviations.

Depending on the results of the tryout, the tool will either be held or sent back to the tool source with further instructions for correction.

When the tooled parts meet all physical, functional, dimensional, and appearance requirements, they will be submitted to Concord Tool & Mfg.'s customer. Final instructions will then be given to the tool source by Concord Tool & Mfg. in order to conclude the program. A complete functional tool, with ability to produce PPAP approved parts, is necessary for tool approval.

All Items must be checked before shipment to CTM per the Die Requirements-past Issues form. Any changes must be approved by CTM Engineering Team, cost will be deducted for these issues. The Die Receipt Check List MUST be shipped with the dies and have all documents/parts required included.



Section – 6- Manufacturing / Materials Management

6.1 Freight and Transportation Guidelines

Introduction:

1. The following are guidelines that must be adhered to when shipping from a domestic supplier location to CTM:

Concord Tool & Mfg., Inc
118 North Groesbeck Hwy.
Building 106
Mt. Clemens, MI 48043

2. These instructions supersede all previous instructions unless a dedicated milk run has been arranged for your company. Concord Tool & Mfg. reserves the right to debit supplier accounts for any incurred cost due to supplier's failure to comply with the following guidelines.

Billing Procedures:

1. All shipments to the above mentioned sites are to be shipped FOB Origin (Suppliers Dock) Freight Collect. Please see purchasing or your material planner for instructions on which carries are preferred.
2. Concord Tool & Mfg. will not accept prepaid and / or added freight charges. These charges will not be paid if issued to Concord Tool & Mfg. on an invoice by a supplier.
3. If your particular commodities have been previously negotiated with freight included in the piece price, then the following guidelines should be followed:

Truck Freight	FOB CTM's Dock
UPS Ground	FOB CTM's Dock

Shipping Documentation Requirements:

1. Concord Tool & Mfg. Purchase Order number must be referenced on all shipping documents:
 - a. Bills of Lading
 - b. Airway bills
 - c. Freight Bills
 - d. Packing Slips
 - e. Barcode Labels
2. All Domestic Air Shipments must reference an Air Shipment Authorization #.
3. All shipments must include a Packing List.
 - a. Failure to provide a packing list will result in a \$250 shipment verification fee.
4. All shipments must include a Bill of Lading.



Insurance:

Do not insure or declare any value on any domestic shipment. Any charges billed by freight carriers for insurance will be debited from supplier's invoices. UPS insurance charges will be debited on a monthly basis from the supplier's invoice.

Administrative Charges:

Concord Tool & Mfg. will notify suppliers via a debit memo any freight related deductions due to non-compliance of the above shipping instructions. Suppliers that fail to comply with these instructions will be assessed an administrative fee of \$250 per occurrence plus all freight charges incurred by Concord Tool & Mfg. as a result of the noncompliance.

Deliveries:

1. All deliveries will be signed for based on the actual pieces, cartons and pallets received. All three quantities must be documented on the Bill of Lading and the Packing Slip.

2. Any discrepancy in the quantity of pieces, carton or pallets received versus the quantity stated on the packing slip will result in:
 - a. A receiving Premium Freight / Receiving Discrepancy Report
 - b. \$250 Administrative Fee
 - c. Deduction of any material shortages from the corresponding invoice.

Labeling:

Each steel coil shipped to CTM's production facility shall bear a minimum of one product label per coil and the labels shall comply with the CTM Steel barcode standard. All requirements must be included on each label.

Each carton shipped to a CTM's production facility shall bear a minimum of one product label per carton and the labels shall comply with the CTM component barcode standard.. A mixed label shall be placed onto each skid and packing slip. All requirements must be included on each label.

6.2 Engineering Change – Product Supply

Suppliers assume responsibility for costs associated with producing ahead of schedule (bank-building) in order to execute tooling changes without interrupting supply. This includes, packaging, preservation and storage.