



CEP Technologies Corporation

Supplier Quality Manual

QMP-7412	<i>Supplier Quality Manual</i> <i>Printed copies are UNCONTROLLED</i>	Owner: Quality Manager
Revision: 8	<i>Effective Date: 10/04/2019</i>	Page 1 of 8



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Acknowledgement Page

Dear Supplier,

Enclosed you will find a copy of CEP's Supplier Quality Manual (SQM). Please take the time to read this document and ensure that you understand its contents. This document may need to be disseminated throughout your organization at the appropriate levels. This SQM will be referenced as a requisite agreement on future purchase orders. Please return a signed copy of this page via fax or email indicating your acknowledgement of receipt and agreement to this document.

Name (print): _____

Title: _____

Authorized Signature: _____

Thank you.

Sincerely,

Michael Thorn
Quality Manager
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Yonkers, NY 10710
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Introduction

CEP Technologies Corporation is an engineering-based, IATF 16949:2016 certified, high precision, high volume, progressive metal stamping company with global capabilities. For 50 years, CEP has been a family owned and operated, customer driven manufacturer that continually evolves its methods and systems to adapt to its marketplace in order to achieve total customer satisfaction. Additionally, CEP Technologies Corp. maintains an ISO14001:2015 registered Environmental Management System.

In accordance with its mission, CEP Technologies maintains the following policies:

IATF 16949:2016 Quality Policy

CEP Technologies Corporation is a manufacturing team providing precision-engineered, metal stamping products that meet all the requirements of our interested parties. CEP is dedicated to achieving total customer satisfaction by continually improving the effectiveness of its methods and systems and by continually identifying and mitigating risks.

Quality Objectives

1. Continually reduce the level of customer rejected product.
2. Continually improve our levels of on-time delivery.
3. To be in compliance with all applicable legal, statutory, and regulatory requirements.

ISO 14001:2015 Environmental Policy

CEP Technologies Corporation is committed to environmental responsibility, pollution prevention, and compliance with all applicable legal and regulatory requirements by continually improving the effectiveness our EMS.

Environmental Objectives

1. To fulfill all legal, regulatory, and compliance requirements.
2. To prevent pollution into the environment
3. To continually reduce our environmental impact

In order to achieve our goals, CEP must rely on its supplier base to provide us with high quality materials, products, and services, which meet or exceed expectations. For CEP to continually improve and maintain a commitment to total customer satisfaction, our suppliers must in turn have the same commitments.

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System Registration Requirements

New suppliers providing products or services which are to be incorporated into our final product are scored based on risk assessment. Those scoring above the risk threshold will be required to provide a valid certificate of compliance with ISO 9001. New suppliers are also required to complete a copy of the CEP Subcontractor Evaluation Survey. If suppliers are registered to an environmental standard and/or licensed with any environmental agencies, copies of the certificates and/or licenses should be provided.

Upon review of the submitted forms, CEP may also request a site visit / audit in order to ensure that CEP's expectations can be met. CEP encourages our suppliers to work towards achieving IATF 16949 compliance. High scores based on risk assessment may require suppliers to have or develop IATF 16949 certified management systems.

If a supplier's quality certificate expires without being renewed or is revoked, the supplier must notify CEP within 30 days.

Note: The ISO 9001 registration requirement may be waived in only in certain extenuating circumstances.

Quality and Delivery Goals

CEP is dedicated to providing our customers with products that meet or exceed their quality standards while continually improving our levels of on-time delivery. This effort is largely reliant upon our suppliers' ability to meet our quality and delivery expectations. CEP strives for zero customer rejects and 100% on-time delivery.

To foster this goal, CEP monitors the percentage of supplier on-time deliveries and rejections. Suppliers must meet at least 90% on-time delivery, and have a 95% acceptance rate. Failure to meet these goals may result in the issuance of a SCAR, an on-site audit, or removal from CEP's approved vendor list.

Process Controls

Suppliers are required to submit their process controls (control plans, checksheets, work instructions, etc.) prior to authorization for any new job. CEP may request a review of this documents as need and may request that they be revised as a result of a corrective action or continual improvement.

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Risk Assessment

Keeping in mind the quality and delivery expectations, CEP requires all suppliers to have a risk assessment process in place to identify areas in the supplier’s process and supply chain that could affect the ability to meet CEP’s requirements in the event of disruption from the normal business practice.

CEP scores all of its suppliers based on risk assessment criteria subject to changed based on supplier performance. Increased risk may result in increased controls and require the development of action plans by the supplier to control and mitigate risks. Failure to comply with these requirements may result in the issuance of a SCAR, an on-site audit, or removal from CEP’s approved vendor list.

Supplier Corrective Action Report (SCAR) Process

A Supplier Corrective Action Reports (SCAR) will be initiated if incoming material or parts/services fail to meet purchase order requirements, print requirements, or workmanship standards. A copy of the SCAR and samples (if applicable) will be sent to the vendor’s quality contact.

Within 1 day, an initial response is required, which must include containment actions. Within **5** days, the supplier is required to return a completed copy of the SCAR detailing the root cause of the issue (“5 Whys”) and the detailed corrective or preventive action.

Failure to provide a disposition within 10 working days of receipt of the SCAR will result in the material or parts being returned collect to the vendor.

Failure to respond to SCARs, or continued poor delivery or quality performance may result in a vendor’s approval status being changed to unapproved.

Product Certification Requirements

CEP purchase orders often include special instructions which may change from order to order. Purchase order acknowledgement assumes that all of the terms of the purchase order have been read, understood, and accepted.

CEP requires its suppliers to provide necessary certificates of product or material conformance. The requirements are the following:

Material Certification – Must meet all requirements stated in the Purchase Order. The certificate must also state compliance special requirements when noted on the Purchase Order.

Plating or Post Processing Certification – Must meet all requirements stated in the Purchase Order. The certificate must also state ASTM Standards, thickness reading, width and any critical and special specifications **including testing standards**.

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Production Part Approval Process (PPAP) - see page 6.

All purchases, unless otherwise specified, must conform to the following:

Unless otherwise noted in the body of the Purchase Order, material or services to be compliant with European Union’s RoHs requirements. Additionally, material or services must not contain any SVHCs as outlined by European Regulation (EC) 1907 / 2006 concerning the registration, evaluation, authorization, and restriction of chemicals (REACH). Vendor will be responsible for any and all damages resulting from non-compliance.

Notification of Changes

Any change to product specification must have the approval of CEP in advance. Any process changes cannot be completed without the prior approval of CEP. CEP may request samples before change would be approved and requires 6 months prior notice of changes. To request approval, supplier must email notifications to either the Director of Administration or Quality Engineer.

If CEP requests another response format for the corrective action (ex. 8D), the supplier must be capable of completing such format. In this case, CEP will supply the required form.

Supplier Audits

CEP reserves the right to audit and perform on-site inspections of a supplier’s facility to ensure that quality expectations are being met. Notification of audit will be given at least 5 business days in advance. **CEP also performs supplier audits on a 3 year cycle for CQI-11 (see below).**

AIAG CQI-9 & CQI-11 Requirements

All heat treating vendors must perform annual CQI-9 self-audits and share the results of these audits with CEP.

All plating vendors performing Zinc **or Electroless Nickel** plating must perform annual CQI-11 self-audits and share the results of these audits with CEP. **CEP will perform CQI-11 supplier audits on plating vendors who fall under the CQI-11 requirements. Audits will be performed every 3 years in addition to the plating vendor’s annual self-audits.**

As per the requirements of these standards, all corrective action findings must have corrective actions in place within 3 months of the audit date.

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PPAP Requirements

Certain vendors providing material, or post-processing services that are incorporated in to CEP final product may be asked to perform and submit a PPAP at time of new product launch. PPAP level (3 or 4) will be determined based on service required. CEP Engineering will contact supplier's purchasing representatives to coordinate any PPAP requirements, and to aid in facilitating the process.

Process controls (control plans, checksheets, work instructions, etc.) must be included in any PPAP submissions.

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