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| ***Windsor Machine & Stamping (2009) LTD*** | Document Type: **PROCEDURE** Department:  **PURCHASING**  |
| Prepared By: J. LittleApproved By: R. Purves | Release Date: Aug 11, 1997  | Document No: **PR-PUR-001** |
| Revision Date: June 25, 2012 | Revision No: 009 | Page 1 of 3 |
| Subject: SUBCONTRACTOR EVALUATION  |

 PURPOSE

 The purpose of this procedure is to provide for a system and instructions, and to assign responsibilities for:

- Evaluation and monitoring of subcontractor, and

- Customer verifications of purchased products.

 This procedure applies to evaluation and monitoring of subcontractors supplying materials, parts and services such as heat treating, painting, plating, etc that are incorporated into the final product(s) sold by WMG***.*** This procedure directly concerns the Purchasing and Quality Assurance departments.

 PROCEDURE

 Subcontractor Evaluation

 The quality capability of subcontractors is evaluated jointly by the Purchasing and Quality Assurance departments. Every new subcontractor is requested to provide at least one ofthe following documents and information:

- Certificate of quality system registration,

- A self-survey (FOQA63)

 Purchasing and Quality Assurance evaluate the submitted information. When the evaluation is concluded with a satisfactory result, the subcontractor is placed on the Approved Suppliers List.

 Once a subcontractor becomes approved and is placed on the Approved Supplier List they can automatically be used by all internal plants without having to once again be evaluated as listed above.

 Quality Performance Monitoring

 The performance of subcontractors is monitored on the basis of quality, delivery, pricing and responsiveness in accordance with procedure PR-PUR-003, Supplier Rating System.

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 One hundred percent on-time delivery performance is required. Late deliveries and premium freight are noted and the subcontractor(s) is contacted for explanation and, when appropriate, is asked to implement corrective actions to improve performance.

 When a nonconforming product is identified, the receiving designate or Quality inspector initiates a product nonconformance report. The report is established and processed in accordance with Procedure PR-QA-007 Control of Nonconforming Product. The subcontractor is contacted and informed of the identified nonconformances and, if the issue(s) is sufficiently serious or recurring, the subcontractor is requested to propose and implement a corrective action and report back on its effectiveness. Nonconformance reports, requests for corrective actions, and associated correspondence are maintained.

 The subcontractor’s files are reviewed every two months to assess trends in quality, delivery, pricing and responsiveness performance. Subcontractors who repeatedly receive Supplier Performance Rating scores below the established requirements are requested to implement the appropriate corrective action(s) and provide corrective action documentation. A subcontractor that continues to score poorly on their Supplier Performance Rating may be removed from the Approved Supplier***s*** List.

 Existing Subcontractors

 Subcontractors who have been supplying the company for at least six months prior to implementation of this procedure, and whose performance is deemed satisfactory, are exempted from the requirement for the initial evaluation and qualification. Regardless of the past quality performance history, there are no exemptions from continuous quality performance monitoring.

 Approved Suppliers List

 The Corporate Purchasing Manager is responsible for maintaining and distributing the Approved Suppliers List. The list is kept current on a computer, and it is printed out, authorized, controlled and distributed by the Corporate Purchasing Manager when a change is made to the list. The updatedlist is reviewed, authorized, distributed and otherwise controlled in accordance with Procedure PR-QA-003 Document and Data Control.

 Customer-Designated Subcontractors

 When a customer has their own approved subcontractors list and they require that we use one of their approved subcontractors or they require us to use a specific subcontractor that is not on their list, the subcontractor in question is evaluated as specified above, and if deemed satisfactory, is added to our Approved Suppliers List.

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 When none of the customer-designated subcontractors are acceptable, the customer is contacted with a request to approve additional subcontractors.

 The use of customer-designated subcontractors does not relieve WMG of the responsibility for ensuring the quality of supplied products and services.

 Subcontractor Development

 WMG requires our subcontractors to be certified to either ISO:9001 as minimum, however the sub-contractors should follow the ISO/TS 16949:2009 through third party assessment, for better assurance and reliability. All supplier quality certifications records are to be reviewed semi-annually by Corporate Purchasing Manager, Corporate Supplier Quality Engineer and PPAP co-ordinator.
We encourage our subcontractors to consider developing a plan to obtain a ISO14001 certification.

 ASSOCIATED DOCUMENTS

- Purchasing PR-PUR-002

- Control of Nonconforming Product PR-QA-007

- Corrective and Preventive Action PR-QA-005

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