KCC COMPANIES Supplier Quality Manual

Requirementsto maintain or ascertain status as a KCC Companies supplier

By: Nick Smallwood

Revision Page

Revision Level	Revised By	Date	Description
Draft	N.Smallwood	11-21-22	Initial document
Revision of Draft	N.Smallwood	12-22-22	Revision of draft
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Revision of Draft	N.Smallwood	2-27-23	Update after feedback from other KCC departments

Approval Page

Name	Title	Date
Nick Smallwood	Supplier Quality Engineer	3-9-2023
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Kris Rysavy	Director of Quality	3-9-2023

Our Company: KCC Companies is an employee-owned company (ESOP) dedicated to providing complete design, installation, and service for commercial and residential Heating, Ventilation, and Air Conditioning (HVAC). Founded in 1977 with the vision of building a company that would provide the highest quality and reliability in HVAC design, installation, and service. For over forty years, KCC Companies has maintained the commitment to excellence and innovation by controlling the manufacturing process from start to finish. More importantly, by becoming an ESOP, we've encouraged a collaborative workplace and have empowered our employees to share in the company's ownership and success.

KCC Companies Culture of Quality: KCC Companies are committed to delivering great products and exceptional customer experiences by being the industry leader in product quality and performance. To meet that goal, we have made quality a core value of our company.

Supplier Quality Manual: This Supplier Quality Manual is intended to provide valued suppliers and potential new suppliers with the basis for understanding the quality expectations of KCC Companies. The manual establishes the expected quality requirements for all suppliers and sub-suppliers providing products, parts, assemblies, components, raw material, and/or services to KCC Companies. These quality requirements are a supplement to and do not replace or alter other terms and conditions covered by Purchasing Documents, Specified Warranty Agreements and requirements of Engineering Drawings, Specifications or Contract conditions.

Table of Contents

1. **Purpose: The purpose of this manual is to define and establish expected quality requirements for suppliers and sub-suppliers of goods and services to all KCC companies or KCC contract manufacturers.**
2. **Scope: The quality requirements apply to all suppliers providing products, parts, assemblies, components, raw materials, and/or services to KCC companies or KCC contract manufacturers.**
3. **Responsibilities: As a supplier to KCC, the responsibilities include managing the quality of product and/or service you provide. Suppliers must also control all items purchased from their sub-tier suppliers and incorporate it appropriately into products or services supplied to meet requirements of KCC companies or KCC contract manufacturers.**
4. **Supplier Requirements: KCC requires its suppliers have a Quality Management System (QMS), but not a Quality Manual. The QMS should have a quality policy, quality objectives, documented procedures to support the QMS, and documents needed to ensure effective planning, operation, and control of its processes. KCC does not require the supplier to be certified to any standard, but prefers that suppliers are compliant to ISO9001-2015 or better. This will be verified by the supplier responses to the "New Supplier Survey" and/or an audit at the supplier's facility. Supplier is required to submit copies of all certifications to KCC as a requirement to do business if applicable, as well provide an organizational chart/contact list. By agreeing to do business with KCC the supplier agrees to all terms and conditions, including all policies and procedures outlined in this manual. All approved suppliers will be added to the KCC "Approved Supplier List".**
   - **4.1. Supplier must conform to all laws, regulations, relevant health, occupational, safety, and environmental regulatory requirements in both the country of manufacture as well as in the country of sale. Supplier must provide all regulatory required documentation for the products and services in English.**
   - **4.2. Supplier must maintain a safe environment at the facilities which are producing products for KCC.**
   - **4.3. Supplier must maintain confidentiality concerning the relationship between KCC and the supplier.**
   - **4.4. Supplier must retain PPAP/ First Article documentation, material certifications, inspection reports and other part quality documents for a minimum of 3 years. These must be available to KCC upon request.**
   - **4.5. If a containment action is required KCC expects the supplier to supervise the sorting /inspection/rework activities associated with the action. The supplier is responsible for documenting required instructions for sorting and rework as needed.**

4.6. **If the supplier fails to respond and/or support the inspection/sorting/rework activities, associated costs will be charged back to the supplier.**

4.7. **Supplier must maintain a DPPM of 19,999 or better as calculated by KCC.**

4.8. **The supplier shall develop, implement, and maintain a documented preventive maintenance system. The maintenance system shall include, but is not limited to, production machines, tooling, and test equipment.**

4.9. **Supplier must maintain 100% conformance to KCC specifications.**

4.10. **Supplier must be capable of performing part qualification using First Article or PPAP as required.**

4.11. **Supplier must maintain a controlled quarantine area.**

4.12. **Supplier must supply and maintain design records, process flow charts, control plans, DFMEA's, and PFMEA's as required.**

4.13. **Supplier must maintain a system for drawing revision control.**

4.14. **It is the responsibility of the supplier to ensure revision level on the drawing matches the revision level on the KCC purchase order. If the revision levels differ the supplier must immediately contact a KCC representative for resolution.**

4.15. **Any product and/or components manufactured to an incorrect revision level will not be accepted.**

4.16. **Supplier must perform process capability study as required for designated critical characteristic(s) of the part/product – Cpk for each characteristic will be agreed upon by KCC and the supplier prior to the study being conducted.**

4.17. **Supplier must employ a documented deviation and change process.**

4.18. **Supplier must have a system in place to deal with customer complaints – including root cause analysis and corrective actions.**

4.19. **Supplier must have documented RMA (Return Material Authorization) process.**

4.20. **Supplier has full responsibility for training either their employees or contractors to ensure KCC's quality requirements are being met through a documented training program.**

4.21. **Training subjects should include, but are not limited to manufacturing techniques, quality systems, process control, safety, and customer requirements.**

4.22. **Current training records and a training matrix must be available for all employees. Training records must be retained for a minimum of 3 years and be available upon request.**

4.23. **Suppliers must provide evidence of monitoring of their suppliers for compliance and corrective actions as required.**

5. **Traceability Requirements: The status of the product must be identified throughout the suppliers manufacturing process to mitigate the risk of suspect, non-conforming, or unapproved product being used or shipped. Supplier will establish and maintain**

procedures for identifying their production lots from receipt of raw material through shipment of final product. Where practical items supplied to KCC must be labeled with part number and lot number/serial number. This will be agreed upon by KCC and the supplier prior to the issuance of a purchase order.

5.1 In addition to product traceability, the system must be capable of providing the production history of a lot or serial number. This history can include test records, material certifications, process parameters, and machine settings influencing conformance.

5.2 Traceability information must be readily available to KCC within 24 hours of a request for the information.

6. Calibration/Maintenance of Gages/Measurement System Analysis: All gages/gaging equipment and appropriate test equipment must be calibrated/verified at specific intervals or prior to use and traceable to NIST. All gages/gaging equipment must be identified with its own unique I.D. number/marking. External calibration sources must be certified to ISO/IEC 17205 or national equivalent.

6.1. Records of gage/gaging equipment certification must be maintained by the supplier. Calibration records must be maintained for the life of all gages and gaging equipment.

6.2. All gages/gaging equipment must be protected from damage, deterioration, and adjustments that would invalidate the measurement results. Adjustment to gages/gaging equipment must be done by qualified personnel and documented, including recalibration. These results must be available to KCC upon request.

6.3. Supplier must conduct MSA's (Measurement System Analysis) as required. These results must be available to KCC upon request.

6.4. Supplier's must conduct Gage R&R (Repeatability and Reproducibility) as required using either the range method or the ANOVA method. These results must be available to KCC upon request.

6.5. Suppliers' measurement system is acceptable for use when the total variation of the repeatability and reproducibility is < 10% of the total tolerance range. Any results greater than 10% will be reviewed by KCC on a case-by-case basis and accepted or rejected based on the method of measurement.

7. First Article/Production Part Approval Process (PPAP): First Articles or PPAP's may be required for new parts, revised parts, engineering changes, change to tooling, change to the manufacturing process, supplier or sub-supplier source change, or part being produced at a new location.

7.1. Default PPAP submission level is 3.

7.2. All First Article and PPAP submissions will be approved or rejected by the KCC SQE.

7.3. **If the First Article or PPAP is rejected or submitted parts are found not to be functional the supplier will be required to resubmit new parts with new documentation.**

8. **Process Deviation and Change Approval Process: KCC will take deviation and process change requests under advisement, however it is under no obligation to accept them. The request for deviation or process change must be delivered providing enough time for evaluation and validation of the change/non-conformity. The approval process may be lengthy as it may require notification and/or approval by KCC's customer. It is the supplier's responsibility to notify KCC of any changes that affect fit, form, or function. No deviations or process changes will be accepted without written approval from KCC prior to the change being implemented.**

8.1. **The KCC SQE will determine if the change requires revalidation of the product and if all KCC requirements have been fulfilled before giving that approval.**

8.2. **KCC may require a First Article or PPAP for the requested change, KCC SQE will determine that on a case-by-case basis.**

8.3. **For the supplier to receive approval for a deviation or process change, it must submit a request to the appropriate KCC contact. The request should include details of affected products, types of changes, quality confirmation plan, timing for changes, and associated benefits.**

8.4. **Supplier deviation and process change requests must be reviewed and approved by KCC Engineering and Quality.**

8.5. **Parts that have changes to their specifications, process, fit, form, or function without KCC approval will be considered defective and rejected back to the supplier.**

8.6. **Deviation approval is considered a temporary change, with expiration date of the deviation being agreed upon by KCC and the supplier.**

8.7. **Process change approval is considered a permanent change.**

9. **Supplier Process for Internal/External Non-Conformances and Cost of Poor Quality: Supplier/Sub-Supplier must have a system which contains and controls non-conforming parts/products and notifies the customer of a supplier non-conformance. Supplier/Sub-supplier system must identify, document, evaluate, segregate, and dispose of non-conforming parts/products. If a supplier part/product is found in the field or at KCC that does not comply with part specifications and/or function the supplier will be notified of the nonconformance by phone or email. At KCC's discretion a Supplier Corrective Action Request (SCAR) maybe issued for the nonconformance. Once the supplier has completed containment, a root cause analysis and corrective action must be initiated. Non-conforming material may have a negative effect on the supplier's scorecard. It is the supplier's responsibility to make sure they have actions in place to guarantee a passing scorecard.**

9.1. Supplier must provide KCC a Return Material Authorization (RMA) upon request to return defective/nonconforming material.

9.2. Supplier will be responsible for all freight to return nonconforming material.

9.3. All parts verified by the supplier must be clearly marked as such and the identification method shared with KCC.

9.4. Notification of a SCAR will be transmitted to the supplier by the KCC SQE via email, the initial response is due within 24 hours.

9.5. Any cost incurred by KCC due to the nonconforming material will be charged back to the supplier at KCC's discretion.

10. Controlled Shipping: If a supplier is unsuccessful in eliminating or containing defective parts at their location, KCC may determine that controlled shipping (CS) is required to control the shipment of defective parts. KCC SQE will notify the supplier to trigger controlled shipping.

10.1. KCC may require the supplier to perform a 100% inspection (CS level 1) of the product in question before shipping to KCC. Parts will be labeled to indicate that such an inspection has occurred. The form of the identification will be shared with KCC prior to shipment.

10.2. When containment of non-conforming product is unsuccessful, then a third-party inspection (CS level 2) may be required by KCC to verify the supplier's inspection. The third-party inspection will be performed at the supplier's expense.

10.3. Exit conditions from controlled shipping will be discussed and agreed upon by KCC and the supplier. They must include a documented root cause analysis and corrective action.

11. Control of Repair and Rework: If defective product is found out in the field or at a KCC facility the supplier will be notified and is expected to cooperate fully with KCC to implement resolution, repairs, and/or rework. This may include compensating KCC for any repair or rework performed or sending supplier representatives to the field or KCC facility to correct the issue. KCC defines "part sorting" at a KCC facility as rework. Any product that is reworked or repaired by the supplier must be identified and traceability information supplied to KCC.

11.1. When rework or repair is required, the supplier must develop written procedures for the rework/repair.

11.2. Only trained personnel shall conduct rework/repair.

12. Problem Solving/Corrective Action: Supplier shall take a systematic approach for root cause analysis based on findings during failure confirmation, review of production and test records, and physical analysis. Applicable methods include but are not limited to 5-Why-Methodology, Ishikawa-Diagrams,8D, FTA, and Process Mapping. Supplier must

identify the root causes for creation, escape, and systemic errors. Supplier must take corrective action to eliminate non-conformities and have a process in place to correct discrepancies found, internally or by KCC. All actions must be validated.

12.1. Supplier must identify similar processes and products that may be affected by the discovered root causes and apply the lessons learned to those other processes and products.

12.2. Suppliers are expected to complete permanent corrective action and preventive actions 30 calendar days from the receipt of the SCAR. The 30-day period is at the discretion of KCC and could be shorter depending on the situation.

12.3. Supplier corrective action must be forwarded to and approved by the KCC SQE

12.4. KCC reserves the right to visit the supplier or sub-supplier site to verify/validate the corrective action.

12.5. If supplier fails to respond appropriately, the supplier may be placed on new business hold and/or may be removed from the "Approved Supplier List".

13. Audits: KCC reserves the right to audit the supplier's facility or any sub-supplier's facility to verify that products being shipped to KCC are made following good manufacturing and quality practices and meet KCC's specifications/expectations. Supplier's personnel, processes, and facilities must be made available as required during an audit. KCC will provide a report of the findings at a closing meeting after the audit is complete. Any non-conformances will need to be addressed and corrected by the supplier. Supplier is expected to conduct internal audits of all elements, aspects, and components pertaining to their quality management system. It is recommended that at a minimum those audits be conducted annually.

14. Supplier Rating: KCC utilizes a customer scorecard process to rate the supplier. Suppliers will be rated on customer service, the number of defects (DPPM), and the number of SCAR's and the response to those SCAR's. The rating is done on a quarterly basis, with an annual cumulative score and shared with the supplier.

14.1. The result of a poor rating may result in the supplier being placed on CS level 1 or CS level 2 containment.

14.2. In extreme cases KCC may choose to terminate the relationship with the supplier due to a poor rating.

15. Record Retention: Supplier records must be retained for a minimum of 3 years. All supplier records must be stored in an environment that does not allow document deterioration and allows them to be readily accessible. Supplier shall make available to KCC all quality related records upon request.

15.1. Supplier must retain the following records, they should include but are not limited to, purchase orders, Control Plans & PFMEA's as applicable, First Articles and PPAP's

as applicable, part drawings and specifications to the correct revision level, device history records, calibration, and training.

15.2. Calibration records must be maintained for the life of all gages and gaging equipment.

16. Approved Supplier List: Conformity to this manual is required for a supplier to be considered for inclusion on the "Approved Supplier List". Suppliers will be admitted to the KCC "Approved Supplier List" based on the assessment of the supplier by KCC and is totally at the discretion of KCC.

17. Packaging, Labeling, Handling, Storage and Shipment: Packaging must be constructed to ensure the satisfactory condition of both the container and contents upon arrival to KCC. All containers must be adequately sealed to prevent loss and/or damage. Packaging material shall provide reasonable protection to insure the prevention of corrosion. KCC expects the supplier to provide guidance on the best way to ship their part(s)/product(s). KCC's goal is to maximize protection for the parts while at the same time minimizing cost. All products are to be labeled with KCC part number and lot information, where practical. For labeling of the individual components reference the Traceability Requirements section of this manual and the KCC procedure KCC Companies Labeling Submission/Approval Process which includes the KCC Labeling Standards Table. All shipping containers must be labeled with the part number and the lot information.

17.1. Packaging requirements are addressed during the quotation process. If there are any changes during supply, the supplier is to review and obtain approval from KCC.

17.2. All suppliers will have a documented system in place for verification of packaging integrity before approval and release for shipment to KCC.

17.3. Air shipments are frequently subjected to rough handling and should be packaged in reinforced containers to prevent loss or damage.

17.4. Packing slips must accompany each shipment and must be affixed to the container and clearly marked.

17.5. Standard KCC pallet is 48" X 40" – exceptions to this must be approved by the receiving KCC facility.

17.6. Maximum pallet height is 5"- exceptions to this must be approved by the receiving KCC facility.

17.7. The maximum height of a loaded pallet is 55" – exceptions to this must be approved by the receiving KCC facility.

17.8. Pallets must be four ways accessible- exceptions to this must be approved by the receiving KCC facility.

18. Delivery: Suppliers must establish a system to support 100% on-time delivery to KCC. Suppliers must notify their KCC purchasing contact of any delivery problem, prior to the products required delivery. Any shipment received after the purchase order required date

will be counted as a missed delivery. When delivery performance trends do not show improvement for 3 consecutive months a formal corrective action may be required.

19. Associated Documents:

- **ISO9001-2015 – International standard that specifies requirements for a quality management system.**
- **ISO/IEC17205 – Specifies the general requirements for the competence to carry out tests and/or calibration, including sampling.**

20. Acronyms:

- **ANOVA – Analysis of Variance**
- **Cpk – Process Capability**
- **CS1- Controlled Shipping Level 1**
- **CS2 – Controlled Shipping Level 2**
- **DFMEA's – Design Failure Mode Analysis**
- **DPPM – Defective Parts Per Million**
- **8D – Eight Disciplines of problem solving**
- **FTA – Fault Tree Analysis**
- **MSA – Measurement System Analysis**
- **NIST – National Institute of Standards and Technology**
- **PFMEA's – Process Failure Mode Analysis**
- **PPAP – Production Part Approval Process**
- **QMS – Quality Management System**
- **R&R – Repeatability and Reproducibility**
- **RMA - Return Material Authorization**
- **SCAR – Supplier Corrective Action Request**
- **SQE – Supplier Quality Engineer**

21. Glossary Terms:

- **Control Plan – It is a method for documenting the functional elements of quality control that are to be implemented to assure that quality standards are met for a particular product or service.**
- **Controlled Shipping – Situation where the supplier must initiate increased inspection prior to shipment of their product or service.**
- **Deviation – A variation that deviates from the standard or norm.**
- **First Article – A design verification process verifying a new or modified production process produces parts that conform to manufacturing specifications.**
- **5 Why Methodology – It is an iterative interrogative technique used to explore the cause-and-effect relationships underlying a particular problem.**

- **Ishikawa Diagram – It is a tool for figuring out the reasons for faults, deviations, or failures in a process.**
- **Lot Number – It is a unique identifier assigned to a batch of items.**
- **Process Flow/Process Mapping – Is a technique used to visually map out workflows and processes. It involves creating a process map also referred to as a flowchart, process flowchart, or workflow diagram.**
- **Repeatability – Is the variation between successive measurements of the same part, same trait, by the same person using the same gage.**
- **Reproducibility – Is the difference in the average of the measurements made by different people using the same instrument when measuring the identical characteristic on the same part.**
- **Serial Number – It is a set of unique identifiers assigned to individual items within a batch of product.**
- **Supplier – An entity that provides goods and services to another organization.**
- **Sub-Supplier – An entity to whom the supplier delegates a function, activity, or service.**

15. Reference Documents:

	New Supplier Survey	Document #:	QLT-ALL-FRM-025
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Survey prepared by: _____ Title: _____ Date: _____

☐ Manufacturer ☐ Service provider ☐ Distributor ☐ Other

Supplier Name_____

Address, City, State, Zip _____

Telephone No. _____ Email Address: _____

Contact Information:

Leadership Contact: _____ Email Address: _____

Quality Contact: _____ Email Address: _____

Sales Contact: _____ Email Address: _____

Customer Service Contact: _____ Email Address: _____

Quality Management System:

IATF-16949 ☐ ISO-9001 ☐ AS9100 ☐

AS9120 ☐ Other ☐

If "Other" is marked indicate the standard/specification the system is based : _____

Is your QMS compliant or certified to this standard? Compliant ☐ Certified ☐

If your QMS is registered by accredited 3rd party please complete this page only and return to KCC with a copy of your current certificate.

If NOT please complete the following section of the New Supplier Survey which applies to all Manufacturers, Service Providers, and Distributors without an accredited certificate.

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Manufacturers, Service Providers, and Distributors Without Accredited Certificate

	YES	NO	N/A
1. Does your company have a QMS?	☐	☐	☐
2. Does your company use any calibrated equipment for measuring, inspection, or testing?	☐	☐	☐
3. Is your calibrated equipment calibrated to the N.I.S.T. standard, at specific intervals, and have a unique I.D./marking?	☐	☒	☐
4. Does your company maintain a system for drawing revision control?	☐	☐	☐
5. Does your company maintain a controlled quarantine area?	☐	☐	☐
6. Does your company have an internal audit program?	☐	☐	☐
7. Are material certifications on file for raw materials and purchased components?	☐	☐	☐
8. Does your company maintain cradle to grave traceability?	☐	☐	☐
9. Does your company use sub-suppliers?	☐	☐	☐
10. Does your company have a system in place to audit sub-suppliers?	☒	☐	☐
11. Do you have a system in place for First Article and/or PPAP submission?	☐	☐	☐
12. Does your company utilize Control Plans, DFMEA, or PFEMA?	☐	☐	☐
13. Does your company have a system to support 100% on-time delivery?	☐	☐	☐

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	YES	NO	N/A
14. Does your company have a RMA procedure /system in place?	☒	☐	☐
15. Does your company have a contingency plan in place?	☐	☐	☐
16. Does your company have a safety program in place?	☐	☐	☐
17. Does your company have a system or mechanism for deviations, engineering and/or process changes?	☐	☐	☐
18. Does your company have a system for continual improvement?	☐	☐	☐
19. Does your company employ the 8D method or some other method for problem solving and corrective action?	☐	☐	☐
20. Does your company maintain all records for a minimum of 3 years?	☐	☐	☐
21. Is there a procedure or process for containing/controlling non-conforming material and products?	☐	☐	☐
22. Is traceability maintained throughout your facility?	☐	☐	☐
23. Does your company have shipping standards/ procedures to ensure the integrity of the product during the shipping process?	☐	☐	☐
24. Will product be shipped from more than one location or facility?	☐	☐	☐
25. Does your company have a system in place for dealing with nonconforming material?	☐	☐	☐

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	YES	NO	N/A
26. Are training records available for all employees for the last 3 years?	☐	☐	☐
27. Has your company implemented a preventative maintenance system?	☐	☐	☐

Note: If you need to make comments pertaining to a specific item above please do so on this page. Please list the item # and the comments out beside it.

Supplier Scorecard

Supplier: **Year:**

Quarter 1

DPPM		Customer Service Rating				Overall Score
5 pts = < 10,000		5 pts = Best		Best	24-25 pts	0
4 pts = 10,001< x <24,999		4 pts =Prefered		Prefered	22-23 pts	
3 pts = 25,000< x <49,999		3 pts = Above Avg		Above Average	20-21 pts	
2 pts = 50,000< x <74,999		2 pts = Average		Average	17-19 pts	
1 pt = 75,000< x <99,999		1 pt = Marginal		Marginal	15-16 pts	
0 pts = > 100,000		0 pts = Failed		Failed	< 14 pts	

Non-SCAR Issues		SCARS Issued		SCARS Completed OnTime		SCAR Score
5 pts = 0 - 1		5 pts = 0		5 pts		0
4 pts = 2		4 pts = 1-2		4 pts		
3 pts = 3		3 pts = 3-4		3 pts		
2 pts = 4		2 pts = 5-6		2 pts		
1 pt = 5		1 pt = 7-8		1 pt		
0 pts = 5 or more		0 pts = 9 or more		0 pts		

Quarter 2

DPPM		Customer Service Rating				Overall Score
5 pts = < 10,000		5 pts = Best		Best	24-25 pts	0
4 pts = 10,001< x <24,999		4 pts =Prefered		Prefered	22-23 pts	
3 pts = 25,000< x <49,999		3 pts = Above Avg		Above Average	20-21 pts	
2 pts = 50,000< x <74,999		2 pts = Average		Average	17-19 pts	
1 pt = 75,000< x <99,999		1 pt = Marginal		Marginal	15-16 pts	
0 pts = > 100,000		0 pts = Failed		Failed	< 14 pts	

Non-SCAR Issues		SCARS Issued		SCARS Completed OnTime		SCAR Score
5 pts = 0 - 1		5 pts = 0		5 pts		0
4 pts = 2		4 pts = 1-2		4 pts		
3 pts = 3		3 pts = 3-4		3 pts		
2 pts = 4		2 pts = 5-6		2 pts		
1 pt = 5		1 pt = 7-8		1 pt		
0 pts = 5 or more		0 pts = 9 or more		0 pts		

Quarter 3

DPPM		Customer Service Rating				Overall Score
5 pts = < 10,000		5 pts = Best		Best	24-25 pts	0
4 pts = 10,001< x <24,999		4 pts =Prefered		Prefered	22-23 pts	
3 pts = 25,000< x <49,999		3 pts = Above Avg		Above Average	20-21 pts	
2 pts = 50,000< x <74,999		2 pts = Average		Average	17-19 pts	
1 pt = 75,000< x <99,999		1 pt = Marginal		Marginal	15-16 pts	
0 pts = > 100,000		0 pts = Failed		Failed	< 14 pts	

Non-SCAR Issues		SCARS Issued		SCARS Completed OnTime		SCAR Score
5 pts = 0 - 1		5 pts = 0		5 pts		0
4 pts = 2		4 pts = 1-2		4 pts		
3 pts = 3		3 pts = 3-4		3 pts		
2 pts = 4		2 pts = 5-6		2 pts		
1 pt = 5		1 pt = 7-8		1 pt		
0 pts = 5 or more		0 pts = 9 or more		0 pts		

Quarter 4

DPPM		Customer Service Rating				Overall Score
5 pts = < 10,000		5 pts = Best		Best	24-25 pts	0
4 pts = 10,001< x <24,999		4 pts =Prefered		Prefered	22-23 pts	
3 pts = 25,000< x <49,999		3 pts = Above Avg		Above Average	20-21 pts	
2 pts = 50,000< x <74,999		2 pts = Average		Average	17-19 pts	
1 pt = 75,000< x <99,999		1 pt = Marginal		Marginal	15-16 pts	
0 pts = > 100,000		0 pts = Failed		Failed	< 14 pts	

Non-SCAR Issues		SCARS Issued		SCARS Completed OnTime		SCAR Score
5 pts = 0 - 1		5 pts = 0		5 pts		0
4 pts = 2		4 pts = 1-2		4 pts		
3 pts = 3		3 pts = 3-4		3 pts		
2 pts = 4		2 pts = 5-6		2 pts		
1 pt = 5		1 pt = 7-8		1 pt		
0 pts = 5 or more		0 pts = 9 or more		0 pts		

YEARLY CUMULATIVE SCORE =	0	Yearly Cumulative Score Scale	Best 96-100 pts Prefered 91-95 pts Above Average 86-90 pts	Average 81-85 pts Marginal 75-80 pts Failed Below 75 pts

Document #: QLT-ALL-FRM-027
Revision: 1.0 Date: 04/18/2023

	First Article/PPAP Submission Process for New and Revised Components	Document:	QLT-ALL-PRO-007
		Revision:	1.0
		Revision Date:	03/29/2023
		Page:	**1** of **3**

1.0 Purpose

1.1 When a new component or revision of an existing component is being sourced from either an existing supplier or a new supplier, a First Article or PPAP maybe specified by KCC. This procedure establishes the expectations, roles, and process for First Article/PPAP requirements and submission.

2.0 Scope

2.1 This procedure is applicable to new components, or revisions to an existing component being sourced from either an existing supplier or a new supplier, if identified as necessary.

2.2 This procedure is not applicable to a one-time purchase or engineering approved deviation due to supply chain issues.

3.0 Applicable Roles

3.1 SQE

3.2 Purchasing

3.3 Quality Technician

3.4 Following departments may also request First Article/PPAP submission:

3.4.1 Production

3.4.2 Engineering

3.4.3 Research and Development

4.0 Definitions

4.1 **First Article** – Supplier submits a one-piece sample for review/approval by KCC. The sample will be 100% inspected for dimensional and product attributes.

4.2 **First Article/PPAP Submission Requirements form** – A sheet sent to the supplier that details the KCC requirements for First Article and PPAP submission.

4.3 **KCC Inspection Data Sheet** – KCC internal data sheet used to record KCC findings of supplier's submitted samples.

4.4 **Production Part Approval Process (PPAP)** – Supplier submitted documentation for a new part or revision of an old part. KCC will specify the level of PPAP and required documentation through the First Article/PPAP Submission Requirements form.

4.5 **Part Submittal Warrant (PSW)** – Contains the part number, part revision, supplier name and address, supplier contact/submitter, and the level of PPAP that is applicable. It also details any other pertinent information being submitted with the data and documentation.

4.6 **Supplier Quality Engineer (SQE)** – Person responsible for final review and approval of First Articles and PPAP submittals.

5.0 Safety

5.1 N/A

6.0 **General**

6.1 Submittal documentation should be sent in an electronic format; if that is not possible printed copies are acceptable. Printed copies must be sent with samples and marked to the attention of the SQE. If the proper documentation is not received with a submission the sample part(s) will be quarantined until the issue is resolved.

7.0 **Procedures**

7.1 A new component or revision of an existing component has been identified as requiring First Article/PPAP; Purchasing will notify the supplier through the purchase order that these are sample parts.

7.2 The SQE will send the supplier a First Article/PPAP Submissions Requirement Sheet specifying what documentation is required with the submission.

7.2.1 If the supplier is sourcing a sub-supplier to furnish the part the documentation will be the same for the sub-supplier as the supplier.

7.3 The supplier submits the samples per the KCC purchase order, and the First Article/PPAP Submission Requirements form. The samples are given to the quality technician for inspection/review.

7.4 First the quality technician will verify that the proper type of documentation has been sent with the samples. Quality technician will use the appropriate parts of the documentation to inspect/review the samples. The KCC inspection results will be recorded on the KCC Inspection Data Sheet.

7.5 When the inspection is complete the quality technician will forward the completed KCC Inspection Data Sheet and all accompanying documentation to the SQE for review. The SQE will review the submitted data/documents and make a disposition to approve or reject the submission.

7.6 The SQE will notify the supplier, purchasing, production, engineering, research & development, and quality of the results of the inspection/review of the samples. If the First Article submission is approved the SQE will send the supplier a signed copy of the inspection sheet. If the PPAP submission is approved the SQE will send the supplier a signed copy of the PSW. With First Article or PPAP approval of the part it can be ordered to the approved revision level.

8.0 **Records**

8.1 Approved PSW

8.2 First Article Documentation

8.3 PPAP Documentation

8.4 Completed KCC Inspection Data Sheet

9.0 **References**

Reference Number	Document Control Number Or File Location	Document Title
1		First Article/PPAP Submission Requirements form
2		KCC Inspection Data Sheet

	KCC Supplier Customer Service Rating Worksheet	Document #:	QLT-ALL-FRM-024
		Revision:	1.0
		Revision Date:	04/18/2023
		Page:	1 of 2

Supplier:	**Rating Scale**	**Failed-Best**	**Q1**	**Q2**	**Q3**	**Q4**
Current Delivery	0 to 5 pts	0-5				
Order Error/Issues	0 to 5 pts	0-5				
Responsiveness	0 to 5 pts	0-5				
Communication	0 to 5 pts	0-5				
Supplier Exceeds Expectations	0 to 5 pts	0-5				
Supplier:	**Rating Scale**	**Failed-Best**	**Q1**	**Q2**	**Q3**	**Q4**
Current Delivery	0 to 5 pts	0-5				
Order Error/Issues	0 to 5 pts	0-5				
Responsiveness	0 to 5 pts	0-5				
Communication	0 to 5 pts	0-5				
Supplier Exceeds Expectations	0 to 5 pts	0-5				
Supplier:	**Rating Scale**	**Failed-Best**	**Q1**	**Q2**	**Q3**	**Q4**
Current Delivery	0 to 5 pts	0-5				
Order Error/Issues	0 to 5 pts	0-5				
Responsiveness	0 to 5 pts	0-5				
Communication	0 to 5 pts	0-5				
Supplier Exceeds Expectations	0 to 5 pts	0-5				
Supplier:	**Rating Scale**	**Failed-Best**	**Q1**	**Q2**	**Q3**	**Q4**
Current Delivery	0 to 5 pts	0-5				
Order Error/Issues	0 to 5 pts	0-5				
Responsiveness	0 to 5 pts	0-5				
Communication	0 to 5 pts	0-5				
Supplier Exceeds Expectations	0 to 5 pts	0-5				
Supplier:	**Rating Scale**	**Failed-Best**	**Q1**	**Q2**	**Q3**	**Q4**
Current Delivery	0 to 5 pts	0-5				
Order Error/Issues	0 to 5 pts	0-5				
Responsiveness	0 to 5 pts	0-5				
Communication	0 to 5 pts	0-5				
Supplier Exceeds Expectations	0 to 5 pts	0-5				
Supplier:	**Rating Scale**	**Failed-Best**	**Q1**	**Q2**	**Q3**	**Q4**
Current Delivery	0 to 5 pts	0-5				
Order Error/Issues	0 to 5 pts	0-5				
Responsiveness	0 to 5 pts	0-5				
Communication	0 to 5 pts	0-5				
Supplier Exceeds Expectations	0 to 5 pts	0-5				

Current Delivery - Supplier is acting in good faith and doing the best they can to deliver product in a timely manner due to current supply chain issues

Order Errors/Issues - Supplier is not shipping defective product, damaged product, product with count errors and/or paperwork issues in significant quantities

Responsiveness - Supplier is reacting quickly to inquiries and/or issues

Communication - Supplier gives quick, detailed, and accurate communication

Supplier Exceeds Expectations - Supplier excels at all the above expectations and intangibles

First Article/PPAP Submission Requirements

Document #: QLT-ALL-FRM-025
Revision: 1.0
Date: 04/07/2023
Page#: 1 of 1

Submitted by:
Supplier Name:
Part Name:
Submitting Department:
No of Samples Required:
Part Number:
Date:

	Requirements	First Article	Level 1	Level 2	Level 3	Level 4	Level 5
		No	No	No	No	No	No
1	Engineering Change Documents	X	X	S	S	*	R
2	Design records of saleable product	X	X	S	S	*	R
3	Customer Engineering Approval	X	X	R	S	*	R
4	Design FMEA	X	X	R	S	*	R
5	Process Flow Diagram	X	X	R	S	*	R
6	Process FMEA	X	X	R	S	*	R
7	Dimensional Results	S	X	S	S	*	R
8	Ballooned Drawing	S	X	S	S	*	R
9	Attribute Results	S	X	S	S	*	R
10	Material Performance Test Results	X	X	R	S	*	R
11	Initial Process Capability	X	X	R	S	*	R
12	Measurement System Studies	X	X	R	S	*	R
13	Qualified Laboratory Documentation	X	X	R	S	*	R
14	Control Plan	X	X	R	S	*	R
15	Part Submission Warrant (PSW)	X	S	S	S	*	S
16	Appearance Approval Report	X	X	R	S	*	R
17	Sample Product	X	X	R	S	*	S
18	Master Sample	X	X	R	S	*	R
19	Checking Aids	X	X	R	S	*	R
20	Records of Compliance	X	X	S	S	*	R
21	Supplier Certifications	X	X	R	S	*	R
S = Submit							
R = Retain at manufacturing location							
X = Not required with submission							
* = Check with KCC for requirements							

	KCC Supplier Quality Alert/SCAR/Supplier Back Charge Procedure	Document:	QLT-ALL-PRO-007
		Revision:	1.0
		Revision Date:	04/07/2023
		Page:	**1** of **4**

1.0 Purpose

1.1 This process details the use of Supplier Quality Alert, Supplier Corrective Action Request (SCAR) and Supplier Back Charge (SBC) forms. These are initiated whenever a significant supplier defect is found that causes KCC to encounter quality issues and/or to incur additional cost.

2.0 Scope

2.1 This process establishes a method to initiate, document, and track Supplier Quality Alerts, SCARs, and SBCs.

3.0 Applicable Roles

3.1 Supplier Quality Engineer- Verifies defects; logs issue, assigns SCAR number, issues Supplier Quality Alert/SCAR notification, and initiates file in Quality Folder; jointly approves SBC; sends the SBC to the Supplier and negotiates any changes; approves or rejects corrective action from Supplier; archives all information pertaining to the Supplier issue.

3.2 Purchasing - jointly approves SBC.

3.3 Supplier - sends corrective action for the SCAR and remits payment for the SBC.

3.4 Accounting - receives SBC payment, processes it, and notifies Q.C. it is complete.

3.5 Information is collected from Production, Shipping, Purchasing, Tech Support, and Quality departments to populate the SBC.

4.0 Definitions

4.1 Significant Quality Issue – is an issue that due to a supplier defect requires KCC to incur extra cost to correct. Input maybe required from KCC Quality and/or KCC management to determine if the issue was significant.

4.2 Supplier Back Charge (SBC) form – it is a form that is used to document and charge the Supplier for the extra cost incurred by KCC due to a significant quality issue

4.3 Supplier Corrective Action Request (SCAR) – request from KCC to the Supplier to do a formal investigation to determine root cause and corrective action of the issue detailed in the Supplier Quality Alert

4.4 Supplier Quality Alert – notification for KCC employees and the Supplier that there is a significant issue that is affecting the quality of KCC units.

5.0 Safety

5.1 Safety glasses, safety shoes, cut sleeves, and cut resistant gloves are needed when in areas of the plant PPE is required.

6.0 General

6.1 When an issue is found at KCC or in the field that is attributable to the Supplier, it will trigger the following:

6.1.1 Issue is logged and a SCAR number assigned

6.1.2 Supplier Quality Alert/SCAR notification are issued

6.1.3 Archive file is created to store information about the SCAR

6.1.4 Initiation of SBC form

7.0 Procedures

7.1 **Supplier Quality Alert**

7.1.1 A significant quality issue is found at KCC or in the field that is attributable to the Supplier; the issue is logged and assigned a SCAR number.

7.1.2 The Supplier Quality Alert is filled out to include the part number/description, description of quality issue, issue/expiration dates, where defect was found, lot numbers effected, and quantity defective.

7.1.3 Details of the defect including photos are attached to the Supplier Quality Alert to illustrate the issue.

7.1.4 Supplier Quality Alert is issued to the KCC Production Group and Supplier Quality department.

7.2 **SCAR**

7.2.1 SCAR is sent to the Supplier with the requirement that it will be completed and returned to KCC within 30 days.

7.2.1.1 Note: The number of days given to complete the SCAR are at KCC's discretion and could be shorter.

7.2.2 SCAR is returned to KCC by Supplier.

7.2.3 Returned SCAR is reviewed by Q.C.

7.2.4 SCAR is either accepted or rejected by Q.C.

7.2.5 If SCAR is rejected by Q.C. that information must be added to the SBC and the SCAR returned to the Supplier for revision.

7.2.6 If SCAR accepted, it is closed and archived by Q.C.

7.3 **SBC**

7.3.1 Information is collected from Production, Purchasing, Shipping, Tech Service, and Quality to complete the Supplier Back Charge form. If there are no items to charge back to the Supplier, it is noted on the SBC and archived.

7.3.2 When there are back charges that need to be sent to the Supplier the SBC form is completed and approved by Purchasing and Quality representatives.

7.3.3 Q.C. sends the SBC to the Supplier for review. If any negotiation is required with Supplier Q.C. will work with them and other KCC departments to come to an agreement. QC. will send revised SBC to the Supplier.

7.3.4 Supplier remits back charges to KCC Accounting.

7.3.5 KCC Accounting processes payment and notifies Q.C. that back charge is complete.

7.3.6 Q.C. closes the back charge form and archives.

8.0 Records

8.1 A file will be created in the Quality Folder on the G-drive. The file name will be the SCAR number. All information pertinent to the SCAR will be archived in this folder.

9.0 References

9.1 See related documents to this procedure listed below:

Document Title	Document Control Number	Steps Where Referenced
Supplier Quality Alert/SCAR Form	QLT-ALL-FRM-003	6.1.2, 7.1/7.1.1, 7.2
Supplier Chargeback Form	KCC-ALL-FRM-023	6.1.4, 7.3
Process Map Supplier Quality Alert/Supplier Corrective Action Request/Supplier Back Charge		N/A

	Supplier Charge Back Form	Document #:	KCC-ALL-FRM-023
		Revision:	1.0
		Revision Date:	10/07/2022
		Page:	**1** of **2**

SCAR # _____ Date Opened: _____

Component Number: _____ Date Supplier notified: _____

Component Name: _____ Lot # / Date Code: _____

Supplier Name: _____

Supplier Contact: _____

Issue: _____

	COST PER / EA	QUANTITY	TOTAL COST	COMMENTS
Purchased Component cost			$0.00	
Transportation /Landed fee			$0.00	
Raw Materials Scrapped (Install and Uninstall)			$0.00	
Detail:				
Labor (Install and Uninstall)	$25.00		$0.00	
$30 / hr per associate				
Line Stoppage / Downtime			$0.00	
Field Issue Support Fee			$0.00	
Expedite fee			$0.00	
Warehouse storage fee			$0.00	
Sorting / Inspection fee	$25.00		$0.00	
$30 / hr per person				
Administrative Fee	$150.00		$0.00	
$150 / SCAR				
Repeat Issue Fee	$200.00		$0.00	
(# Occurrence x $200)				
Late 8D / Corrective Action	$150.00		$0.00	
TOTAL CHARGEBACK			**$0.00**	
Please remit credit memo to KCC Accounting withing 30 days of receipt to prevent short pay of invoices				

KCC Quality _____ email: _____

KCC Purchasing _____ email: _____

SUPPLIER CORRECTIVE ACTION REQUEST

Document #: QLT-ALL-FRM-003
Revision: 2.0
Date of Revision: 10/12/2022
Page # 1 of 1

Issued By:		**Issued :**		**Expires:**	
Issued To:		**Date Assigned:**		**Contact:**	
Part #/Description:					
Issue:					
Where issue was found:					
Lot Numbers Affected:					
Quantity Defective:					
Details:					
SCAR #:		**SCAR Due Date:**			
Containment Action Requirements:					
Note: KCC reserves the right to issue charges back to the supplier in cases were costs are incurred in mitigating a supplier issue					
How will verified stock be identified when shipped to KCC:				**8D Required:**	
8D Received on time:		**8D Approved:**			
SCAR Closed:					
Comments:					

Page 1

	KCC Companies Labeling Submission/Approval Procedure	Document:	PUR-ALL-PRO-001
		Revision:	1.0
		Revision Date:	03/29/2023
		Page:	**1** of **3**

1. Purpose

1.1. To define the labeling requirements and submission/approval process for KCC companies.

2. Scope

2.1. This procedure outlines the labeling standards for skids, boxes/containers, and components received from component suppliers at KCC companies. It also details the steps necessary for label submission and approval, as well as disposition in case of nonconformance.

3. Applicable Roles

3.1. Purchasing will specify the labeling requirements of skids, boxes/containers, and components/assemblies with suppliers – reference KCC Labeling Standards Table.

3.2. Quality will verify the conformance to labeling standards on the initial run of the components by the supplier. Quality will also monitor future shipments for labeling nonconformances. Existing components will be monitored as needed.

3.3. Supplier will agree to labeling requirements and enforce those requirements with any sub-suppliers.

4. Terms

4.1. Part Number – This is the KCC part number, if supplier chooses to also put their internal part number on the part that is acceptable.

4.2. Lot Number – This is the date code as to when the component was manufactured and/or assembled.

4.3. Serial Number – Number showing the position of an item in a series and is used as a means of identification.

4.4. Part Description – A brief explanation of the component.

4.5. Tracking I.D. – Identification of a shipment.

4.6. Purchase Order Number/Order Number – This can be the KCC number for the purchase or the supplier's internal number.

4.7. Manufacturing Date – The date that the component was built and/or assembled.

4.8. Supplier Part Number – The internal part number used by the supplier to identify their product in their facility, if different from the KCC part number.

4.9. Quantity – Number of components in the box/container or on the skid.

4.10. Model Number – Suppliers identification of the component.

5. Process

5.1. The "KCC Labeling Standards Table" shown below will act as a guide to the supplier as to what KCC 's requirements and expectations are when it comes to the different types of labels.

KCC Labeling Standards Table

Label Type	Requirements	Required	Optional
Part	Part Number	Yes	No
	Serial/Lot Number	Yes	No
	Maufacturing Date(If not traceable by Serial/Lot Number)	Yes	No
	Model Number	No	Yes
	Supplier Part Number if different than KCC part number	No	Yes
	Part Description	No	Yes
Box/Container	Part Number	Yes	No
	Serial/Lot Number	Yes	No
	Model Number	No	Yes
	Manufacturing Date	Yes	No
	Supplier Part Number if different than KCC part number	No	Yes
	Part Description	No	Yes
	Purchase Order Number/Order Number	Yes	No
	Quantity	Yes	No
Skid	Part Number	Yes	No
	Serial/Lot Number	No	Yes
	Part Description	No	Yes
	Purchase Order Number/Order Number	Yes	No
	Quantity	No	Yes
	Tracking I.D.	No	Yes
	Weight	Yes	No
	Ship to address	Yes	No
	Ship from address	Yes	No

5.2. The labeling of the skid, box/container, and/or components/assemblies will be discussed with the supplier before the initial shipment and agreed upon with KCC companies. It is the responsibility of the supplier to ensure that any sub-suppliers are labeling their product as agreed upon with KCC.

5.3. Supplier will send samples of the labels to KCC purchasing group electronically for approval prior to the initial shipment of product. These must be sent either in JPEG or PDF format.

5.4. KCC will review the label submission and notify the supplier by email if they have been approved or rejected. If the submission is rejected the supplier must resubmit the labels correcting the issues noted by KCC when they were rejected.

5.5. If the labels are part of a First Article Inspection or a PPAP the copies of the labels must also be sent as part of the documentation package.

5.6. KCC quality will verify the labeling on the initial shipment of product. If any discrepancies are found the product will be quarantined and dispositioned by the Material Review Board(MRB). At KCC's discretion a SCAR may be issued for a root cause analysis and corrective action to the supplier to correct any discrepancies.

5.7. Any changes to the labeling after the initial agreement must be proposed through a process change and presented to the appropriate KCC team members for approval.

6. Records

6.1. First Article or PPAP submission documentation.

7. References

7.1. See reference documents below.

Reference Number	Document Control Number Or File Location	Document Title
1	N/A	KCC Labeling Standards Table

8. Revisions

Revision	Revision Date	Description	Revised By	Process Owned By
1.0	03/29/2023	KCC Labeling Standards	N.Smallwood	Purchasing Manager