



## **Supply Chain Team**

Atlas Manufacturing is proud to partner with qualified suppliers that help us exceed our customers' expectations and have a commitment to continuous improvement. This document outlines requirements necessary to supply parts and services to Atlas Manufacturing.

## **GENERAL REQUIREMENTS**

### **Supplier Selection and Evaluation**

Suppliers are initially selected based on a qualification process that can include review of a survey completed by the supplier, a tour of the supplier's facility and/or an audit of their quality management system. Atlas Manufacturing periodically conducts performance reviews of key suppliers. Suppliers that have repeated or severely poor delivery, quality, customer service or other poor performance are subject to probationary status or losing the business.

### **Confidentiality Agreement**

Atlas Manufacturing requires suppliers to control and treat as confidential all intellectual property and information regarding the parts or services ordered. This information includes, but is not limited to:

- Production process and product design data
- Customer and end user identities
- Blueprints, drawings, technical data
- Electronic drawings and models
- The supplier's involvement in the project and scope of service

In the event of a breach of confidentiality, Atlas Manufacturing is to be notified immediately.

### **Required Documentation**

It is required and critical that a supplier has both a purchase order AND a drawing set from Atlas Manufacturing before processing any order. Do not process any order unless both of those documents are in your possession and you understand the requirements for the order. Process instructions are often times split between the PO and the drawings so be sure to review both for complete process instructions. For example, the drawing may list the type of finish required and the PO may list the masking instructions, certification requirements and packaging instructions. If there are questions, conflicting information or anything is unclear, contact Atlas Manufacturing for clarification BEFORE processing the order.

### **Shipping and Packaging**

Supplied parts must be shipped and packaged to prevent damage and loss. When specific packaging is required, follow the purchase order instructions or drawing instructions. When no instructions exist, it is still the supplier's responsibility to be sure the parts are packed sufficiently to prevent damage or loss during shipment.



Unique part numbers must be packaged so they are clearly segregated. Atlas will not accept skids or boxes that have two or more part numbers mixed in the same box or on the same skid.

### **Labels**

All shipments must be properly labeled with the Atlas purchase order number, part number, revision and quantity. Each separate shipping container (skid, box, crate, etc) should have its own label and be easily seen upon receipt at Atlas.

### **Terms and Conditions**

Suppliers agree to terms and conditions during the qualification process and at the launch of new projects. Atlas Manufacturing expects immediate notification should any terms or conditions be in jeopardy of failure or default, including but not limited to the terms for the delivery schedule, quality requirements and financial stability.

## **QUALITY MANAGEMENT REQUIREMENTS**

### **Nonconforming Material**

All suppliers should have a procedure, preferably written, for handling nonconforming material. Nonconforming material should be segregated and clearly labeled to prevent inadvertent shipment. Atlas Manufacturing expects that suppliers keep records of nonconformances for traceability and feedback into the continuous improvement process.

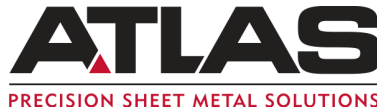
In the event Atlas Manufacturing receives nonconforming material, the responsible supplier is expected to supply return authorization or disposition within 24 hours or sooner, arrange and pay for return freight as needed and expedite the corrective action process as needed to get back on schedule. The supplier may be required to sort or rework material at Atlas Manufacturing if necessary to make parts available for production or shipment.

### **Supplier Corrective Action Process**

In the event of a nonconformance, a formal Supplier Corrective Action Report (SCAR) is sometimes required as deemed necessary by Atlas Manufacturing. A detailed and timely written response from the supplier is expected that explains a description of the problem, the root cause, short and long term corrective action, and verification that the corrective action is complete and effective. Atlas Manufacturing can provide the SCAR template, or suppliers can use their own form if it contains the necessary information.

Nonconforming or discrepant material shipped from a supplier is a major issue and often times results in production delays, disassembly/sorting/rework costs, expedited shipping costs, indirect/administrative time, field repair, replacement of assemblies or weldments and customer dissatisfaction that far exceed the cost of the part or service provided.

Suppliers are held financially responsible for the additional costs that Atlas Manufacturing incurs.



### **Project/Production Qualification**

Depending on the product or service provided and the effect it has on the quality of products Atlas Manufacturing provides, some of the requirements for the supplier may include completing a First Article Report, a sample/prototype order, a process capability study and/or an Atlas Manufacturing representative may observe the production and inspection process at the supplier's facility.

### **Quality Plan and Process control**

Suppliers must have documented plans for any required incoming inspection, process controls, manufacturing methods, in-process inspection, final inspection, testing, packaging and shipping. Atlas Manufacturing encourages the use of quality tools for process control, including control plans, statistical process control, process failure mode and effects analysis, gage R&R studies and reaction plans for nonconformances or out of control conditions.

In some cases, a certificate of compliance will be required as evidence that requirements are met. Examples when this might be necessary are for RoHS compliance, DFARS compliance, military specifications for plating, or compliance to other specific customer requirements.

### **Revision History**

Rev Date	Rev Level	Reason for Change	Approval
7/17/08	0	Initial Issue of Document	Jay Frost
12/8/10	1	Added signature page	Jay Frost
10/5/11	2	Updated logo	Jay Frost
12/9/11	3	Changed name to Atlas Adhan throughout	Jay Frost
12/12/14	4	Updated logo and name	Jay Frost



I have read and agree to the requirements outlined in the Supplier Assurance Manual from Atlas Manufacturing.

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Company/Title: \_\_\_\_\_

Date: \_\_\_\_\_