

## CERTIFIED SUPPLIER PROGRAM

### 1.0 PURPOSE

To establish quality requirements for the selection, implementation and maintenance of the Certified Supplier Program.

### 2.0 SCOPE

This procedure applies to suppliers that have been selected to participate in the Certified Supplier Program that will become a joint effort between Eaton and selected suppliers. This program will enable Eaton to stock received material without additional evaluation of product.

### 3.0 APPLICABLE DOCUMENTS

QCP 5.7	<a href="#">Vendor Survey and Audit Procedure</a>
QCP 5.8	<a href="#">Quality Requirements for the Suppliers Base</a>
SOP 52-10-011.1-00-001	<a href="#">Supplier Request for Material Review Board Action</a>
ARG-3322	<a href="#">Supplier Corrective Action Request</a>
ARG 909	<a href="#">Certified Supplier Material</a>
ARG 994-275S	<a href="#">Stock Label</a>
FC 9333	<a href="#">DSQR Documentation Review</a>

### 4.0 DEFINITIONS

- 4.1 Certified Supplier - A supplier whose proven history of meeting Eaton FMC, Euclid quality requirements has enabled them to be authorized to self-release material and/or services to the purchaser.
- 4.2 Certified Supplier Board - A board consisting of representatives from Eaton's Quality Assurance and Purchasing to review and recommend potential candidates for the Certified Supplier Program.
- 4.3 D.S.Q.R - Designated Supplier Quality Representative is a supplier representative that has been empowered/authorized to self-release material and/or services to the purchaser. The self-release is validated on the shipped products being processed and controlled within the supplier's quality system as required by Eaton's quality control procedure QCP 5.8.
- 4.4 System Corrective Action Request - A request for corrective action as a result of a major failure in the suppliers quality system which results in the inability to satisfactorily meet the Eaton quality requirements for self release of materials and or services.

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## 5.0 SELECTION

5.1 The Certified Supplier Board will consider recommending potential candidates for the program; however not prior to a minimum of one year of deliveries.

5.2 Consideration for acceptance in this program will be based upon, recognition for superior performance in the following categories:

- Product Quality/DPPM (To be determined based on part complexity)
- Delivery
- Responsiveness to Eaton's needs (response to corrective action requests, etc.)
- Support structure (quality, design, service, engineering, etc.)
- Commitment to continuous improvement.

5.3 Selected suppliers must realize that it will be the supplier's responsibility to implement a management approach that will result in continuous quality, productivity and cost improvements.

5.4 Benefits of being a Certified Supplier are:

- Improved product quality and productivity
- Reduction of costs
- Reduction of inventory
- Shorten lead-time/elimination of shipping delays
- Promotes teamwork and pride in workmanship

## 6.0 PROCEDURE

6.1 Suppliers are selected per section 5.0 and are invited to participate in the program by the Certified Supplier Board.

6.2 Upon acceptance of the invitation to participate in the program, the selected suppliers will appoint a DSQR candidate and alternate(s).

Note: DSQR alternates shall actively participate in this program with involvement when issues are found on any of Eaton product or certification.

6.2.1 The supplier shall submit a résumé for each DSQR candidate to the Eaton Certified Supplier program administrator. The résumé should represent of the person's experience and qualifications for the position. It is subject to Eaton review and approval.

6.3 The following are responsibilities of the DSQR:

- Serve as Eaton Quality point of contact for quality related issues.
- Assure castings meet the general casting requirements (machining suppliers).
- Assure material meets Eaton requirements (product acceptance).
- Serve as a focal point for implementation of continuous improvement process.
- Perform documentation review, verify certifications, process, inspection and test data is complete and correct.
- Complete DSQR Documentation Review (form FC 9333).

- When the suppliers' own check sheet covers all items on form FC 9333, this may be utilized instead.

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- Verify all listed discrepancies to be the same as reported on MRBA form (Requirements per SOP 52-10-011.1-00-001).
- Perform or witness First Article Inspection (FAI). Maintain FAI records and data (Machined components only).
- Document nonconformances identified and corrective actions implemented while performing DSQR responsibilities.
- Answer Corrective Action Requests (CAR's) when required.
- Implement and verify corrective actions.
- Conduct or assist product audits with or without Eaton assistance.
- Apply DSQR stamp to all verified supporting documentation.

The following applies to non-consignment inventory only:

- Complete and apply stock (ARG 995-275S) and Certified Supplier Material (ARG-909) Labels to containers.
- Attach certification package envelopes to containers.

6.4 The DSQR candidates will be trained at Eaton or the Suppliers own facility. The candidates will be given a Designated Supplier Quality Handbook to be used as a training and reference guide. The training agenda will include the following:

- Review of Eaton's specifications, procedures and documentation requirements.
- Review of Eaton's test material requirements
- Shipping preparation (Stock and Certified Supplier Material labels)

6.4.1 The candidates will be evaluated by examination to verify their familiarization with Eaton procedures and requirements.

## **7.0 EVALUATION OF SUPPLIERS**

7.1 Supplier and DSQR evaluation will be performed by Eaton Quality during "trial" source inspection visits. A variety of both "complex" and "simple" parts shall be presented during these visits.

7.1.1 Prior to the "trial" source inspection visits the DSQR candidates will perform all applicable DSQR responsibilities including the following:

- Assure product meets Eaton requirements.
- Verify all purchase order requirements are completed and correct including certifications, testing, layout, sectioning, etc.
- Prepare product for shipment.

- 7.1.2 During the "trial" visits, Eaton Quality will audit the DSQR candidate's performance to verify conformance and address areas which may require more instruction. Three consecutive source inspection visits without discrepancies will indicate satisfactory performance by the DSQR candidates.
- 7.1.3 During the "trial" visits, Eaton Quality will review the suppliers procedures and work instructions to assure Eaton's "quality concerns" are addressed.
- 7.1.4 Upon successful completion of the Eaton Training evaluation the candidate supplier and DSQR will have the following performed:
- 7.1.5 The DSQR and alternate will be awarded a certification indicating they have met the requirements established by Eaton for becoming a DSQR.
- 7.1.6 The DSQR will be assigned acceptance stamps which will indicate they have verified compliance to all Eaton requirements. The application of this stamp is to be on the following supporting documentation; (certificate of conformance, MRBA's, and stock labels.)
- 7.2 Certification Award
- 7.2.1 After successful completion of the training and evaluation, Eaton Quality will notify the Certified Supplier Board, that the supplier has met the requirements for becoming an Eaton Certified Supplier.
- 7.2.2 The Quality Department will update the "AVL" Approved Vendor List, indicating the supplier's status as a Certified Supplier.
- 7.2.3 The Purchasing Department will change the supplier's status on future and amended current purchase orders, thereby allowing dock to stock of the applicable product.
- 7.2.4 The supplier will formally be awarded a plaque signifying their participation in this program.

## **8.0 MAINTENANCE OF SUPPLIER CERTIFICATION**

- 8.1 The Corrective Action Board (CAB) will monitor the supplier's performance to assure it is satisfactory.
- 8.2 Product Conformance Audits

A Product Conformance Audit may be conducted when indications warrant that they are needed. Such indications may include:

- Increased Corrective Action and / or MRBA Activity
- Change in DSQR personnel
- Increase in new program activity

### 8.3 Major Escapes

- 8.3.1 The Corrective Action Board (CAB) will issue corrective actions when escapes are identified. Major escapes will necessitate a minimum of two source inspections at the supplier or two Certified Supplier Escape Audits at receiving inspection on the next two receivals.
- 8.3.2 Escape audits will be performed at Eaton Corporation and will consist of a certification review, dimensional and visual inspection. The results will be recorded on the audit form. Escape audit findings will be addressed by requesting corrective action with CAR Form ARG 3322.
- 8.3.3 Additional Escape Audits or Source Inspection may be performed depending on Escape Auditor or  
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Source Inspection results.

8.3.4 Certified Supplier Status will be updated as required.

8.4 Supplier DSQR Training Program Requirements

8.4.1 The following requirements apply when a supplier requests certification of a new DSQR.

8.4.1.1 The supplier shall select a DSQR designee and submit a detailed résumé to Eaton for review and approval.

8.4.1.2 The supplier shall submit a training plan to the administrator for the DSQR designee. The training is to include over inspection of at least three consecutive lots. This training plan is subject to Eaton review and approval.

8.4.1.3 After approval of the designee and training plan, the supplier must perform the training then notify Eaton when the training has been completed.

8.4.1.4 The administrator will interview the candidate and, when the administrator is satisfied that the trainee has been adequately prepared for his responsibilities administer an examination. The candidate must receive a passing grade on the examination. A grade will be considered “passing” only if the candidate answers at least 80% of the questions correctly.

**9.0 TERMINATION**

9.1 Termination of a specific DSQRs' status can be subject to one or more of the following.

- Repeated failure to comply with Certified Supplier Program.
- Intentional or repeated unauthorized release of material.
- Failure to maintain DSQR duties and responsibilities as required by the purchaser.
- Transfer to job responsibilities outside of Quality Control.
- Termination of employment with the supplier.
- Termination of the Certified Supplier Program at Supplier.

9.2 Termination of the certified supplier status (De-Certification) will be based on the following:

- Repeated failure to comply with Certified Supplier Program
- Intentional or repeated unauthorized release of material.

9.2.1 The supplier will be notified of the cause for de-certification, and will be instructed to return stamps. Supplier to be instructed to suspend use of certified supplier and stock labels. Subsequent shipments will be subjected to source inspection or Eaton receiving inspection.

9.2.3 After a supplier is de-certified, the decision to recertify that supplier will be made by the Certified Supplier Board. If the decision is made to pursue recertification, the supplier must submit a plan detailing remedial steps to be taken by the supplier to warrant recertification. The recertification process shall include on site training of DSQRs at Eaton Corporation.