



**Table of Contents:**

- 1. Commitment to zero defects and error-proofing
- 2. Quality, Value, and Responsiveness (QVR)
- 3. Remy Inc.'s Procedures
- 4. Advance Product Quality Planning
- 5. Changes
- 6. Production Quality
- 7. Tier 1 Responsibilities
- 8. Process Failure Mode and Effects Analysis (PFMEA)
- 9. Supplier Performance Measurement (SPM)
- 10. Production Trial Run
- 11. GP-12 Early Production Containment
- 12. Remy Inc. Chargeback System
- 13. Pre-Award Meeting

***After reviewing Remy Inc.'s Supplier Quality – Statement of Requirements (pgs. 2-5), please sign and return this page with your quotation package to the appropriate REMY INC. Commodity Manager.***

Supplier Name: \_\_\_\_\_

Supplier Manufacturing Location: \_\_\_\_\_

Bid Package consists of the following types of parts: \_\_\_\_\_  
\_\_\_\_\_

RFQ #: \_\_\_\_\_

We have read and comprehend the information contained within this document.

Reviewed by:

_____	_____	_____
Printed Name	Signature	Date

_____	_____	_____
Title	Phone #	Fax #

**1. Zero Defects**

Remy Inc. operates with an “error-free” philosophy to support a goal of ZERO DEFECTS in all products and services. All suppliers are expected to supply parts to Remy at a Zero Defect performance level. Remy Inc. does not recognize Acceptable Quality Levels (AQL). The recognized objective is ZERO DEFECTS.

Funding should be identified in the initial quote and subsequent quotes to reflect all error occurrence prevention (poke yoke, error proofing devices, etc). Controls implemented at a later date are the financial responsibility of the supplier.

**2. Quality Value and Responsiveness (QVR)**

- All suppliers to Remy Inc. must be in compliance with REMY INC. quality requirements, which are based on QS-9000/TS 16949 requirements. A REMY INC. Supplier Quality Engineer will conduct a QVR audit at your manufacturing facilities and your sub-contractor facilities. All suppliers must pass the QVR audit prior to the sourcing decision. This is an extensive, one day evaluation of suppliers’ quality and manufacturing methods based on QS-9000/TS16949 Quality System Assessment.
- The QVR assessment is a mandatory requirement for all manufacturing facilities to conduct business with Remy Inc. The minimum allowable score is 75.
- Suppliers that do not meet Remy Inc. minimum QVR score requirements implement approved corrective action plans prior to a final sourcing decision. Suppliers achieving a score of 75 or higher, but less than 85, will be expected to submit a plan, within 30 days, for improving their score. The Remy Inc. Sourcing Committee will determine the required date for final implementation of the improvement plan. In no case will this timing exceed 180 days. In all cases where improvement is required, the Remy Inc. supplier quality organization will perform a follow-up audit to approve implemented corrective actions.
- It is preferred that suppliers to Remy Inc. have a TS16949 registered quality system. However, all suppliers must have an ISO9000:2000 registered quality system at a minimum; this should also include an active plan for achieving TS16949 registration.
- Suppliers that sub-contract heat treatment and plating operations will be required to prove these sub-contractors are ISO 9000-2000 registered, ISO14001 registered and must pass a QVR audit.

**3. Remy Inc.’s Procedures**

- Suppliers are to adhere to the requirements contained in the following documents:
  - Advanced Product Quality Planning and Control Plan Reference Manual (AIAG)
  - Potential Failure Mode and Effects Analysis (FMEA) Reference Manual (AIAG)
  - Key Characteristics Designation System (KCDS)
  - Measurement Systems Analysis (MSA) Reference Manual (AIAG)
  - GP-11 General Procedure for Pre-Prototype and Prototype Material (GM-1820)
  - Statistical Process Control (SPC) Reference Manual (AIAG)
  - Production Part Approval Process (PPAP) Manual (AIAG)
  - Remy Inc. Production Trial Run
  - GP-12 Early Production Containment
  - GP-9 Run @ Rate
  - Remy Inc. Supplier Performance Measurement (SPM)
  - Remy Inc. Supplier Chargeback System for Problems Verified as Supplier Originated
  - Remy Inc. Pre-Award Meeting

**4. Advanced Product Quality Planning**

- Suppliers must use an advanced product quality process that follows the APQP project plan and ensures production readiness with parts that meet 100% of the products specifications.
- Suppliers are expected to complete all elements of the APQP process to ensure all program benchmarks are met, and provide the Remy Inc. Supplier Quality Engineer (SQE) with a timing chart that adequately reflects the timing of APQP Project Plan deliverables (Tooling, Fixtures, GP-11, PFMEA, Control Plans, PPAP, Run @ Rate, etc).

## 5. Changes

- Suppliers and their sub-contractors must notify the Remy Inc. Supplier Quality representative and submit for part approval prior to implementation of a change (refer to AIAG PPAP Manual). Notification of any and all changes to the product or processes used to in the manufacture of product supplied to Remy is MANDATORY; this provides the opportunity for Remy to be compliant with any customer-specific requirements regarding change management (e.g. DaimlerChrysler (DCX) 'Forever Requirement').
- Production part approval is always required prior to the first production shipment of product in the following situations:
  - Product modified by an engineering change to design records, specifications, or materials.
  - Use of another optional construction or material than originally approved.
  - Production from new or modified tools (except perishable tools), dies, molds, patterns, etc, including additional or replacement tooling (Partial or complete).
  - Production following refurbishment or rearrangement of existing tooling or equipment.
  - Production following any change in process or method of manufacture.
  - Production from tooling and equipment transferred to a different plant location or from an additional plant location.
  - Change of source for subcontracted parts, material, or services (e.g. heat treating or plating).
  - Product re-release after the tooling has been inactive from volume production for six months or more.
  - Following a customer request to suspend shipment due to a supplier quality concern.

## 6. Production Quality

- All suppliers are expected to have the base manufacturing capability (Ppk/Cpk) to support zero PPM and complete (100%) conformance to Remy Inc. drawing specifications.
- All suppliers are expected to supply parts to Remy Inc. with zero non-conformances. Suppliers' must include funding for error proofing and quality assurance cost as a part of their component price (poke yoke, error proofing devices, etc) and defect outflow detection and feedback (in-process and subsequent inspection).
- Should a problem occur, suppliers are required to implement effective and immediate spill containment and comply fully with the Remy Supplier Corrective Action Request (SCAR) requirements and any 'Controlled Shipping' activity that may result.
- *In the event that non-conforming product is shipped to Remy Inc., and root cause analysis determines that the problem originated at Remy's Tier 1 supplier (or any sub-contractor or raw material provider to the Tier 1 supplier), Remy Inc. will charge the Tier 1 supplier for all costs necessary to remedy the problem and to restore supply of conforming material to Remy's customer(s).*
- *The cost associated with the non-conforming material will be documented and presented to the Remy's Tier 1 supplier.*

*Examples of recoverable costs include (but are not limited to):*

- *Sorting or rework of non-conforming product*
- *Downtime of productive personnel at our facility and our customer(s)*
- *Premium freight to replace non-conforming product*
- *Receiving inspection and on-site inspection activities*
- *Charges assessed to Remy Inc. by Remy Inc. customers as a direct result of the non-conforming material*
- *Other charges Remy INC. may incur as a direct result of supplier originated quality spill.*

In Summary:

- **100% Conformance to specification (100% to print, 100% of the time)**
- **100% On-time delivery (ship window compliance)**
- **100% Delivery in full**

**7. Tier 1 Responsibilities**

- The tier one supplier is responsible for implementing and adhering to AIAG and requirements based on REMY INC. procedures (see list of procedures on page 1) for all components of the assembly.
- Tier one suppliers have the responsibility to ensure that PPAP and Run @ Rate are performed for all incoming components.
- The tier one supplier must ensure that fixtures are procured in a timely manner to meet major program benchmarks (i.e. first shots or hits, GP-11 events, functional evaluations, and PPAP). Supplier must, at a minimum, have a CMM (coordinate measurement machine) holding fixture available for the inspection of first parts off prototype and production tooling, unless otherwise approved by Remy Inc. Supplier Quality.
- Supplier must attach dimensional results for a new PPAP that is verified by the supplier and an accredited third party laboratory. (For example: 100% casting and dimensional data per cavity)
- Supplier must identify process flow for the manufacturing of quoted components. This process flow must include manufacturing process and quality control methods for all manufacturing locations including primary, secondary, and any other manufacturing locations.

**8. Process Failure Modes and Effects Analysis (PFMEA)**

- Suppliers must do the Following:
  - Initiate a PFMEA, prior to sourcing, as parts of the bid package. This preliminary PFMEA should include critical error prevention and defect outflow detection ideas and consider any lessons learned from previous programs and/or similar part or component designs.
  - Integrate simple and inexpensive devices into the process to help prevent and detect errors.
  - Prepare the PFMEA with input from a multi-disciplinary team. (Assembly, Manufacturing, Materials, Quality, Service, etc)
  - Ensure that the current process controls and results of the recommended action on the PFMEA are listed on the control plan.
  - If the process, material or manufacturing location has changed, revise the PFMEA and re-evaluate the effect on severity, occurrence, and detection.
  - PFMEA must include the normal production flow of parts that includes all processes from receiving to shipment of parts.
- Suppliers must develop and implement RPN reduction plans and strive to continuously reduce RPN through the use of error occurrence prevention and defect outflow detection.
- Supplier must update PFMEA, Control Plan, Process Flow, and Operator Instruction Sheets to reflect changes to current process controls resulting from continuous improvement activities and/or discrepancies identified at Remy Inc. customer/manufacturing locations.

**9. Supplier Performance Measurement (SPM)**

- REMY INC. will apply this common approach to monitor supplier performance for all suppliers related to REMY INC. internal or external customers. Our Supplier Quality Assurance team will provide a monthly SPM score based on weighted measures of all REMY INC. suppliers. The plant resident Supplier Quality Engineer, SQE, will issue a 7 Step Corrective Action Report to a supplier providing non-conforming product and require a immediate containment and 24 hour interim corrective action. This new process will help us identify our value-added suppliers for future sourcing decisions. At the plant level, we will measure, track, and report supplier performance in the following terms:

**SPM = (PPM Score + Downtime + Delivery + Sort/Rework + 7-Step SCAR) x Response Rating x Discovery Location**

- PPM Score - Parts Per Million (Number of defective parts / Number of parts delivered x1M) x 0.10
- Downtime - Actual downtime labor man/ hours
- Delivery - Number of occurrences for late, over, under, or early
- Sort/Rework - Labor Man Hours for sort/rework
- 7 Step SCAR - Actual number of 7 Step Corrective Action Reports issued to the supplier
- Response Rating - Allow SQE to input their perspective on Suppliers responsiveness
- Discovery Location - Point at which the defect is found

**9. Supplier Performance Measurement (SPM), continued**

• **RESPONSE RATING**

- 0.5 =   ➤ Pro-active in following REMY INC. procedures
  - Communicates non-conformities prior to problem arriving at REMY INC. internal and/or external customer facility
  - Meets timing requirements on or before target dates
- 1.0 =   ➤ Meets REMY INC. procedures when requested
  - Initiates containment once discrepancy is discovered
  - Meet timing commitments
  - Provides on-site support when required
- 1.5 =   ➤ Fails to meet REMY INC. procedures
  - Slow to acknowledge non-conformities and requires excessive communication to initiate action(s)
  - Fails to meet timing commitments
  - Supplier on Controlled Shipment Level 2
- 2.0 =   ➤ Supplier continuously fails to contain issues
  - Supplier on New business Hold

• **DISCOVERY LOCATION**

- 1.5 = Prior to point of use
- 2.0 = During Manufacturing
- 3.0 = Final Test
- 4.0 = At Customer (Remy's)
- 5.0 = Warranty

**10. Production Trial Run (PTR)**

- Production Trial Runs are performed to validate build capability and to minimize lost units during the start of production. New supplier products are assembled at REMY INC. manufacturing facilities prior to the start of production. Suppliers are given a written authorization to ship parts and PPAP is given Full Approval only after a successful PTR process has been completed.

**11. GP-12**

- Supplier is required to follow GP12 procedures during the initial 90 days of production.

**12. Remy Inc. Chargeback System**

- REMY INC. will debit all associated costs to the appropriate Tier I Supplier for non-conformances verified as a Supplier Quality issues. The associated costs could include (but is not limited to), sort / rework, downtime, premium freight, receiving inspection activities, and other charges REMY INC. may incur as a direct result of supplier originated quality spill.

**13. Pre Award Meeting**

- Prior to award of new business, REMY INC. suppliers will meet with REMY INC. Supplier Quality, Manufacturing Engineering, Product Engineering, Packaging Engineering, and other team members to discuss design and quality expectations.
- This meeting will be held at REMY INC. Headquarters to insure that Supplier Representatives and REMY INC. team members can share experience and resolve manufacturing / design issues prior to PPAP.