



# **Supplier Requirements Manual**

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## **I. Introduction**

The contents of the Supplier Requirements Manual are in addition to and an elaboration of the terms and conditions contained in the TDI QMS, the Supplier Terms and Conditions Document (Latest Edition) Purchase Orders and other binding legal agreements entered between the parties relating to the supplier relationship (Supplier Contract(s)). To the extent that a conflict or ambiguity may arise between the Terms and Conditions of the TDI Purchase Orders and the contents of the Supplier Requirements Manual, the order of precedence shall be: 1) the TDI Purchase Order(s) and 2) the SRM (Supplier Requirements Manual) as well as 3) the Terms & Conditions of the sale or contact the buyer as listed on the purchase order for further direction.

Please review and understand this manual. It is your responsibility as the supplier to determine if any printed copies are at the correct revision level as listed on the TDI website. It is considered a proprietary document and should not be made available to anyone outside your company.

### **References:**

The following publications will help in better understanding the requirements established in this manual.

- ISO-9001 Standard, latest edition
- Aerospace SAE AS-9100 Standard, latest edition
- AS-9102 Standard, latest edition

## Section 1

### Quality System Requirements

#### 1.0 Shared Responsibilities between TDI and its suppliers

- 1.1 TDI will provide the purchasing requirements for purchased materials and services. This information includes specifications and record requirements that are part of the normal flow down requirements from our customers through TDI to you, the supplier.
- 1.2 Changes to our purchasing requirements will be documented and communicated to you in a timely manner by the buyer listed on the purchase order. ***No verbal revisions to purchase order or document requirements will be honored nor should they be accepted by you the supplier.*** Only the listed buyer or TDI Management Personnel have the authority to make revisions to the purchase order in anyway.
- 1.3 Adequate lead time will be given to fill the purchase requirements as agreed to and outlined in our purchasing documents. The lead time and due date must be strictly adhered to and can only be changed with documented approval from TDI Purchasing Representative.
- 1.4 Suppliers will be provided with feedback information regarding nonconformance and late deliveries. All non-conformances and late deliveries will be included in our supplier monitoring system.
- 1.5 Suppliers are strictly forbidden to entice, bribe or supply unreasonable gifts to any employee of TDI at any time.

#### 2.0 Supplier Evaluation System

- 2.1 All critical suppliers are perpetually monitored for Performance on Delivery and Quality as agreed to in the purchase order accepted by the supplier. The purchasing documents form the basis for the specific product, quality and delivery requirements including price. This is monitored for suppliers of Raw Materials, Outsourced Services and Components or affecting product quality.

2.2 The initial evaluation system begins with the communication of your capabilities to TDI Purchasing or Quality Manager. This information can include such items as:

- Information as outlined in the “New Supplier Approval Packet”
- Certifications and accreditations by third part certification bodies
- Customer feedback and audit results
- Equipment lists with capacities
- Brochures & Contact information or contact lists
- Samples of product with inspection records
- Capabilities and Processes you employ in your organization
- Status regarding your Quality Management System compliance.
- Financial documents and forms.

This information will assist us in categorization as a “Potential Aerospace or Commercial Supplier”. As of January 1, 2021, we require all “Aerospace Content Suppliers” to be compliant and preferably registered to at least ISO-9001 Quality System Standard. As an Aerospace AS-9100 supplier, we are required to use only top-Quality Suppliers and we trust this is your goal also. Compliance to ISO-9001 or Aerospace AS-9100 requirements is evident by Third Party Certification. If your organization is identified as a “Potential” Aerospace Supplier and you are not registered, an onsite audit will be performed by our Quality Manager to ensure conformance is complete to the applicable standard latest edition.

2.3 Suggestions for improvements to existing products can be submitted to the buyer as listed in the Purchase Order. The information will be submitted to the Design Personnel for review.

### 3.0 On-time Delivery

3.1 Due dates as listed on the Purchase Order or purchasing information communicated to you are the date(s) the order / material is due on the dock at the location listed on the Purchase Order and **not the ship date out of your facility**. You are required to meet the date as listed or to communicate problems or delays to the buyer listed on the purchase order as soon as determination is made the delivery date will not be met for any reason.

3.2 Late deliveries will require the supplier to furnish TDI Buyer:

- 1) A new firm delivery date
- 2) Reason for the product or service being late
- 3) If requested, formal corrective action

3.3 Continuous, on-time delivery of purchased products and outsourced services is critical to TDI in order to meet our customers’ needs and expectations.

#### **4.0 Supplier Quality Performance Communication**

- 4.1 All products received at TDI are expected to be as specified on the purchase order/requisition and other related prints, drawings and specifications. Drawings are listed on each purchase order and can be obtained from TDI or other government or commercial agencies that publish and control the documents.
- 4.2 Certificates of Conformance must contain the following information:
- Raw Material: certifications must include the applicable specification for the material being purchased. Chemistry and physical property results are also a requirement for inclusion into the certification.
  - Processes with measurable results (plating, painting, heat treating, etc.): Certificates must specify in detail the standard/specification used, i.e. Specification, type, grade, class, etc.; and the actual measurement results in a range to record and document the conformance to specification.
  - Inspection Reports to the assigned drawing.
  - All Certifications and C of C's are to be attached or included with the Packing Slips.
  - All Quality directed QAR's (Quality Assurance Requirements) adhered to as flowed to our supplier based on our customer or TDI specific requirements.
- 4.3 TDI will notify your organization of defective material that is identified during receipt or processing at our facility and its disposition. Internal NCMR's (Non-Conforming Material Reports) are issued to the Purchasing Personnel and are tracked for action and closure by Quality Personnel. Quick decisive action is expected to mitigate the effects of the nonconformance. Purchasing will require the corrective action taken to be detailed and communicated in writing. It is critical that products conform fully to the purchase order, drawing and related specifications. It is expected that your organization controls processes and performs required inspections to products to ensure that all products meet or exceed requirements.
- 4.4 Formal "Corrective Action" in response to nonconformance is not considered a "punishment" but rather a tool in determination of root cause. Application of Corrective Action will include documentation from your organization as to what will be done to correct the nonconformance and prevent a recurrence. All Corrective Action will be reviewed by Quality Management Personnel who will work with the supplier and the TDI Buyer to ensure the issue has been properly and completely addressed.

- 4.5 Debits may be issued for any rework, materials, or premium freight costs that are incurred by TDI due to the nonconforming issues for delivery or product quality.
- 4.6 All TDI Customer Requirements that require flow down to our suppliers will be listed in the purchasing information to the supplier and QAR's. All documented requirements are to be followed and if you have questions or issues the Buyer is to be notified of any conflict or issues. These requirements are further outlined in Section 15 of this manual.

## 5.0 Supplier Performance Monitoring System

- 5.1 All Suppliers who supply raw materials, outsourced services, calibrations, testing and component parts will be perpetually monitored to evaluate performance. Our "Approved Supplier Lists" is reviewed on a routine basis to identify suppliers who are having recurring issues regarding delivery and nonconforming product or any contractual issues.
- 5.2 Three issues in quality or delivery for a rolling three-month period will put the supplier in a "Probationary" status with regard to the Approved Supplier Listing and also requires documented action by the supplier to correct the issue. Six successive orders are tracked for performance and if the issues are not resolved the supplier is put on a "Do Not Use" status.
- 5.3 Failure to correct poor performance will result in removal from the active supplier list, and future purchases will be suspended. Good performance results in a lasting relationship and future business with TDI. If at any time you feel that a nonconformance has been unjustly issued, please contact the Purchasing Representative at TDI.

## 6.0 Resolution of Drawing / Print Discrepancies

- 6.1 If there are discrepancies in any of the purchase requirements or related documentation, please contact the Purchasing Representative authorizing the purchase for resolution or clarification. Do not assume you have the answer or can correctly determine the information content in our behalf. A careful review of the purchase order, specifications and related purchasing information is imperative on your part with all issues communicated to our Purchasing Representative. **Resolution of the issue direct with TDI Staff outside of the named Buyer on the PO is not allowed.** It is the supplier's responsibility to control drawing revision levels and specifications. If there are any questions, it is better to ask the question than to proceed with incorrect information. The drawing revision, specification revision levels are communicated to your organization in the purchasing documentation.

## 7.0 Rejection/Nonconformance of Purchased Product

7.1 If TDI rejects purchased product or service because of nonconformance to specification or drawing requirements, we will communicate the issue via a “Non-Conforming Material Report” or a “Corrective Action Report” to address the action needed, which may consist of:

- Return to the supplier for rework
- Return to the supplier for scrap
- Authorization to scrap product at TDI and replace at credit cost.
- Sorting onsite at the TDI facility identified in the “Non-Conforming Material Report”
- Processing a “Corrective Action Report”

If the reject is discovered at TDI’ customer, or in the field, the supplier will be charged all costs associated with the issue and corrective action resulting from the issue. The supplier may also be held responsible for resulting charges imposed by TDI customer, such as warranty claims or costs associated with a recall campaign.

7.2 Nonconforming product identified at TDI will be documented on a NCMR internally and the supplier contacted by the Buyer or Quality Personnel for corrective actions. All costs incurred by TDI for sorting, rework, expediting of shipments and processing costs are debited to the supplier in question.

7.3 TDI is to be notified of any nonconforming product that has shipped to our locations once you have identified the issue. TDI does not allow any product that is not to the drawing or specification to be shipped unless specifically approved through a deviation. Deviation forms can be obtained by the supplier from the TDI Buyer listed on the purchase order.

## 8.0 Premium Freight/Fees for Late Deliveries and Nonconforming Product

8.1 Premium freight, for any reason that you are behind schedule to the due date as agreed upon, will be at the Supplier’s expense. You will be required to notify TDI if for any reason you must expedite the order to us.

8.2 Please supply the Buyer with tracking information in order for TDI to maintain updated delivery information.



## **9.0 Surveys, Audits and Inspection**

- 9.1 At times it may be required to have TDI' Quality Personnel or our customer's representatives inspect product and review/audit your Quality System at your location if not 3<sup>rd</sup> party registered. If the need arises, we will notify your organization in advance. This includes any Federal/State Regulatory Personnel.
- 9.2 Internal Audits/Supplier Visits may be needed to ensure us that your Quality System is in place and functioning correctly. Internal audits at your location(s) may be outsourced to a third-party independent auditor or Government Auditor as appropriate based on our customer's requirements. Suppliers are encouraged to respond positively in these inspection and audits or document reasoning to the TDI Buyer why it is not allowed for audits and inspections to take place in your facility.

## **10.0 Part Marking Requirements**

- 10.1 All products supplied to TDI must be correctly and **positively** identified on receipt. Small parts that are packaged in boxes, containers, and plastic bags are to have each unit identified with the appropriate number or identification and lot information.
- 10.2 Specific part marking intended to be etched or engraved directly on the products are to be located on the product in the designated location per the TDI buyer or if noted on the drawing in the exact location as identified. Working surfaces are not to have any type of engraving or etching identifications on them.

## **11.0 Supplier Internal Nonconforming Product**

- 11.1 Any nonconforming product returned by TDI must be correctly processed upon receipt at your location. All paperwork will state that the product returned was non-conforming with documentation that identifies the specific issues/issues. Your organization is responsible to ensure that the records and documentation that accompany the replacement product contain information certifying that the matter was resolved and what actions took place. No Repairs are allowed, rework to product is authorized to bring the product to original design specifications.
- 11.2 The Supplier is expected to develop and maintain a program to prevent and control the use and shipment of counterfeit parts to TDI as part of the control of Nonconforming Product. Counterfeit Parts are those that are not manufactured to the design requirements and specifications as directed at the time of purchase.

- 11.2 If you identify Non-Conforming material while still in your facility, it is expected that you will segregate it and control it from affecting TDI. It is required by TDI that any scrap be destroyed and rendered unusable. This will prevent scrap product from potentially being allowed in the product stream. **Your organization is not allowed to conduct MRB or disposition to nonconforming Product.** This must be requested to the Quality Department at TDI.
- 11.3 Any nonconforming material that has been shipped in error to TDI and discovered to be defective will require that TDI be notified immediately so we can contain the material and quarantine it our facility.
- 11.4 Any acceptance of known non-conforming material must be made by TDI prior to shipment and documented to identify the TDI Personnel authorizing the shipment and the material identified as such.
- 11.5 A document specifically listing the following information is required to be sent:
- Part Numbers
  - Purchase Order Number
  - Print Specification / Dimension
  - Actual Condition of the Non-Conformance
  - TDI Personnel authorizing the acceptance.

## **12.0 Government, Safety & Environmental Regulations**

- 12.1 All purchased materials will satisfy current governmental and safety constraints on restricted, toxic and hazardous materials as well as environmental, electrical and electromagnetic considerations. Restricted Chemicals, Agents and Materials banned by the EPA, Federal Regulation or TDI may not be used or incorporated into any orders.
- 12.2 The supplier is expected to review, understand and completely satisfy all product safety and service requirements to all applicable regulations, specifications and laws. TDI expects that the supplier will understand and support the role they assume with regard to safety and conformity of all products and services.
- 12.3 The supplier is responsible for submission of an SDS sheet to TDI on request or for any new shipment or change in material supplied to TDI.

### **13.0 Supplier Sample Submission**

13.1 All sample submission requirements will be directed in the Purchase Order by the TDI Buyer. Objective evidence of conformance to all dimensions, notes and specifications referenced in product drawings or specifications and purchase orders must be recorded. If there are any questions or concerns about the Sample submission requirements, please direct them in writing to the Buyer listed on the purchase order.

13.2 **First Article Inspection Reports requested on the PO must use the AS 9102 Latest edition with complete records and the physical part used in the report tagged and provided with the AS 9102 report.**

### **14.0 Supplier Records**

14.1 Quality records are to be maintained to demonstrate conformance to specified requirements and the effective operation of the quality system. Pertinent quality records from the subcontractor shall be an element of these data and must be made available to TDI Personnel on request.

14.2 Production and manufacturing records, inspection records, purchase orders, amendments are to be maintained for a minimum of 15 years. Government or customer requirements supersede these requirements. All specified retention periods shall be considered “minimums”. It is suggested that your organization employ electronic record filing and storage systems that support this requirement.

### **15.0 Supplier ITAR & Government Documentation Requirements**

15.1 Suppliers who are to receive ITAR classified documents and technical information by the Purchasing Department are required to supply applicable documentation to TDI related to:

- ITAR Registration by the US Department of State
- ITAR Documentation, Data & Records Control, distribution and confidentiality processes.
- Control of subcontracted products and processes with downstream suppliers that required controlled documents and information
- Acknowledgement of TDI ITAR documents and program requirements and agreement for conformance.

15.2 The following requirements are expected to be enforced by your organization:

- United States Dodd-Frank Wall Street Reform and Consumer



Protection Act of 2010. These countries include the Democratic Republic of the Congo and the nine countries with which it shares an internationally recognized border: Angola, Burundi, Central African Republic, and Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia.

- DFARS requirements.
- Anti-Bribery and Kick Back regulations.
- Non-use of Child Labor or Slave Labor.
- NIST 800-171 & CMMC Status Documentation per requirement

15.3 It is important to both TDI Engines and our customers that all suppliers act in an ethical manner at all times in conduct of business with TDI in any product or services supplied to us. We as a company are committed to ethical behavior in all that we do and expect our suppliers to join us in this endeavor.