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Doing Business with SRC Inc.

Supplier Awareness

06/21/2024

General

- SRC Inc. is working at developing partnerships with our supply base. *Your success is important and imperative to us.*
- We have utilized our experiences to develop this awareness document to help us both be successful.

NOTE:

This document is for reference only and does not supersede official SRC Inc. communication.

Topics of Discussion

- Communication
- SRC Website
- SQA Requirements
- Material Handling
- Shipping
- SCARs/CAPAs
- Supplier Scorecards
- Supply Chain Manual (SCM)
- Q&A

Communication

- Your Buyer is your primary Point of Contact.
- Additionally, you might also communicate with:
 - Supplier Quality Engineering
 - Supply Chain Manager
- Copy your Buyer on ALL communication.
- Please advise your Buyer of key personnel changes so that we can discuss appropriate support, training and contact information updating (if necessary).
- When in doubt, please call. Don't assume anything.
- *Reference: Section 1 of the Supply Chain Manual for further details.*

Communication cont'd

- ▶ We expect prompt responses from you, and you can expect prompt responses from SRC Inc.
 - Examples:
 - Quote requests on or before the requested due date.
 - SCARs- Containment within 2 business Days, And Root Cause within 10 business days (please reference the SCM for additional due dates).
 - RMA number within 2 business days.
 - Information requests (acknowledgement and, if possible, initial feedback) within 24 hours.

SRC Website

▶ Please review the Suppliers section on <https://www.srcinc.com/suppliers/supplier-quality.html>



requirements of the ISO 9001:2015 standard. SRC and SRCtec do business with suppliers who are able to provide parts, materials, processes and services to our

- You will find:

- ▶ [Corrective Action Guidelines](#)
- ▶ [First Article Inspection \(FAI\) Checklist](#)
- ▶ [First Article Submission/Authorization \(FASA\) Form 1](#)
- ▶ [First Article Inspection \(FAI\) Form 2](#)
- ▶ [First Article Inspection \(FAI\) Form 3](#)
- ▶ [Product Alert](#)
- ▶ [Notice of Supplier Issue \(NSI\) Form](#)
- ▶ [Return Action Log](#)
- ▶ [Shipping Documentation Checklist](#)
- ▶ [SRC Supplier Quality Clauses](#)
- ▶ [Supply Chain Manual](#)
- ▶ [8D Problem Solving Template](#)

SQA Requirements

We have high quality standards and expect conformance to our drawings and specifications.

- Potential issues must be addressed upfront, during the quoting process via the NSI process.
- Notify SRC of any non-conformances and obtain approval before shipping material via the NSI process.
- Attach a product alert notice for (FAIs) as required per section 09 of SQC-D-001. Our expectation is that all 1st articles are fully functioning parts. FAI documentation must be submitted via the SRC secure file transfer.
 - Note: *All FAI product must have been built using the same process and equipment as is intended for production builds.*
- *SRC Inc. may require your process, or parts of processes, to be frozen after FAI acceptance. This will require you to notify SRC Inc. of any desired changes, and secure approval prior to change implementation via the NSI process.*
- *Reference: Section 9, Section 10 & Section 14 of the Supply Chain Manual for more details.*

Material Handling

- ▶ Please exercise care with our product as it is processed through your facility and ensure that transport methods are robust.
- ▶ Inspect parts for damage and verify packaging is secure before shipping.
- ▶ If issues arise, we will work closely with you to pinpoint the root cause of the damage.
- ▶ *Reference: Section 19 of the Supply Chain Manual.*

Shipping

- Complete all paperwork outlined in SQCs and Purchase Order T&Cs. Reference the shipping documentation checklist which can be found on the SRC quality website (<https://www.srcinc.com/suppliers/supplier-quality.html>).
- Distinguish parts in multi-order shipments.
- Distinguish Reworked or Replaced material as defined in Section 18 of the Supply Chain Manual.
- Package to ensure clearly marked lot integrity (if applicable).
- Restrain parts securely to avoid damage.
- *Note: Please remember that paperwork errors can be quite costly for both of us. Take it very seriously, we do. Documentation errors will negatively impact your supplier performance rating.*
- *Reference: Section 18, 19, & 20 of the Supply Chain Manual for further details.*

Supplier Corrective Action Requests (SCAR) / Corrective Action/Preventive Action (CAPA)

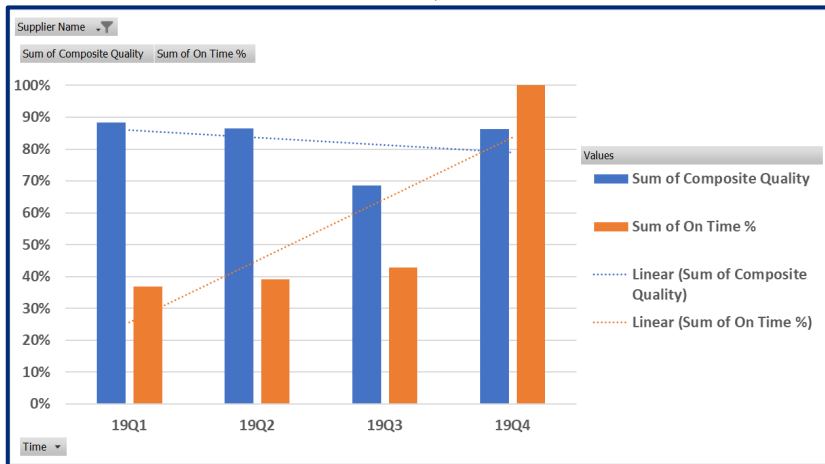
- A SCAR will be generated for non-conformances as SRC deems necessary.
- Your response must address the root cause with permanent and verifiable corrective actions.
- SCAR responses will be reviewed for thoroughness and completeness, and will be accepted/rejected, based on need and by a cross functional review board.
- We will ask to see implemented SCARs during visits and audits.
- SRC understands that problems arise in-process, and things don't always go as planned. The keys are: Good root cause analysis, solid corrective action, and an on-time acceptable response.
 - We do not want/expect to see recurrence of a non-conformance as that will degrade your performance rating.
 - *Reference: Section 24 of the Supply Chain Manual.*

Supplier Scorecards

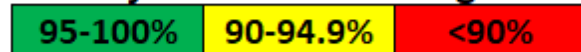
- Sent out Quarterly – if SRC has not received a delivery from your company within that quarter, you will not receive a scorecard.
- These are the segments that contribute to the overall rating:
 - Quality – this includes performance results at both Incoming Inspection as well as In-Process issues (i.e. Doc PRNs, MRB PRNs, Waivers requests).
 - Delivery – this includes all deliveries from your company to SRC and SRCtec. It is derived by quantity of parts due vs. quantity of parts received.
 - SCAR Activity/Response – this includes an open corrective action that has not moved to the effectiveness/verification phase.
- Your rating is compared against other suppliers in your commodity class.
- *Reference: Section 3 of the Supply Chain Manual*

Supplier Scorecard Example

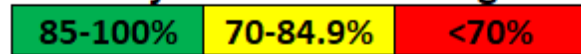
- Supplier Name FYXX, Quarter X
- Scorecard Month, Year



Quality Performance Legend

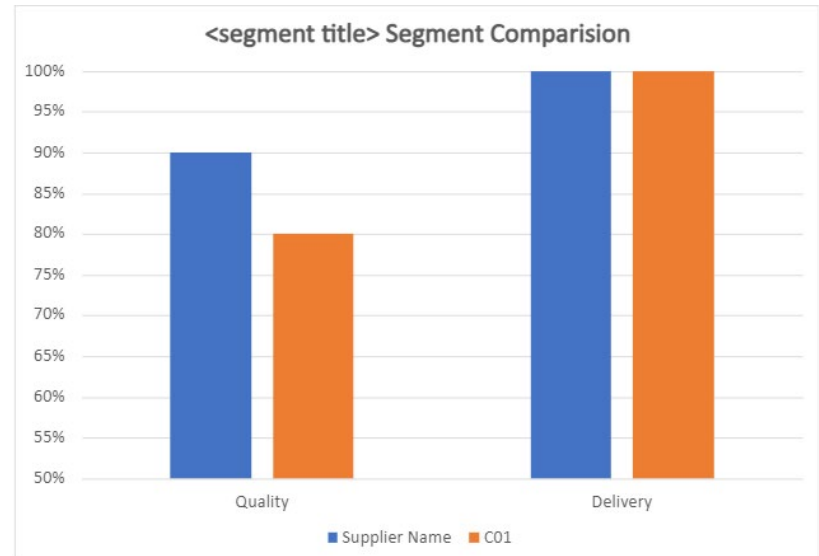


Delivery Performance Legend



Highlights

- Xxxxx
- Xxxxx
- Xxxxx
- Xxxxx



Supply Chain Manual

- Be sure to refer to the latest SCM from the SRC website. It is a contractually binding document that suppliers shall utilize as a tool when conducting business with SRC Inc. and it touches on the items in the presentation in more detail.
- <https://www.srcinc.com/suppliers/forms/quality/SQA-P-100-Supply-Chain-Manual-SCM.pdf>

Q & A

▶ Questions?

Thank you!!!