



CTP Wipac LTD

Supplier Handbook

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1. Introduction

1.1 Objective

This handbook details the business conditions for supply of components and services needed for the manufacture of product at Wipac, the handbook has been written to provide information on the requirements for business with Wipac. It has been written as an accompaniment to the terms and conditions detailed on the purchase order and does not in any way replace them. If there is any clarification required, please contact the Purchasing department.

1.2 Wipac – Company profile

Wipac Operates as part of CTP Automotive. We operate from a site in Buckingham UK and from Budapest in Hungary, producing both infotainment equipment and lighting products for supply across the automotive industry. Our quality expectations need to be very high to match those of our Customers. Supply of component parts for assembly within Wipac is a key part of our business. A full breakdown of the Company profile can be found on the following websites:

www.wipac.com

www.carclo-plc.com



2 Supplier selection.

Wipac shall select Suppliers based upon the following:

- The Suppliers ability to manufacture the required part in the required volumes.
- Competitiveness of quotation
- Supplier accreditation to TS16949:2002 or ISO9001:2000
- Performance monitor based upon quality, cost and delivery performance.

2.1 Quality system

Wipac require that all Suppliers shall be accredited to either TS16949:2002 or ISO9001:2000, Accreditation must have been awarded by a body recognised by the IAF or IATF for TS16949. Suppliers providing Calibration or testing services are required to be ISO17025 accredited.

In exceptional circumstances, where a Supplier does not hold accreditation to one of these standards, the Supplier Development Manager shall carry out an assessment based upon the Supplier's ability to provide the required service within a controlled process. The scope of any approval given through this route shall be limited and subject to planned review periods.

2.2 Quality, Cost and delivery (QCD) – Supplier performance

Suppliers to Wipac shall be monitored for their ongoing performance of deliveries for Quality conformance and on-time delivery. They will also be monitored for cost performance. Key Suppliers to Wipac will be monitored for their performance against Quality, cost and Delivery performance against target. A full breakdown of this analysis appears in Appendix 1.

2.3 Trading conditions

The Supplier is responsible for informing Wipac Of any changes in their trading conditions, such as name change, ownership change, changes of sub-supplier or materials, matters of insolvency or changes to the scope of their quality management system.



3 Purchasing

3.1 Quotation

All quotations received must include all relevant costs, such as tooling, packaging, delivery etc. The basis for the quotation shall be in the form of a Quotation Analysis Form (QAF) provided by Wipac. Costs must take into account feasibility analysis of tolerances, materials and secondary operations. The quality requirements and other criteria must be fully understood – if there are any queries regarding this information, it is the Supplier's responsibility to ensure that these are highlighted and resolved prior to quotation.

3.2 Team feasibility commitment

Team Feasibility commitment must take into account:

- Drawing requirements for tolerances, materials specified and other secondary operations specified.
- Application of any new technology as yet unproven by Supplier or Industry.
- The availability of equipment and skilled resources to assist in prototype and full production supply.
- Estimation of lead times for any necessary prototype tooling.
- Estimation of lead times for any series production tooling and resulting supply of production ready components

The scope of this commitment must be made clear and associated risks detailed.

3.3 Terms and conditions

The purchase of product can only be initiated by the issue of a purchase order. The Purchase order constitutes an offer of purchase, which may only be accepted subject to the Wipac terms and conditions of purchase. Any expression of acceptance from the Supplier, which includes shipment of product will constitute acceptance of these terms and conditions.

The terms and conditions are detailed on the reverse side of the purchase order. If for any reason these are unknown, the responsibility is with the Supplier to request a copy from the originator of the purchase order.

3.4 Payment terms.

Unless otherwise stated, the purchase order terms are nett 60 Days from the end of the month of delivery. Wipac requires that all Supplier invoices match those prices detailed on the purchase order exactly.



3.5 Schedules

Schedules shall be issued by Wipac for delivery of product via a rolling schedule detailing firm delivery dates, tentative requirements and longer term forecast.

In the event of late delivery Wipac reserve the right to pass on any incurred costs. Suppliers will be expected to manage their own purchasing of raw material and components to match and to fulfil Wipac schedules.

It is the Suppliers responsibility to inform the Wipac logistics contact of any difficulties in meeting these requirements. Wipac expect that all delivery requirements are adhered to unless prior written arrangements are made – this includes planned holidays and other shut down periods.

3.6 Delivery

CTP Wipac will accept deliveries through goods inwards at the Buckingham facility during the following hours only:

Daily Monday to Thursday	8.30am – 4.30pm
Friday	8.30am – 12.30pm

Under exceptional circumstances arrangements for out of hours deliveries can be made in advance through the Wipac logistics contact.

3.7 Packaging and labelling

It is the responsibility of the Supplier to ensure that product arrives at Wipac in good condition and not damaged by the packaging used or the environment.

A despatch note must accompany each delivery of goods; it must include the Wipac part number and order number the goods are supplied against.

Where available, packaging specifications will be agreed at the approval stage – where these are in place, they must be followed and only changed in agreement with Wipac.

Each box / container shall be adequately labelled to ensure that the contents are clearly identified for the Wipac part number, date of manufacture, content quantity and in the event of hazardous materials, ensure that all regulatory markings are in place.

Other information to assist the Supplier's systems may be included. In addition, changed product or newly supplied product must also be identified by the Wipac New part label (Form 8-120) for the first 3 deliveries.

Unless otherwise agreed, deliveries will only be accepted on pallet sized 1.2 x 1.0 metres – 4 way.



3.8 Short deliveries

If a delivery is identified as being short in quantity, Wipac will raise a non conforming material action report (NCMAR – see 4.6) a debit note will be raised for the goods not received. The Supplier shall issue a credit note against this.

3.9 Design change

If supplied material is subject to a design change, Wipac will issue an updated drawing, a change note and a drawing up-issue acknowledgement sheet will accompany this. The Supplier is to conduct feasibility on the change detail and report back any impact regarding costs, timing, etc.

The design change acknowledgement is to be returned to the indicated person and production part approval process (5.2) is to be undertaken to validate the change.

Future purchase orders from Wipac will reference the latest engineering level; supply of material against previous releases will be subject to the deviation process detailed in 4.3 (deviation process).

Refer to 3.7 for details concerning new part labels (form 8-120).



4 Quality

4.1 Received parts at Wipac.

Product received at Wipac is deemed to be of good quality and compliant to all specifications, requiring no further inspection upon receipt. Wipac, based upon the monitored Supplier's previous known performance may carry out checks to ascertain the quality of goods received. It must be stated that this course of action is undesirable to Wipac due to the extra, incurred costs and may effect the placing of new business with Suppliers that consistently require this support.

4.2 Zero defects.

Wipac will only accept deliveries with zero defects. Deliveries that contain defects will be rejected. Costs incurred, line support and the replacement of the rejected goods are the responsibility of the Supplier.

4.3 Request for deviation

To receive a temporary product specification change:

- The Supplier shall contact Wipac and request a deviation to supply prior to any affected product being shipped.
- This must detail in full the reasons for request, quantity of product to be covered by this deviation, actions to identify affected production and a close off plan to correct the reasons for deviation.
- Only after the deviation has been approved may affected product be shipped.
- All affected product must be identified as agreed and each container carry the approved deviation reference number.
- The Supplier will remain responsible for any reject or rework costs incurred by Wipac regarding the use of the affected parts.

Upon acceptance of the request, The Supplier shall be issued a Deviation document. The scope and requirements of the deviation shall be clearly defined within this document and must be fully adhered to.

4.4 Process control documentation.

Documentation to prove process control and batch history shall be made available to Wipac upon request.



4.5 Designated support - production

The Supplier shall make plans and nominate designated personnel with sufficient authority to initiate any special actions or campaigns necessary to support a continuous supply chain to the end user. Such actions include, but are not limited to:

- Premium Hours Production
- Premium Freight
- On Site attendance at Wipac or at The Customer of Wipac
- Sorting of defective products which have entered the supply chain

A list of such nominated staff with out of hours contact details shall be supplied.

4.6 CAR process and problem solving

Upon identification of defective material at Wipac – wherever in the process, A Corrective Action Report (CAR) shall be issued to the responsible Supplier. This report will detail the affected part numbers, quantities and the defect. This document must be acknowledged by a responsible person within the Supplier's organisation and containment actions instigated to prevent further defectives being received at Wipac. The Supplier must make contact with the CAR Owner (either Team Leader or Initiator) at Wipac to confirm and agree these actions.

A summary of the problem solving activities undertaken to permanently prevent the re-occurrence of the defect shall be reported on the CAR back to the CAR Owner within 5 working days – or to an extended timing plan by agreement with the CAR Owner.

Repeated concerns shall be seen as a serious deficiency within the Supplier's organisation and will require further action from Wipac, this may effect the placement of new business.

4.7 Associated costs of non-conformance

Submitting Non Conforming products into the supply chain causes costs to be, particularly if the products reach the end user where the failure of a much higher added value assembly is found to have occurred.

Any such reasonable costs incurred in containing and rectifying such a situation will be recovered from the Supplier.

4.8 Control of sub-Suppliers

It is the responsibility of the Supplier to ensure that all controls detailed within this manual are conveyed and followed by Sub-Suppliers associated with the manufacture of the product supplied.



5 Advanced product quality planning (APQP)

5.1 APQP requirements

New product and changes to existing product are to be managed through the process of APQP. Upon nomination, the Supplier Development Manager at Wipac shall detail the scope of the APQP process and provide the Supplier with the APQP Status report. This report shall provide the timing and risks associated for each of the elements of APQP required. Customer specific requirements shall be communicated and tracked from this stage onwards.

The Supplier is responsible for managing the procurement of equipment deemed necessary for the manufacture of product specifications detailed and against the scope of the quotation.

At defined intervals throughout the pre-production phase, the Supplier Development Manager shall carry out reviews to determine the effectiveness of planning and initiate action plans to correct any deficiencies noted.

The goal of APQP is to develop the process to the point where good quality production is manufactured throughout the life span of the part with minimum waste; good planning prior to production is essential for the success of production later.

Refer to QS9000 manual for APQP and control plan for further guidance or any Customer specific requirements provided.

5.2 Production part approval process (PPAP)

All production parts are subject to an approval process that validates both the part and the process. This process follows the requirements of the QS9000 manual for production part approval process – (PPAP). Suppliers to Wipac are expected to conform to these requirements or agree a process similar with the Supplier Development Manager at Wipac.

All submissions to Wipac must ensure that the correct production tooling and prescribed manufacturing processes have been used.

Submissions must be made within the timing agreed during the APQP stage (see 5.1).

Production deliveries must not be made until after approval of the PPAP documentation without prior written approval to do so (refer to 4.3 Request for deviation).

Supplier's documentation will be accepted for this purpose providing that it details the necessary information.

Product / process changes must be agreed in writing prior to change and must constitute a re-issue of the PPAP documentation to validate the change.

Refer to QS9000 manual for PPAP for further guidance.



5.3 Production readiness

Crucial to the successful maturation process is the reporting and development of production tooling and the manufacturing process. A Supplier can only claim to be Production Ready when the following criteria have been met:

- All components have been sample approved by the Supplier and have been proven as process capable from production tooling and manufacturing processes.
- Any relevant tooling, checking fixtures, gauges and test equipment is in place and correctly commissioned.
- Any packaging requirements and identification features have been specified or agreed with Wipac.

A Formal review of production readiness may be required and shall be conducted prior to the commencement of production.

5.4 Process capability

The Supplier must provide evidence of process capability for characteristics that are either significant or critical.

The process and machine utilisation may be evaluated by Overall Equipment Efficiency (OEE) calculations. Based upon the results of these studies, Wipac may request improvement plans.

Refer to QS9000 manual Statistical Process Control (SPC) for further guidance.

5.5 Significant / critical characteristics (SC/ CC)

At the design review stage, characteristics of the part or process shall be reviewed for potential impact upon the performance or quality of the product. If these are deemed either Significant or Critical (normally associated with safety or regulatory functions), a process control shall be documented - this must take into account measurements or in the case of attributes, fail-safe processes to ensure the compliance of the feature to specification. This may include testing, measurement or the recording of documentation proving compliance. Prior to production approval, these characteristics must be proven to be fully in control. Refer to 5.4 Process capability.

5.6 Production trial run (PTR)

Prior to acceptance of PPAP, the Supplier must demonstrate that the process is capable of producing both the parts to specification and in sufficient quantity to support Wipac in their build requirements. Based upon the required batch sizes and the expected build quantities, the duration of the PTR shall be agreed with the Supplier Development Manager.



6 Continuous improvement

Continuous improvement is a key part of both the required Business management systems. Improvement will be required against the Supplier measurements (QCD) conducted by Wipac.

Where failure to meet the quality, delivery requirements or the business terms of Wipac are encountered, mutually agreed corrective action plans shall be made and monitored.

6.1 Supplier performance measures.

Wipac will monitor the ongoing performance of Suppliers that are identified as key to the Wipac Business.

These are nominally set as Quality performance, cost of product and the costs of doing business with the Supplier and delivery performance against planned schedules.

Wipac will release this data to the Supplier and follow up unsatisfactory performance with a review to identify the causes and to agree a corrective action plan.

6.2 Corrective action plans and Supplier development

Where unsatisfactory performance is identified, a process of review will be started with the Supplier to understand the causes and to implement corrective actions for improvement.

This process will be reviewed for progress, success and completion at regular intervals.

Suppliers are required to participate in the activity fully.



7 Environmental impact

Wipac Environmental policy: <http://www.wipac.com/epolicy.htm>

Wipac recognises that the environment is a central business concern and that our manufacturing activities, products and services have potential Environmental Effects.

Accordingly, we have adopted a policy that provides a framework for setting and reviewing our environmental objectives and targets.

Suppliers to Wipac need to be able to demonstrate control suitable to any application regulations and ideally have accreditation to ISO 14001.

7.1 Hazardous materials

Hazardous materials delivered to Wipac should be in accordance with all current legislation with respect to identification and packaging. Suppliers are requested to complete the Environmental questionnaire.

7.2 End of life directive (ELV) 2000/53/EC

Wipac is required to comply with the End of Life Vehicle directive 2000/53/EC. To this effect, Wipac take responsibility to detail all materials and coatings used within our product within the International Material Data System (IMDS) website. We require that our Suppliers assist with this requirement by either subscribing to the IMDS website www.mdssystem.com or by the detailed analysis of materials and coatings used in the construction of supplied product.

This information should be available or submitted at the commencement of supply for new or changed product.

7.3 Visitors to Wipac.

When visiting Wipac, please follow these basic requirements.

- Contact your host on arrival
- Follow instructions from your host.
- Observe the notices in the reception and production areas.
- Use personal protective equipment (PPE) where directed.
- If carrying out any work; ensure that this is in the scope of the issued permits.



Referenced documents.

QS9000 Manual Quality System Assessment (QSA)

Wipac Terms and conditions of supply

QS9000 Manual APQP and Control Plan

QS9000 Production Part Approval Process (PPAP)

QS9000 Manual Statistical Process Control (SPC)

End of Life Vehicle Directive (ELV)

Websites

www.wipac.com Wipac website

www.carclo-plc.com Carclo PLC website

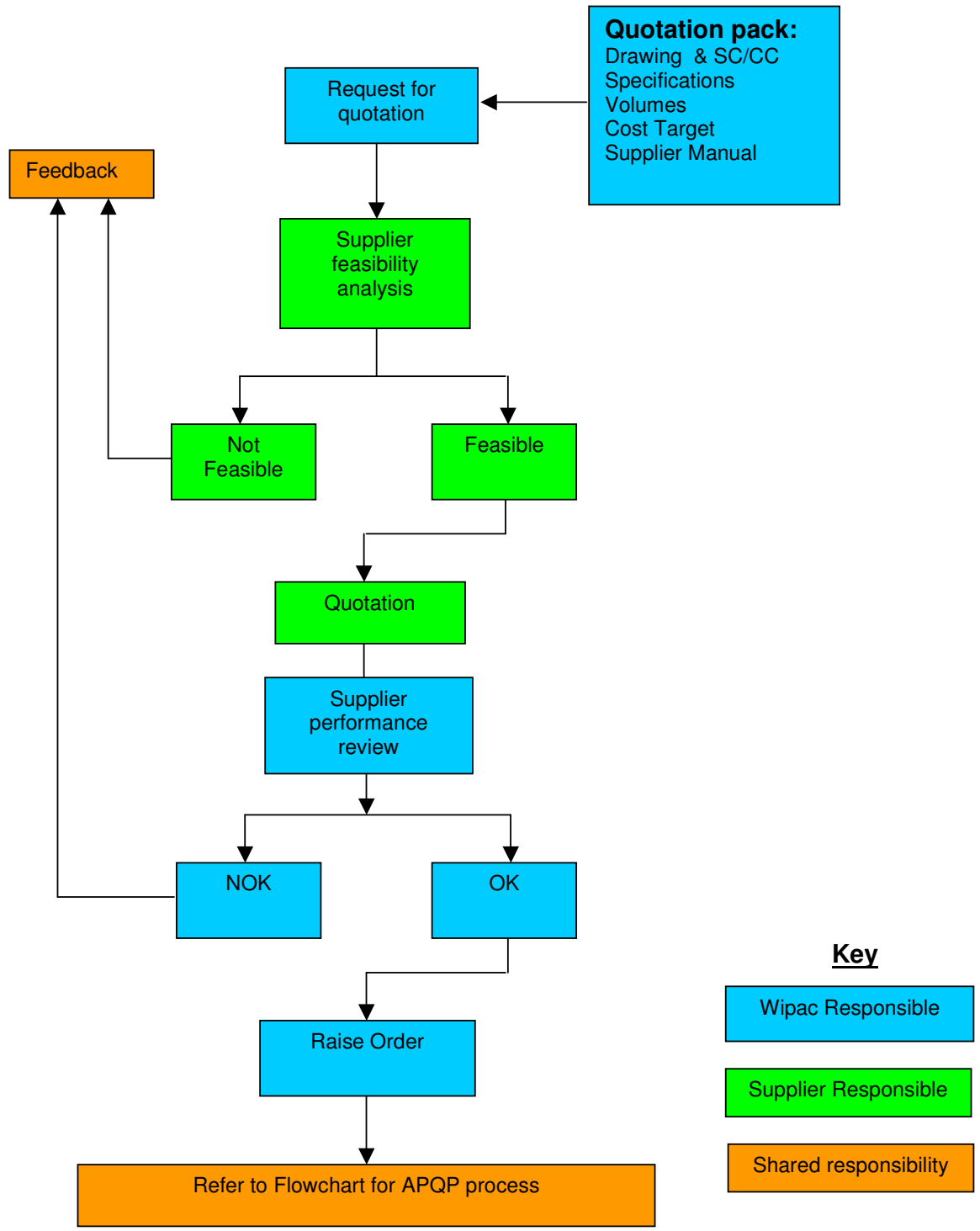
www.mdssystem.com IMDS website

Appendices

QCD reporting scoring breakdown

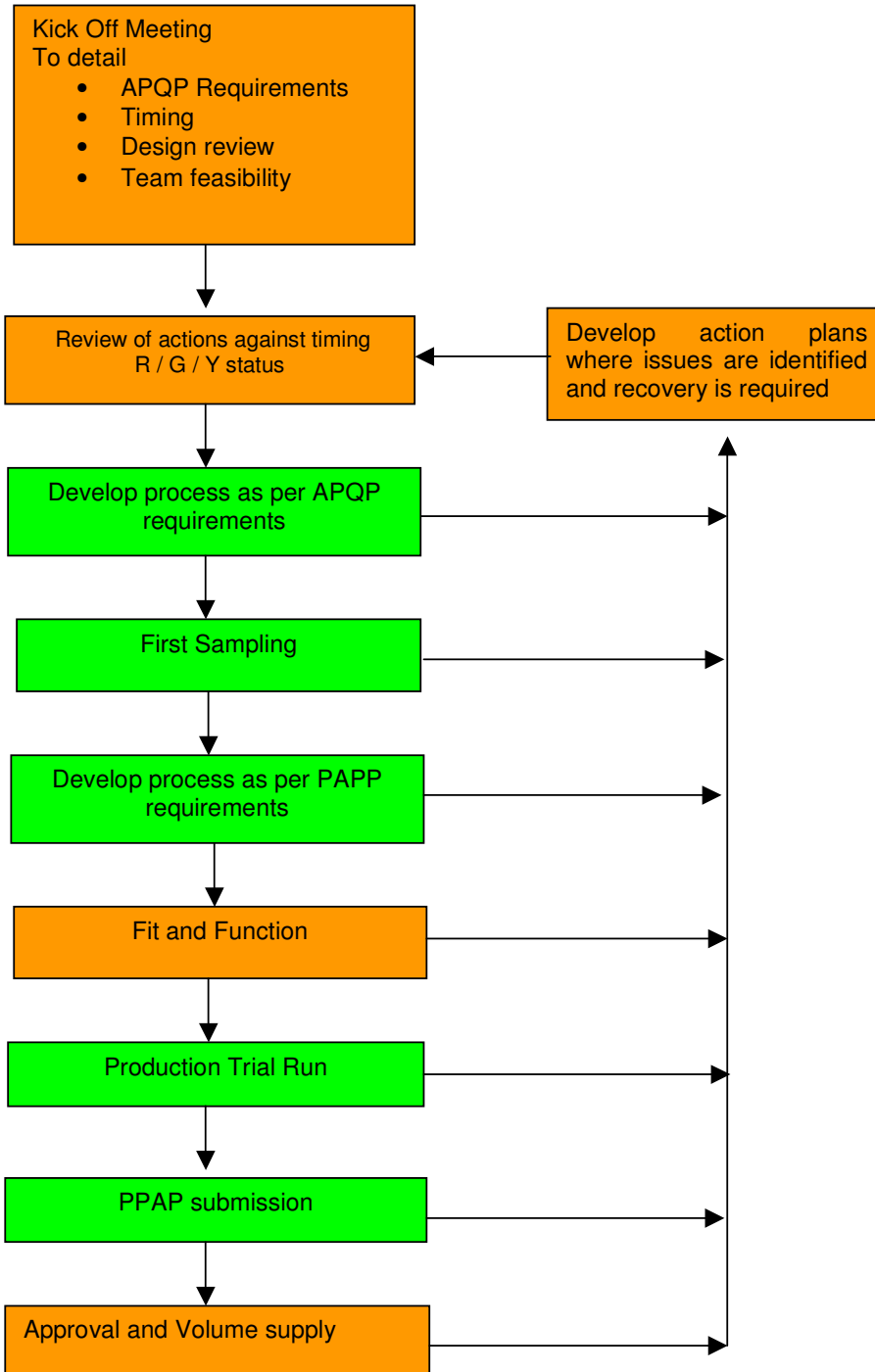


Quotation process flowchart





APQP / PPAP process flowchart





QCD Reporting – Appendix 1

Key Suppliers to Wipac will be monitored for their performance against Quality, Cost and Delivery.

The following details how this scoring works:

Overall Performance is made up of the following:

Quality	1/3 rd
Cost	1/3 rd
Delivery	1/3 rd

Quality – graphed on actual PPM figures

PPM figures make up 70% of quality scoring

CARS account for 30% of quality scoring

Cost – graphed on Benchmark and cost to purchase

75% of total is based on benchmark

25% of total is based on Cost of Purchase detailing parameters for:

Payment terms	warranty claims
Occurrence of premium freight costs	IMDS compatibility
No. of invoice queries	CAD compatibility with Wipac
Quality accreditation status	PPAP
OEE	Re-useable packaging
Stock	Lead times

Delivery – graphed on percentage of late deliveries

Straight percentage – the score is the %age of on time deliveries

Trends and Targets

Trend	Indicated on graph by a trend line
Target	Target is included in the graph title