

Supplier Quality Agreement - SQA



bürkert
FLUID CONTROL SYSTEMS

Compulsory agreements
serial products (version 11/2020)
Bürkert Werke GmbH & Co. KG

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Compulsory agreements
Serial products (version 11/2020)

between

(referred to as "supplier")

and

Bürkert Werke GmbH & Co.KG
Christian-Bürkert-Straße 13 – 17
D-74653 Ingelfingen

(referred to as "Bürkert")

as a customer,

about the implementation of a common Quality Management system. The purpose is to guarantee product quality and to secure a reliable transaction between both parties.

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1 Preamble

Bürkert develops, produces and sells Fluid Control Systems. Equipment and systems are used in different areas of application.

This General Supplier Quality Agreement (SQA) is the basis for technical and organizational conditions and processes which are applied by the supplier and Bürkert in order to meet the quality goals.

Minimum requirements for the Management System of both parties are specified. Rights and duties in view of supplied product quality are regulated.

The SQA particularly defines PPAP requirements.

The supplier shall provide technical and organizational conditions in order to produce and supply high quality products.

2 Scope, subject of the contract

This agreement is an integral part of the delivery agreement with Bürkert. It shall apply correspondingly to the business relation between the supplier and Bürkert, unless otherwise agreed.

To be up to standard, specific agreements to this SQA shall be attached if necessary.

This contract replaces any and all earlier agreements between the parties regarding the same subject matter.

3 Quality Management System at the supplier

The supplier agrees to introduce and maintain a Quality Management System based on ISO 9001:2000 with the obligation to set a zero-defect goal and to continuously improve his performance.

Production, inspection and/or packaging equipment provided by Bürkert shall be part of the Quality Management System.

Bürkert is interested in the protection and maintenance of our environment. Therefore it is beneficial if the supplier has introduced an Environmental Management System based on ISO 14001 or similar.

4 Quality Management System at the sub-suppliers

If production or inspection equipment, software, services, material or any other components are provided by sub-suppliers, they will be part of the supplier's Quality Management System. Otherwise the supplier will secure quality by adequate actions.

The supplier also requires his sub-suppliers to introduce and maintain a Quality Management System based on ISO 9000 ff. with the obligation for sub-suppliers to also set a zero-defect goal and to continuously improve their performance.

Bürkert may demand documented evidence from the supplier showing the effectiveness of the Quality Management System utilized by his sub-suppliers.

5 Information

If it becomes evident that agreements reached such as quality characteristics, schedules or delivered quantities cannot be met, the supplier shall inform Bürkert immediately. The supplier shall also notify Bürkert immediately of any deviations detected after delivery. To support a rapid solution, the supplier shall disclose all necessary data and facts.

The supplier agrees to seek approval of Bürkert prior to

- changing the production methods, sequence and materials (also at sub-suppliers)
- changing of sub-suppliers
- changing test methods/equipment
- relocating production sites
- relocating production equipment at the same site
- outsourcing

In order to be able to check the impact of changes above, the supplier shall inform Bürkert well timed. Duty to inform will not be applied in case of non Bürkert specific standard parts.

6 Audit

The supplier shall authorize Bürkert to determine through audits whether his quality assurance activities meet the requirements of Bürkert.

The audit can be conducted as a system, process or product audit. The supplier shall support even short-term audit date requests.

Reasonable restrictions imposed by the supplier to safeguard business will be accepted and confidentiality will be warranted.

In the event of quality problems, the supplier shall enable Bürkert to conduct an audit at his sub-suppliers.

Bürkert shall communicate audit results to the supplier.

If Bürkert considers corrective actions to be needed, the supplier agrees to immediately prepare an action plan and implement it on schedule. The supplier shall notify Bürkert of all progress made.

7 R&D

If the order placed with the supplier includes development tasks, the requirements shall be set forth in writing by the signing parties to the agreement, e.g. in the form of specifications. The supplier agrees to conduct project management starting with the planning phase of products, processes and other cross functional tasks, and to grant Bürkert the right of inspection upon request.

During contract review, the supplier shall examine all technical documentation, such as specifications, drawings, bill of materials, CAD data, for feasibility upon receipt; the supplier shall notify Bürkert promptly of any defects and risks.

During the development phase the supplier shall apply suitable preventive methods of quality planning, such as a manufacturing feasibility analysis, reliability studies, FMEA etc.. The supplier shall take into account experience (process flow, process data, capability studies etc.) from similar projects.

Characteristics with special archiving requirements shall be determined by Bürkert and the supplier.

The supplier shall coordinate and document the manufacturing and test conditions with Bürkert for prototypes and pre-production parts. The goal is to build prototypes and pre-production parts under conditions similar to mass production.

8 Product and process agreements

The products shall comply with agreed or warranted conditions (e.g. specification, data sheets, drawings, sample parts). The supplier shall promptly examine all descriptions provided by Bürkert (e.g. specifications, data sheets, drawings). If a description is obviously incorrect, unclear, incomplete or obviously different than a sample part, the supplier shall inform Bürkert in writing prior to start of mass production or performance of services.

8.1 PPAP

Prior to starting mass production, the supplier shall, if not agreed otherwise, submit a PPAP according to VDA-Volume 2 (alternatively PPAP QS 9000). Verification of applicability and capability shall be provided.

Prior to starting mass production, the supplier shall submit initial samples of the product built under mass production conditions in agreed quantities and on schedule. Mass production may not be started until it is released by Bürkert.

8.2 Process capability

For all characteristics the supplier shall perform process planning (work plans, test plans, operating supplies, tooling, machinery, etc.). For function and process critical characteristics the supplier shall review the suitability of the manufacturing facilities and shall document the results. Product quality is monitored with periodic audits.

"Special characteristics", identified and agreed on between Bürkert and the supplier shall, if applicable, be monitored by statistic process control.

For special characteristics process capabilities shall be determined and documented (see VDA-Volume 4, part 1 or SPC-Manual – QS 9000). If not agreed otherwise, the following values shall be maintained.

Type	Term	Capability
Machine capability	MFU	$C_{m_k} \geq 1,67$
Short-term process capability	PFU	$P_{p_k} \geq 1,67$
Long-term process capability	PFU	$C_{p_k} \geq 1,33$

If the value above can not be met, the supplier shall perform and document a 100% inspection prior to shipping, until the root cause has been determined and fixed.

In the case of process disruptions and quality deviations, the supplier shall analyze the causes, shall initiate improvement measures and review their effectiveness.

9 Production records

Bürkert shall provide current and checked version's of the following documents:

- drawing
- bill of materials
- inspection instruction
- Bürkert specifications

Quote and order documentation shall refer to all relevant documents. In case of changes, Bürkert will provide the current version.

The supplier shall maintain the following documents:

- work plan for every part,
- test plan for every part,
- inspection results for every batch,
- process settings for every batch,
- material used for every batch
- material certificate according to DIN EN 10204 3.1 or 2.2 for every batch.

In general, the supplier shall maintain evidence of the documents above. Bürkert may demand documented evidence.

10 Serial production, documentation, product identification

The supplier shall record and document quality assurance measures, especially readings and inspection results, and orderly retain these records and sample parts as well. Documents and records shall be retained for at least 10 years.

All changes made on the product and in the process chain shall be documented by the supplier in a product history, and shall be submitted to Bürkert upon request.

Upon request the supplier shall enable Bürkert to access the records and hand out samples.

The supplier shall use process descriptions to regulate the control of all data and documents (including external documents like standards and customer drawings) and implement them effectively.

Based on the agreements within this SQA the

supplier is released from the duty to provide serial documentation with every shipment.

11 Packaging, identification, traceability

The supplier shall deliver products in suitable shipping containers – approved by Bürkert if this was agreed – in order to prevent damage and quality impairments (e.g. contamination, corrosion, chemical reaction).

The supplier agrees to identify the products, parts and the packaging in accordance with agreements reached with Bürkert.

He must ensure that packed products will also remain legible during shipping and storage.

The supplier agrees to ensure the traceability of the products supplied by him. Measures must be instituted to ensure that if a defect is detected, the defective parts/products/batches etc., are traceable and contained.

If Bürkert makes production and test equipment available to the supplier, especially equipment and fixtures related to deliveries, then they must be labeled as Bürkert property.

The supplier is responsible for protecting this property from damage and ensuring proper function, maintenance and repair.

12 Bürkert's quality expectation

The supplier is committed in the same way as Bürkert towards its customers to the zero-defect goal in business with Bürkert. If the zero-defect goal is not attainable in the short-term, Bürkert together with the supplier, shall set temporary upper limits for defect rates as an interim goal.

The supplier shall propose and agree with Bürkert on improvement actions. If the defect rate is below the upper limit, this does not release the supplier from his responsibility to process all complaints and to proceed with continuous improvement activities.

Based on a periodic supplier rating, the quality performance of the supplier will be monitored by Bürkert. It is expected that the supplier will monitor his quality performance as well.

Within the warranty period of 24 months the supplier guarantees that all products, which are only assembled or sold without modification, are free of defects, which might be caused by material defects or poor processing. Start of the warranty period is date of sale by Bürkert.

Bürkert shall limit incoming inspection to externally apparent shipping damage and to conformation of the quantity and part number of the ordered products, at least according to the shipping papers.

Discrepancies are reported without delay.

If the defect is not detected directly after delivery, the supplier will waive the claim of late notification of defects within above warranty period.

The supplier must adapt his Quality Management System and his quality assurance activities to this limited incoming inspection.

If, in exceptional cases, the supplier is unable to supply products conforming to the specification, he must obtain a concession from Bürkert prior to delivery.

The supplier agrees to implement comments and ideas from Bürkert to improve product quality by modifying production and quality assurance activities to the extent possible.

If the supply of components not conforming to specifications should threaten to cause a production interruption at Bürkert or its customers, the supplier, in consultation with Bürkert, must seek a remedy through suitable immediate actions for which the supplier is responsible (substitute delivery, sorting, rework, special shifts, rush shipment etc.).

The supplier then analyses the defects without delay, with support from Bürkert to the extent necessary and possible.

Defective parts shall be returned to the supplier. He agrees to analyze each deviation and to notify Bürkert promptly of the cause of the deviation, initiated corrective and preventive measures as well as their effectiveness.

Delivery dates, based on the lead time agreed between the supplier and Bürkert, must be met. If, in an exceptional case, the date cannot be met, the supplier shall promptly inform Bürkert in writing or by phone, as soon as the supplier becomes aware of the fact.

At the same time the new delivery date shall be provided.

The supplier's liability for defects or compensation claims due to defective deliveries is not affected by this agreement.

13 Safety and environmental Regulations (RoHS, REACH)

The supplier commits himself to complying with all legal regulations regarding the environment, health and, occupational, and to striving to avoid all negative effects on humans and environment by an adequate organization and realization of environmental protection in the company. For this, the implementation and further development of an Environmental and Occupational Safety Management System is beneficial.

The supplier is obligated to fulfil the requirements of the RoHS EC-guideline 2011/65/EU and the REACH regulation (EC) no. 1907/2006. If there is an exception for these requirements available, this must be clearly communicated to Bürkert in writing for every single case

14 Confidentiality

Both parties commit themselves to treating all information linked to this agreement confidential and will not provide information to a third party in any way.

If it is common knowledge or it is demonstrable that the information was already known by one of the parties, obligation of confidentiality will not be applied.

15 Contract duration

This General Supplier Quality Agreement (SQA) becomes valid after both parties have signed it and will automatically be part of every order.

This agreement does not have an expiration date. It can be cancelled in writing (registered mail), effective the end of each calendar year,

at least 6 months in advance.

16 Severability clause

If a provision of this agreement is or becomes unenforceable in any jurisdiction, that shall not affect the validity or enforceability in that jurisdiction of any other provision of this agreement.

17 Affected parts

The SQA is valid for all parts and sub-assemblies which are supplied by the supplier.

18 Additional agreements

19 Contact persons

Supplier:

Name	Dept.	Phone	e-mail

Bürkert:

Name	Dept.	Phone	e-mail

Bürkert Werke GmbH & Co. KG

Ingelfingen,

Date, Signature (authorized representative)

Name in block letters and company stamp

Date, Signature (authorized representative)

Name in block letters and company stamp

Supplier

location

Date, Signature (authorized representative)

Name in block letters and company stamp

Date, Signature (authorized representative)

Name in block letters and company stamp