

QUALITY GUIDELINE

Q10.09028-2162

Proceeding in Connection with a Delivery Permit and Supplier Audit for Suppliers for Plant Construction

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6.0	FK 0922/FK 0925 redefined as FK 0922	26.02.2014	Gertrud Altmann	PQM
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1 General

1.1 Scope of Application

This quality guideline is valid for:

- Suppliers
- MAN Diesel & Turbo SE (MDT)

NOTE!

This quality guideline is NOT valid for:

- engine
- turbocharger parts
- Parts for gearboxes and propellers from MDT-house production

1.2 Purpose

This quality guideline governs the procedure between MDT and the supplier with the following regard:

- the supplier's approval by our quality management
- the process for the supplier audit for plant construction for power plants.

1.3 Contact Partners for the Supplier

Contact partner for all provisions of this guideline is:

MDT, SBU Power Quality
 Telefonnummer +49 821 322 0
 Fax +49 821 322 3460
 E-Mail: Power-Quality-HSE@mandieselturbo.com

2 Process for the Delivery Permit for a new Supplier, auditing

Prior to entering into business relations for the purpose of supplying goods, the supplier will receive the following documents:

- FK 0921
- FK 0922
- FK 0904

1. The supplier has two possibilities:
 The supplier downloads these documents from the internet.
 Use the following link: <http://www.mandieselturbo.com/documentation>
2. The supplier requests the documents at MDT.

The form control sheets FK 0921 (is to be completed by the supplier) and FK 0922 (is to be signed by the supplier) are to be returned to MDT, SBU Power Quality within five working days. Once these documents have been returned, SBU Power Quality will coordinate a date with the supplier and will perform an audit according to the list of audit-related questions. After a successful audit, SBU Power Quality will approve the supplier for deliveries to MDT.

In case of an extension of the spectrum of parts to be delivered by the supplier during the course of the business relations, a new audit or suitable quality-assurance measures may be necessary.

Depending on the nature of the business relations with the supplier, SBU Power Quality will propose the conclusion of a Quality Agreement (QA) to the supplier.

3 Self-disclosure Products and/or services at plant construction (FK 0921)

The supplier will receive this form. He will then complete it, providing important information regarding his company's structure and his supply possibilities. This information also forms the basis for the selection of the groups of questions for the supplier audit.

4 Quality Requirements for suppliers of stationary plant components (FK 0922)

The supplier will receive the quality requirements (FK 0922), which provide the basic information for the future cooperation with the quality management of MDT. By affixing his signature and returning them to MDT, he confirms that the requirements will be met for future scopes of delivery.

5 Deviation message (FK 0904)

Should the supplier become aware of defects, deviations on the components which he manufactures by order of MDT, he shall inform MDT, SBU Power Quality about them using the form FK 0904.

6 Supplier Audit

The supplier audit will be carried out as a first audit, normally as system audit, prior to approving the supplier for deliveries to MDT. A positive assessment will be the basis for the approval.

If business relations with the supplier do already exist, further subsequent audits may be carried out periodically, as a rule two years after the first audit or after an extension of the business relations with the supplier or in case defective/faulty parts have been delivered by the supplier.

The audit will take place at the supplier's works and will be carried out by an employee (auditor) of MDT, SBU Power Quality.

7 Cover sheet for the Supplier Audit (FK 3500), Overall Evaluation of the Audit

The auditor will complete the cover sheet for the supplier audit FK 3500 and will sign it together with a responsible representative of the supplier. By affixing his signature, the supplier assures MDT that the deviations found will be eliminated and that he will inform MDT after elimination has been accomplished (within a period of four weeks from the audit).

The auditor will assign an audit number, which is based on the following system:

YY MM DD XY; with YY representing the year, MM the month, DD the day, and XY the auditor's symbol.

8 List of Audit-related Questions to system audit (first release)

The audit will be carried out on the basis of the list of audit-related questions. Based on the information provided by the supplier within the scope of the self-information FK 0921/0933, this list of questions permits the auditor to make a pre-selection with regard to the scope of questions.

The list of questions (FK 3999) comprises several groups of questions:

- Questions about the quality management system
- Questions for control of documents and records
- Questions on Planning of product realization
- Questions concerning design and development
- Questions about purchasing
- Questions on production
- Questions about measurement / analysis / improvement
- Questions about the welding process
- Questions concerning compliance with EC Directives

9 Evaluation of the Answers

The answers to the questions will be evaluated on the basis of a point system. The auditor will make recommendations, based on the answers received, and will show deviations from a reliable quality management to the supplier.

For questions which have, in the auditors point of view, been answered in accordance with a reliable quality management, the auditor will award an "ok" and thus 100 points. Where the answers to the questions, in the auditor's opinion, ensure reliable procedure, however a further improvement would result if the recommendations of the auditor were complied with, the rating will be "E" and 80 points. We would recommend to the supplier to implement these recommendations.

Where the answers to questions indicate that there are deviations from a reliable quality management, the rating will be "A" and 50 points. The auditor will name the deviations and will arrange with the supplier for immediate elimination of the deviations and confirmation to MDT once this has been achieved (in writing, within a maximum of four weeks after the audit). A delivery permit will then be provisionally granted or under reservation until a positive reply is received.

Where the answers to questions indicate a failure / gap in the quality management and where the supplier does not promise MDT to eliminate this shortcoming (deviation "A") within a reasonable period of time, the rating will be "N" and 00 points. Should the supplier get 00 points for one question during the course of the audit, he will not be granted a delivery permit, as a rule.

If the average of the points reached for one group of questions is 60 or less, the supplier will not be granted a delivery permit. The further procedure in connection with this supplier will then be internally coordinated within MDT.

The number of points, recommendations and deviations will be noted down on the cover sheet for the group of questions. The supplier confirms elimination of the deviation by affixing his signature on the cover sheet (FK 3500).

10 Quality Agreement

The Quality Agreement is an agreement concluded between MDT and the supplier. It governs the procedure in connection with quality assurance and control as well as the responsibilities of MDT, SBU Power Quality, and the supplier. It is depending on part/ component.

In all cases where high-value, safety-relevant components, which are of great importance for the operation of the plant, are purchased from the supplier, MDT, SBU Power Quality, will propose the conclusion of a Quality Agreement to the supplier. The conclusion of a Quality Agreement may be a precondition for granting a delivery permit.

11 Release or Cancellation of the Delivery Permit by Dept. Power Quality

After the audit or the feedback to containment actions proceeded positively, the supplier receives the delivery permit

If the supplier does not eliminate a deviation which has been noted in the audit papers, the provisional delivery permit will be cancelled.

Should considerable disturbances, defects and faulty deliveries occur during the course of existing business relations and should the measures taken by MDT vis-à-vis the supplier prove ineffective, the supplier will be blocked with regard to future deliveries.

12 Supplier Evaluation

Besides the evaluation of the audit questions there always will take place further evaluations of the suppliers if there are existing long-time supplier relations.

Additional evaluation:

- Behavior of the supplier in cooperation with MDT (MDT-internal evaluation by specialist department)
- incoming goods, please see FK 0922 (faults acc. inspections and warranty)

The respective score of points will be communicated to the supplier via audit cover sheet FK 3500. In case the overall average of evaluation is less than 80 points there will follow adequate measures to raise the quality. These measures will be immediately arranged between MDT SBU Power Quality and the supplier.

Normally it will cause delivery stop if it is not possible to get the necessary improvement within six months.