



# Supplier Quality Manual

## REVISION 01

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Director of Quality:

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## 1.0 Definitions and Acronyms

<b>Authentic</b>	Genuine; purchased from the Original Equipment Manufacturer (OEM), Original Component Manufacturer (OCM) or through the OEM's / OCM's authorized dealers; and manufactured by, or at the request and to the standards of, the manufacturer that has lawfully applied its name and trademark for that model / version of the material, part, or component
<b>Authorized Dealer</b>	A dealer or distributor that purchases directly from the OEM or OCM and is authorized or franchised by the OEM / OCM to sell or distribute the OEM's / OCM's products
<b>C of C</b>	Certificate of Conformance
<b>Counterfeit Product</b>	A material, part or component that is an unauthorized copy or substitute that has been identified, marked and / or altered by a source other than the item's legally authorized source and has been misrepresented to be an authorized product of the legally authorized source. This definition also includes used parts represented as new parts
<b>CGP</b>	Canadian Controlled Goods Program
<b>Corrective Action</b>	Corrections or improvements to an organization's processes taken to eliminate causes of non-conformance or other undesirable situations
<b>DDTC</b>	Directorate of Defence Trade Controls
<b>Distributor</b>	An entity that buys noncompeting products or product lines, warehouses them, and resells them to retailers or direct to end users or customers
<b>DMR</b>	Discrepant Material Report
<b>Error Proofing</b>	Implementation of fail-safe mechanisms to prevent a process from producing defects, also referred to as poka-yoke
<b>First Article Inspection (FAI)</b>	An inspection process which requires all features and characteristics of a design specification, drawing and / or control plan to be inspected and verified prior to production. Actual measured values must be recorded to demonstrate conformance to the applicable requirements
<b>GQAR</b>	Government Quality Assurance Representative
<b>MLA</b>	Manufacturing License Agreement
<b>NDA</b>	Non-Disclosure Agreement
<b>Non-Conformance</b>	Non-fulfillment or deviation from the specified requirements
<b>OEM / OCM</b>	Original Equipment Manufacturer / Original Component Manufacturer; an organization that designs and / or engineers a part or equipment and is pursuing or has obtained the intellectual property rights to that part or equipment
<b>PO</b>	Purchase Order; to be used interchangeably with contract
<b>Product</b>	Refers to the articles, materials, supplies and goods consistent to the subject matter of the contract
<b>QMS</b>	Quality Management System



<b>Qualified Third-Party Lab</b>	Third Party testing is an independent testing, inspection and calibration laboratory which is accredited to a national or international standard
<b>RCA</b>	Root Cause Analysis: a systematic process used for identifying the “root causes” of a problem or problems. The root cause analysis provides an approach for responding to identified problems.
<b>RMA</b>	Return Material Authorization
<b>Root Cause</b>	The fundamental fault, basis, reason, or source from which a non-conforming condition occurs, or failure originates
<b>RTV</b>	Return to Vendor
<b>SCAR</b>	Supplier Corrective Action Request: a report used to notify vendors of quality issues on incoming products and/or services and for requesting vendors to take appropriate actions to prevent recurrence
<b>Supplier</b>	Refers to the person, firm, seller, or corporation which is furnishing the products defined herein to Colt Canada
<b>Suspect Counterfeit Product</b>	A material, part, or component that Colt Canada becomes aware, or has reason to suspect, meets the definition of “Counterfeit product” as defined within this document. The terms “counterfeit product” and “suspect counterfeit product” shall be used interchangeably. If any individual product from a lot is determined to be counterfeit or suspect counterfeit, the entire lot of products will be considered suspect counterfeit

## 2.0 Scope

The purpose of the Colt Canada Supplier Quality Manual is to communicate Colt Canada’s quality assurance expectations and requirements. The suppliers manufacturing and support locations, including procedures, material inspection, equipment, personnel, and documentation is subject to review by Colt Canada personnel. An evaluation may be conducted prior to issuance of the contract, and periodically during there after.

This quality manual applies to all Suppliers providing Colt Canada with materials, products, processing, and related services and when applicable, to Supplier sub-tier sources. The requirements outlined herein do not supersede conflicting requirements in Colt Canada drawings, contracts, applicable engineering specifications, processing specifications or applicable long-term agreements.

Colt Canada acknowledges the important role that our Suppliers play in the contribution to the quality and value of products and services that we offer to our customers. We rely on our Suppliers to provide material, products and services that meet all requirements of Colt Canada contracts, applicable specifications and the quality management requirements outlined in this document. Each Supplier has a significant contribution to the conformity, quality and on-time delivery of our products and services.

## 3.0 Supplier Approval Requirements

Colt Canada requires Suppliers to be approved prior to the issuance of RFQ’s, Purchase Orders, and / or contracts. Requirements a) through e) must be fulfilled by the Supplier prior to gaining approval from Colt Canada depending on the part(s) being supplied, with the following exception. Commercial off the shelf (COTS) items may be purchased without the requirements of a) through e) if the supplier does not require access to Colt Canada drawings or proprietary information.



- a) Non-disclosure Agreement (NDA)  
Also known as a confidentiality agreement, an NDA is a legal contract between two parties that outlines confidential material, knowledge or information that will be shared between two parties but is restricted against access to or by third parties. An NDA must be reviewed, agreed upon and signed by the Supplier wishing to do business with Colt Canada.
- b) Supplier Audit and Evaluation Questionnaire  
Suppliers must complete Colt Canada's Supplier audit and evaluation questionnaire (QA F-089). At the discretion of the Quality Manager, an on-site audit may be performed by Colt Canada at the Supplier's facility. At the discretion of the Quality Manager a review of an "equivalent to" questionnaire may be accepted.
- c) Canadian Controlled Goods Program (CGP)  
If a Canadian Supplier requires access to Controlled Technology, as defined by the Controlled Goods Program managed by the government of Canada, the Supplier must be approved and provide proof of registration to Colt Canada.
- d) Manufacturing License Agreement (MLA)  
For Non-US vendors that will require access to C7 / C8 technology, an application must be made by Colt Canada to the U.S. Department of State, through our parent company Colt's Manufacturing LLC, to request permission to use the prospective Supplier as required under Colt Canada's MLA as a sub-licensee. Approval of this application by the U.S. Department of State will be required prior to the transfer of any technical data or material.
- e) Directorate of Defense Trade Controls (DDTC) – ITAR  
For US Suppliers, as required, proof of approval and registration to the Directorate of Defence Trade Controls (DDTC) is required, commonly known as ITAR.

### 3.1 Quality Management System Requirements

Suppliers of Colt Canada should maintain a documented Quality Management System (QMS) appropriate to the complexity of product and any additional specific contractual requirements. The preferred quality systems are the latest revision of ISO 9001 or AS 9100 or others as approved by the Director of Quality. Distributors of catalogue or off the shelf items are exempt from the QMS requirement unless specifically requested by Colt Canada. Calibration Laboratories should be certified to ISO 17025 – General Requirements for the Competence of Testing and Calibration Laboratories or equivalent as deemed appropriate by the Director of Quality.

Colt Canada receiving and/or final acceptance of the material shall not in any way relieve the Supplier of its obligation to meet contractual or warranty requirements. It is the Supplier's responsibility to provide Colt Canada with the most recent copy of its Quality Management Systems certification and any future re-certifications. Initial and subsequent periodic review of the Supplier's quality system may be performed at the discretion of Colt Canada.

### 3.2 Quality Clauses



Colt Canada Quality Clauses are applied to each Purchase Order. Quality Clauses summarize contractual requirements with respect to Quality Management Systems, Traceability, Certificates of Conformance, and specific actions for First Article or Calibration as necessary. Each supplier is responsible to review their Purchases Orders for clauses and apply them.

#### **4.0 Control of Sub-suppliers**

The Supplier, as a recipient of the contract, is responsible for meeting all requirements, including work performed by the Supplier's sub-suppliers. When the Supplier uses sub-tier sources to perform work on products and / or services scheduled for delivery to Colt Canada, the Supplier shall include (flow down) on contracts to its sub-tier sources, all the applicable technical, quality, NDA and CGP requirements contained in the Colt Canada contract. Colt Canada, its customer(s) and / or GQAR reserve the right of entry to sub-tier facilities, subject to proprietary considerations, to inspect work being performed relative to the contract.

#### **5.0 Counterfeit Material and Traceability**

##### **5.1 Counterfeit Parts Prevention**

The Supplier guarantees that only new and authentic materials are used in the products and services to be delivered to Colt Canada, containing no counterfeit materials, parts, or components.

Suppliers of Colt Canada shall maintain processes appropriate to their products and services, to minimize the risk of introducing counterfeit parts and materials to Colt Canada and / or into the supply chain. Effective processes should be in place to detect counterfeit parts and materials and to mark parts as non-conforming, as appropriate. If counterfeit products or suspect counterfeit products are delivered to Colt Canada, the products will be retained and quarantined to not reintroduce parts back into the supply chain. Colt Canada reserves the right to notify relevant Customers, Suppliers, intellectual property owners of the genuine material, appropriate information / data gathering organizations, law enforcement agencies and government agencies of the counterfeit or suspect counterfeit products received from the Supplier.

Colt Canada periodically sends material received from Suppliers to third party laboratories for independent testing. Verification of the physical and chemical properties of the material is performed to mitigate the risk of utilizing counterfeit material in production and / or development.

##### **5.2 Product Traceability**

For Colt Canada supplied items, serialization and/or lot traceability (Job Order Number) must be maintained throughout the Supplier's process. Items will be supplied with a Delivery Slip referencing, Job Order Number, Purchase Order Number, including line and serialization (if applicable). Each lot of products sub-contracted for processing must remain traceable to the original lot as shipped to the Supplier. This information must be recorded on all paperwork submitted to Colt Canada, including the Certificate of Conformance, Test Reports and Packing Slips.

In cases where the Supplier elects to use more than one lot of raw material to fulfill contract requirements, the Supplier shall ensure, document, and furnish positive traceability of each individual product to the raw material certification / test report that represents the raw material from which each of the products was manufactured. Traceability shall be provided by identifying the raw material heat, lot or batch number



from the certification / test report on the product and / or on packaging, or by segregating and identifying the products.

## 6.0 Quality Control Requirements

### 6.1 First Article Inspection (FAI)

A first article submission of six (6) parts is required prior to the first production run of the product, unless otherwise specified through contractual agreement, raw material does not require FAI submission. Parts submitted for first article approval must be produced using production intent tooling, gauges, and materials and meet all drawing requirements including protective/decorative finishes (e.g., phosphate, anodize, etc.). If individual FAI parts are required to have protective/decorative finishes (e.g., phosphate, anodize, etc.), and the drawing indicates the **dimensions are prior to protective/decorative finish**, three (3) pieces shall be sent in **without** protective/decorative finish, and three (3) parts **with** protective/decorative finishes.

For assemblies, each sub-component of the assembly shall have six (6) pieces submitted as an FAI along with six (6) completed assemblies.

Each FAI shall be submitted with:

- Dimensional inspection reports for all features
- Material test reports
- Heat treat reports if applicable
- Protective/decorative finish reports as applicable
- Non-destructive/Destructive test reports as applicable
- Certificate of Conformance

FAI documentation shall be emailed to [qc@coltcanada.com](mailto:qc@coltcanada.com) and Colt Canada's buyer.

FAI's are required under the following conditions:

- New part or product
- Any change in the design which could affect fit, form or function
- Production from tooling and equipment transferred to a different plant location, or from an additional plant
- New or modified tooling dies, molds, patterns, etc.
- A change in manufacturing process
- Any use of optional materials than what was used in the previously (originally) approved FAI
- Product has not been supplied to Colt Canada in the last 24 months.

### 6.2 Inspection and Testing

The Supplier shall inspect or otherwise verify that all products, including those components procured from or furnished by Colt Canada, Suppliers or Colt Canada's sub-tiers, comply with the requirements of the order prior to shipment. The Supplier is responsible for all tests / inspections of the product during receiving, manufacture and / or Supplier's final inspection. The Supplier shall provide Colt Canada with copies of test and / or control data upon request from Colt Canada.



### **6.3 Measurement and Test Equipment**

The Supplier shall determine the monitoring and measuring devices needed to provide evidence of conformity of product to determined requirements. At a minimum, where necessary to ensure valid results, monitoring and measuring equipment shall be calibrated or verified at specified intervals and prior to initial use against measurement standards traceable to international or national measurement standards, where no such standards exist, the basis used for calibration or verification shall be documented. In addition, the measuring equipment shall be identified to enable the verification of the calibration status. The Supplier shall establish a documented process to control the calibration and / or verification of monitoring and measuring devices.

### **6.4 Certificate of Conformance**

A Certificate of Conformance (C of C) shall be signed by the Supplier's Quality department, Company Officer or authorized delegate is required with each shipment of product to Colt Canada. A C of C must attest that all products and / or services delivered to Colt Canada were manufactured, inspected, and conform to all contract requirements, including applicable drawings and specification to the part(s). All C of C's must be in English and contain the following:

- Supplier Name
- Part Number
- Part Description
- Drawing / Specification Revision and / or Configuration
- Serial Number(s), if specified as a PO requirement
- Colt Canada PO / Contract Number
- Line Item Number
- Release Number (when applicable)
- Lot Traceability Identifier
- Quantity Shipped
- Packing List / Shipper Number (when applicable)

Additional certifications or test reports will be specified on the contract / PO, as required by Colt Canada. For raw material a material test report can be used in lieu of a C of C.

## **7.0 Nonconformance & Corrective Action**

### **7.1 Control of Nonconforming Product**

Non-conforming product discovered by Colt Canada, or our customer(s) will result in a Nonconformance Report being issued. If the non-conformance is minor in nature and an isolated issue, the Nonconformance Report will serve as a notification only. Upon discovery of a significant issue or recurrent issue, the Supplier will be issued a Supplier Corrective Action Request (SCAR), as outlined in section 7.4. For all non-conforming products supplied to Colt Canada, the Supplier is responsible for covering all costs incurred to correct the non-conformance.

### **7.2 Containment of Nonconforming Product**





Upon identification of a non-conforming condition, the Supplier shall fully contain all product suspected of being non-conforming. Until corrective action has been taken and approved, the Supplier shall provide documented evidence with subsequent shipments that such product has been inspected for the identified non-conformance and meets all applicable requirements.

### **7.3 Notice of Escapement**

If a non-conformance is determined to exist or is suspected to exist, on product already delivered to Colt Canada, the Supplier shall complete a Notice of Escapement containing the following:

- Affected process or product number and name
- Description of the problem (what it is and what it should be)
- Quantity of product and date(s) delivered
- Suspect / affected serial numbers, when applicable

### **7.4 Supplier Corrective Action Request (SCAR)**

Upon the identification of systemic issues, repeat non-conformances, poor delivery, poor quality or as deemed necessary by Colt Canada, the Supplier shall be issued a Supplier Corrective Action Request to correct the identified issue. The SCAR can be used as a Supplier's formal improvement plan. When implemented effectively, a SCAR will eliminate causes of non-conformity and improve the overall Quality of an organization and its processes.

The vendor is responsible for containing the non-conformance identified by Colt Canada, identifying the root cause, and creating a corrective action plan to either eliminate or mitigate the possibility of non-conformity recurrence, as applicable.

## **8.0 Supplier Evaluation**

### **8.1 Monitoring of Supplier Performance**

The Supplier's On-Time Delivery Rating and Quality Rating shall be monitored by Colt Canada on a regular basis. Failure to achieve Colt Canada's targets for these ratings may result in actions raised against the Supplier for correction and improvement. Such actions may include but are not limited to issuance of a SCAR, audit of the Seller's facility, source inspection or formal improvement plans.

### **8.2 Supplier Audit**

Colt Canada may request an on-site audit of the Supplier's facility to identify areas of improvement, concern and provide potential solutions for improvement. The goal of an on-site audit is to identify where the process is failing and to create a plan to fix the issue(s). Colt Canada may also conduct on-site audits of its key suppliers as a means of maintaining strong business relationships by reaffirming the supplier's capabilities.

### **8.3 Source Inspection**

Colt Canada may request a Supplier source inspection of product to be delivered to Colt Canada prior to shipment, ensuring that the product is acceptable before leaving the Supplier's facility. Supplier source



inspections shall be performed by either Colt Canada, or an independent, accredited 3<sup>rd</sup> party selected by Colt Canada.

**8.4 Government Quality Assurance Representative (GQAR)**

For certain contracts, goods or services may be subject to inspection, surveillance and test at reasonable times and places, including Supplier’s subcontractors’ locations by a GQAR. The GQAR may perform inspections, surveillance and tests and will not delay the work to the best of their ability. If the GQAR perform an inspection or test on the premises of Supplier or its subcontractors, the Supplier shall furnish, and require its subcontractors to furnish, without additional charge, reasonable facilities, and assistance for the safe and convenient performance of these duties.

**8.5 Reassessment of Supplier Approval Status**

Failure to respond to Supplier Corrective Action Requests, excessive SCAR’s, late deliveries, or quality problems can result in the reassessment and / or removal of the Supplier’s approval status by Colt Canada.

**9.0 Material Handling, Packaging and Delivery**

**9.1 Handling and Storage**

Material or product which is property of Colt Canada shall be handled and stored in a manner to protect against corrosion, contamination, deterioration, or loss and to eliminate damage during movement from one location to another.

**9.2 Packaging**

All product shipped to Colt Canada must be packed in a manner to protect the product against corrosion, contamination, deterioration, or loss and to eliminate damage due to shipping.

**9.3 Delivery**

The Supplier shall inform Colt Canada in writing of any delay in delivering product or services and provide a new dispatch date. At the discretion of Colt Canada, verbal notification of the late delivery may be acceptable. The receipt of such data shall be used for informational purposes only and shall not be construed as a waiver by Colt Canada as agreement on a new delivery schedule. The Supplier is responsible for additional transport costs due to delays. Colt Canada may charge for damage or deterioration of any products resulting from improper packaging or packing. All shipping documents shall refer to purchase order number or certificate of compliance number.

Revision #	Revised By	Description of Revision
Rel	D Mayhew	Initial Release
01	G Dakin	Complete re-write