

BEAS Operations Supplier Requirements



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1. Purpose

This document has been developed to communicate to suppliers the operational, performance expectations and quality process requirements that must be used in the fulfilment of BEAS purchase orders

2. Scope

It covers all suppliers of products and / or services that impact upon BEAS customer requirements. This does not apply to any supplier of indirect product and/ or services E.G. Utilities, Office services etc

3. Introduction

This document identifies the BEAS Requirements that are additional to the ISO9001 standard

Any additional Business or Project specific requirements will be contained in the purchase Order or in the Supplier Agreements (SA)

4. Definitions and Abbreviations (Acronyms)

Definitions or Glossary of Terms (*Acronyms*).

BV	Bureau Veritas
CCF's	Conformance Control Feature's
CON	Concession
DNV	Det Norske Veritas
ECR	Engineering Change Request
EDM	Electrical Discharge Machining
EDS	Electronic Data Sheet
FAI	First Article Inspection
FAIR	First Article Inspection Report
Gauge R&R	Gauge Repeatability & Reproducibility Studies
GL	Germanischer Lloyd
MSA	Measurement Systems Analysis
M.Q.I	Major Quality Investigation
NDT	Non Destructive Test
OHSAS	Occupational Health and Safety Assessment Series
PIR	Problem Improvement Request
PPM	Parts Per Million
RFQ	Request For Quotation
RPS	Rational Process Specification
BEAS	BEAS
SA	Supplier Agreement
Schedule line	Order line

5. Business Requirements

5.1 BEAS Quality Policy

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BEAS meets the needs of its customers, shareholders, employees, partners, suppliers and the wider community by disciplined operation of processes focussed on their needs. BEAS suppliers are expected to operate in a similar manner.

Continuous improvement is essential to meet the increasing expectations of our global customers and to maintain overall competitiveness.

Annual assessment targets are established towards “class-leading” goals for business processes; such targets include as a minimum:

Customer satisfaction, non-conformance rates for products and services, cost of non-conformance, environmental performance, health & safety.

We aim to achieve our objectives through teamwork - founded on our company values of integrity, reliability and innovation. This is not limited to one project, business or function but means that we all work together with and in the interests of customers, shareholders, employees, partners, suppliers and the wider communities of which we are a part.

5.2 BEAS Supplier Code of Conduct

BEAS will select and work with suppliers on compliance with the principles in this code of conduct. The supplier shall use the same principles within their own supply base and then incorporate these as part of routine improvement, compliance and audit activities.

5.2.1 Protect proprietary information

Any information you receive through business dealings with BEAS must be kept confidential and never used for personal gain. This includes both commercial and technical information. Appropriate non-disclosure or confidentiality agreements are used to formalise the process of protecting proprietary information. Refer to the BEAS terms of business between our respective organisations or existing non-disclosure agreements for details on obligations relating to proprietary and confidential information.

5.2.2 Gifts and Hospitality

Suppliers to BEAS shall not offer gifts and favours to BEAS employees that may be seen as an attempt to influence business decisions.

5.3 Health, Safety and Environmental Management

BEAS expects suppliers to make proper provision for the health, safety and welfare of its people, visitors, customers and those in the community who may be affected by their activities. Suppliers shall operate a process that systematically reviews HS&E performance. Suppliers are encouraged to implement a health and safety management system such as Occupational Health and Safety Assessment Series (OHSAS) 18001.

BEAS suppliers shall care for the environment through a commitment to good environmental practices. They are expected to implement an appropriate environmental management system comparable with the requirements of ISO 14001 and are encouraged to gain third party certification.

Health, Safety and Environmental risks shall be assessed, and appropriate controls put in place.

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5.4 Supplier Approvals

BEAS Supply Chain Quality Management Programme is based upon the International Standard ISO9001. All Suppliers who receive purchase orders from BEAS Operations shall operate a Quality Management system that complies with or is equivalent to this standard.

Note: All new approved suppliers shall be certified according to ISO9001.

5.4.1 General

The relevant BEAS Business Unit may issue a 'Certificate of Approval'.

The supplier shall conduct work only within the "scope" of the approval, as communicated by BEAS.

Note: The BEAS approval "scope" shall cover as applicable:

- *The type of product / service supplied*
- *Any BEAS or Customer special processes*
- *The material supplied*
- *Any specific authorisations*
- *Any specific restrictions or conditions*

5.4.2 Maintaining the BEAS Approval

The BEAS Approval may be revoked at any time by BEAS without notice and liability, irrespective of any 'other party' certification held and remains the property of BEAS at all times.

Retention of the BEAS Approval shall be dependent on the agreed standard being maintained by the supplier (*e.g., continued compliance to BEAS Operations Supplier Requirements*).

BEAS reserve the right to conduct Visits / Audits on the supplier's premises at any time, in support of BEAS Contract and the right to request test, inspection and product data to support quality and HS&E investigations.

The supplier shall inform their BEAS purchasing normal point of contact immediately:

- When there are changes to their 'other party' certification including lapse / withdrawal.
- Any change to the nominated representative for quality, significant change in the supplier organisation or quality system, change in premises or ownership.
- Deterioration of buildings and / or manufacturing equipment (*e.g., due to fire, flood etc.*)
- If financial difficulties impact upon the supplier's operation *e.g., when the supplier operates under "Chapter 11 - Bankruptcy Protection" or equivalent.*

5.5 Quality

5.5.1 Review of Requirements / Contract Review

The supplier shall operate a process that systematically reviews:

- Request for Quotations (RFQ)
- Purchase Orders (including amendments - where applicable)
- Supporting documentation (*e.g. drawings, engineering definitions, technical / process specifications, Quality plans, repair / salvage schemes etc.*) - if necessary the supplier can request a review with BEAS

Reviews shall be conducted by knowledgeable personnel relevant for the processes being undertaken.

5.5.2 Internal Audit

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Suppliers shall maintain an internal audit schedule. Suppliers shall regularly and routinely audit the effectiveness of the manufacturing control plans, manufacturing and management processes this is to include both Product & Process audits with a view to:

Product Audits:

- Assess the effectiveness of the method of manufacture in assuring conformance to specification.
- Evaluate 'as delivered' product quality.
- Provide a basis for improvement.
- Provide verification of product quality.

Process Audits:

- Ensure that the manufacturing process remains in compliance with the defined specification.
- Ensure that the correct process routing is maintained and adhered to, and where applicable to the approved specification / standard
- Evaluate process capability and stability.
- Provide a basis for improvement.

5.5.3 Quality Performance

The suppliers shall measure their quality performance, maintaining a history of performance for a minimum of 12-months

The supplier's quality targets shall meet or exceed the agreed quality targets (E.G. SA, Business review), the supplier shall own and manage their own improvement plans to achieve these targets.

5.6 Cost

5.6.1 Cost Management

The supplier is responsible for the cost management of all product and services shipped to BEAS.

The supplier is expected to support BEAS to establish cost targets and ensure that cost targets are met.

5.7 Delivery

5.7.1 Delivery Performance

The suppliers shall measure their operational performance in terms of lead times and delivery adherence, maintaining a history of performance for a minimum of 12-months

The supplier's delivery targets shall meet or exceed the agreed delivery targets (E.G. SA, Business review) the supplier shall own and manage their own improvement plans to achieve these targets.

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6 Process Requirements

6.1 Tooling Control

The supplier shall conduct an annual stock take audit to determine the calibration status and condition of tooling owned by BEAS (Patterns, Fixtures, gauges etc).

BEAS owned tooling (Patterns, Fixtures, gauges etc) can only be disposed with the written authority of BEAS.

6.1.1 Tooling Register

For BEAS owned or funded tooling, the supplier shall establish and maintain a tooling register that contains the following information as a minimum:

- Tool number and description
- Part number and issue date
- Supplier's name / identification
- Ownership (BEAS, contract, customer etc)
- Storage location
- BEAS purchase order / contract that authorized the tooling.
- Records (even beyond tooling disposal, when authorised by BEAS) shall be maintained for a specified period by BEAS.

6.2 Control of Sub-Tier Suppliers

Suppliers shall ensure that the requirements of the Order and all appropriate requirements of this specification are applied to any Sub Suppliers / Subcontracted work. This may require special consultation with, and authorisation by, BEAS in respect of classification society part (DNV, Lloyds Register, BV, GL, etc). Suppliers must ensure that sub tiers are approved by the appropriate Class Society as instructed by purchase order.

6.2.1 Material Supplier Additional Approval Requirements

Material Type	BEAS Operations
Mill Source	ISO 9001 Certification plus BEAS Approval or ISO 9001 Certification plus Test to Specification from certified test house.
Re-processor (mechanical or thermal)	ISO 9001 Certification plus Test to Specification from certified test house.
Material Test Houses	One of the following: BEAS Approval, National Accreditation or ISO 17025 Certification.
Material Stockist	ISO 9001 Certification plus traceability to approved mill by cast number.

6.3 Product Verification / Inspection

The supplier shall monitor measure and record the characteristics related to the manufactured product to verify and document that requirements have been met for all products supplied in furtherance of BEAS contracts unless otherwise authorized by BEAS (*or controlling specification*).

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6.3.1 Vision Standards

This process is applicable to all supplier personnel who conduct product verification/inspection activities that require accurate vision standards.

- **Vision Assessment** - The supplier shall maintain records of a periodic vision assessment (eye test) for all personnel engaged in product verification activities to ensure that a visual capability/competency standard is maintained. The visual assessment shall be conducted by a suitably qualified person who can provide an optometric examination in accordance with the relevant national / international standard(s).
- **Colour Perception** - The supplier shall ensure that where necessary, additional tests are undertaken to ensure that personnel are capable of distinguishing between colours
- **Non- Destructive Testing** - Vision standards associated with Non-Destructive testing (NDT) shall be referenced within the appropriate BEAS specifications, or contract requirements

6.3.2 Lighting Conditions

Product verification activities that require accurate visual verification shall be conducted in lighting conditions that provide a white light intensity of not less than 500 LUX.

6.3.3 Capable Product Measurement Processes

The supplier shall establish and maintain a process to ensure that monitoring and measuring devices / equipment associated with product verification and inspection activities, plus the personnel using these devices, provide a capable product measurement process. This includes the following:

- A. **Monitoring and measuring equipment / gauges** - The supplier shall determine the monitoring and measuring equipment / gauges used for product verification / inspection activities. The measuring equipment / gauges shall be calibrated or verified at specified intervals, or prior to use, against measurement standards traceable to international or national measurement standards.
- B. **Measurement Systems Analysis (MSA)** – The supplier shall determine the MSA activity, including Gauge R&R (*Repeatability & Reproducibility*) studies, that will be conducted on the monitoring and measuring equipment / gauges identified in Section A. The supplier shall establish and maintain appropriate records of Gauge R&R studies. Part feature specific Gauge R&R studies shall be conducted where Conformance Control Features (CCFs) have been identified on the BEAS component definition.

6.3.4 Sample Inspection

All suppliers who propose to undertake sample inspection on components that will be used on BEAS products shall demonstrate:

- A documented and proven quality procedure, defining the criteria that must be achieved before the application of sample inspection must be established. As a minimum this must include:
 1. That a production process has been established
 2. That the process is capable.
 3. That the levels of non-conformance are acceptable
- Sampling shall meet the requirements of a national or international standard.
- Sample inspection shall not be applied to parts approved by a Classification Society, features defined as Conformance Control Features (CCF's), or non-destructive testing inspection operations, unless specified in a controlling specification.

The above requirements are NOT applicable to proprietary / catalogue parts and standard parts.

6.4 Protection Packaging & Labelling

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Components shall be Protected & Packaged in such a way to prevent damage, corrosion and shall allow for safe lifting and handling of the components. If specific packaging & protection is required (including lifting devices / lugs) then this will be stated on the Purchase order, or as otherwise advised by BEAS.

7. Supporting Processes

7.1 Definition Alteration Request (DAR)

The definition alteration request is the document the supplier will use to propose changes to any component delivered to BEAS including component where the design is owned by the supplier.

Suppliers are encouraged to submit improvement requests and to submit necessary changes to assist production improve quality and drive costs down.

Consideration will be given to every request using the following criteria:

- Use of stock - existing stock shall continue to be usable without restriction.
- Interchange ability - Fit shall not be affected. Any change that affects interchange ability shall require the allocation of a new part number.
- Form or appearance - No changes that significantly affect appearance (e.g. visible differences that could affect customer perception) are allowed.

The supplier should send the DAR form to the BEAS contact person. The supplier must be in receipt of a fully approved DAR form before ANY change is incorporated.

Note: Supplier Briefing Pack and Definition Alteration Request template available.

7.2 Source Change Control Request (SCR)

A source change control process shall be invoked, and BEAS notified when:

- Any physical change in the location of manufacture of items listed in section 6.2.1 Material Supplier Additional Approval Requirements.

Typical examples include:

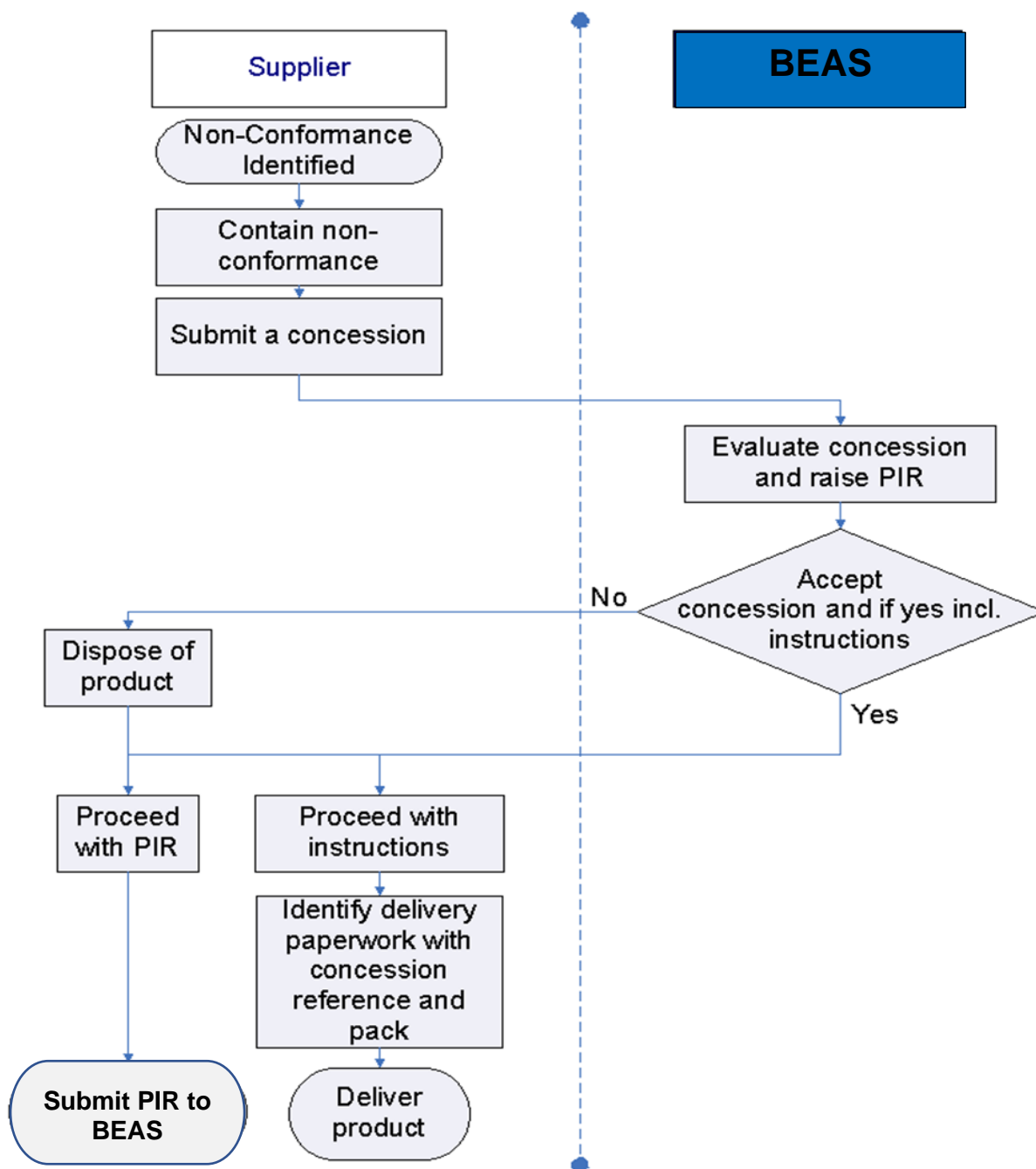
- Changes between sources
- Changes of location, including between group companies

The supplier should send the SCR form to the BEAS contact person. The supplier must be in receipt of a fully approved SCR form before ANY change is incorporated.

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7.3 Concession process Control

Process flow – Application & Approval of Concession



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7.3.1 Concessions

The concession request needs to be submitted with use of BEAS template and shall include as a minimum the following information:

- BEAS Purchase Order and Line-Item Number
- Serial Number/ Unique number
- Description of non-conformance
- Containment actions
- Proposal of rework / repair and corrective action
- Quantity of parts.

The details should be clear, complete and supply sufficient information to allow the relevant authorised BEAS departments to make a judgement.

Following a technical review of the concession, feedback will be provided by BEAS stating whether the concession is acceptable or not.

If acceptable, then the part can be delivered with the relevant concession number attached.

Non-conformance must not be shipped to BEAS without the formal approval of the respective Non-conformance application by BEAS.

Note: Supplier Briefing Packs and Concession template available

7.3.2 Supplier 7 Step / 8D Problem Resolution Process

Suppliers shall complete problem resolution process for all identified non-conformances. This process should include:

- Step 1 Define Problem
- Step 2 Containment Problem
- Step 3 Find Root Cause of Escape
- Step 4 Prevent further Escapes
- Step 5 Find Root cause of Problem
- Step 6 Implement corrective actions
- Step 7 Verify Fix.

Target timescales:

The problem resolution process shall be completed 30 calendar days.

Depending on the criticality / impact of the problem to BEAS, the 48 Hour Containment sheet will be issued and shall be completed by the Supplier.

Note: Supplier Briefing Pack and Problem Improvement Request template available.

7.4 First Article Inspection

A First Article Inspection Report (FAIR) shall be completed when instructed on the purchase order, or as otherwise advised by BEAS

First Article Inspection aims to provide assurance that the prescribed Manufacturing Method is capable of reliably producing fully conforming parts and where appropriate the monitoring of key characteristics to provide assurance that parts can be manufactured repeatable with minimum variation.

The supplier shall conduct a complete, independent physical and functional inspection / evaluation of a Representative Part to validate compliance with the Order specification requirements, using the embedded BEAS

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operation FAIR document. On receipt of the purchase order, the Supplier shall inform BEAS when FAIR will be completed.

Note: Supplier Briefing Pack and First Article Inspection Report template available.

7.5 Control of Documents & Records

7.5.1 Record Categories

The minimum records to be retained, categorisation and periods of retention are detailed below and unless otherwise specified in the purchase order.

Should any doubt arise, or additional clarification be required, please contact the relevant controlling BEAS business unit placing the purchase order(s).

BEAS Operations	
Document	Retention Period
Development Documents	
Design data and associated validation records	Until notified by BEAS
Design Change Request documentation	10 years
Purchasing, manufacturing and maintenance documents	
First Article Inspection Reports	10 years
Inspection and test procedures	10 years
Laboratory and other test records	10 years
Heat treatment and processing records	10 years
NDT techniques/records	10 years
Inspection history (record cards or route cards)	10 years
Traceability information	10 years
Outgoing Release Notes	10 years
Incoming Release Notes (e.g. sub-tier suppliers)	10 years
Concessions	Until notified by BEAS
Material Review Board Records	10 years
Corrective action	10 years
Supplier Drawings and specification change history	10 years
Sub-tier Reviews	10 years
Calibration Records	10 years
Quotation/procurement documents	10 years
Receipt Inspection records	10 years
Supplier contracts	Until notified by BEAS
Supplier approval	10 years
Qualification documents, specifications, QA documentation and contracts	
Employee Certification Records (as required)	10 years
Eyesight tests	10 years
Internal quality audits	10 years

Note: Retention periods are from the delivery date to BEAS.

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8. Customer Evaluation and Feedback

8.1 Delivery Performance

BEAS have available supplier score card to communicate the supplier's delivery performance.

8.2 Quality Performance

BEAS have available scorecard card to communicate the supplier's quality performance.

8.3 Consequences of Poor Performance

8.3.1 Cost of Non-quality

It is a BEAS expectation that suppliers shall be held financially accountable for non-quality of the product / services contracted. To this end, BEAS will exercise its contractual rights to debit the supplier's account for the costs and expenses incurred by BEAS.

8.3.2 Quality 'Red Flag' Process

The Quality Red Flag Process is a supplier risk management tool used to reduce the number of non-conforming product(s), which are received from suppliers - it is focused on those suppliers having a poor record of quality performance.

The process provides a structured platform whereby:

- Poor performing suppliers are identified.
- Containment action is applied.
- Quality improvement projects are initiated.

The resulting effects of being in the Quality Red Flag process include:

- Increased supplier led internal containment of non-conformance to ensure customer protection.
- New parts sourcing - Quality "Red Flag" suppliers may not be asked to submit Requests for Quotation (RFQ) on new orders in order to protect BEAS from future poor-quality parts.
- The supplier will be monitored specifically the next 6 months

Any Supplier with a below standard performance may be entered into the Quality Red Flag process at BEAS discretion.

Other issues may also contribute to suppliers being entered into the Quality Red Flag process including:

- Major quality investigations (M.Q.I's).
- Suppliers who are reluctant or unwilling to work quality improvement programs as required by this document.
- The results of assessments (Minor and Major deficiencies), plus poor response to findings raised.
- High level of repeat Problem Improvement Request's (PIR) and / or unacceptable response and closure of PIR's raised.
- The frequency and number of repeat supplier liable Quality Notifications (i.e. Concessions and Escapes).

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Change history

Revision	Date	Description of change	Author	Approval
Issue 01	October 2009	Initial Issue	Mattias Nilsson	Richard Hawkins
Issue 02	December 2022	Change Owner	Bjarte Myksvoll	Bjarte Myksvoll