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**TETON MACHINE COMPANY**

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*Teton Machine Company*  
*Quality Manual*

The information contained in this document is subject to change without notice.

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# Company Quality Manual

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## 0.0 Introduction

### Purpose and Scope

This Quality Manual provides the framework for the quality system, procedures, and operations used throughout Teton Machine Company. This guide is for Team Members as well as Customers, Suppliers, and others interested in TMC's commitment to superior quality.

It is the responsibility of the TMC Quality Manager to assure a current Quality Manual. This manual will be reviewed at a minimum of one time per year to assure accuracy and relevance to current quality goals and objectives. The release of this Quality Manual and all subsequent revisions are approved by the Company Management staff.

### Company Background

TMC is a leading Precision Machined parts job shop.

Teton Machine Company was incorporated under the laws of the state of Idaho in November 1981. The TMC Facility is located at 1805 NE 10<sup>th</sup> Ave, Payette, ID 83661. TMC can also be reached by visiting its website at [www.tetonmachine.com](http://www.tetonmachine.com).

TMC services Global customers in diverse markets largely supporting the Business machines, Communications, Medical, and Semi-Conductor markets. Our capabilities range from CNC Verticals, CNC Lathes, CNC Swiss lathes, Automatic Screw machines, Centerless Grinding and Mechanical Sub-Assemblies plus various contracted vendor services. TMC employs a 40 team members with the infrastructure that affords our customers a one stop job shop that meets or exceeds all their needs.

### TMC Mission Statement

Teton Machine Company Inc. is committed to supplying our customers with machined parts, mechanical assemblies, and related services that have exceptional value derived from TMC's supportive learning environment where employees are given opportunities to increase both their professional and personal skills. TMC's commitment to grow and prosper will increase the value to those we serve and our community.

## 1.0 Management Responsibility

The purpose of this section is to define management's responsibility as it relates to maintaining and monitoring the quality management system.

It is the responsibility of the management of each area to ensure that all Team Members understand the quality policy and objectives and that it is implemented throughout all levels of the organization. This process occurs through Team Member orientations provided by Area Supervisors and the Quality Department, utilizing on the job training, general communication, and periodic company meetings.

## **Quality Policy**

TMC is committed to developing and sustaining an organization that manufactures and delivers precision machined parts and assemblies that meet or exceed the customer's expectations.

### **Quality Objective**

To Meet or exceed the Customer's Expectations through Superior:

- § Responsive & Accurate Quotes
- § Customer Service
- § Full Service Manufacturing
- § Quality at Production Source
- § Initial Customer Experience
- § On-going Customer Service
- § Delivery

## **Organization**

### **Responsibility and Authority**

An organizational chart is maintained for all personnel who manage or perform work that affects quality. Company General Manager is responsible for maintaining a detailed Company-wide organizational chart.

The responsibilities for achieving TMC's quality goals reside in TMC Team Members, individually and collectively. Each Team Member accepts responsibility for promoting continuous improvement and conforming to appropriate procedures and/or requirements.

### **Verification of Resources and Personnel**

TMC's Management Staff is responsible for identifying resource requirements. In addition, they will provide resources, including personnel trained in management, implementation, and verification activities as defined in this manual.

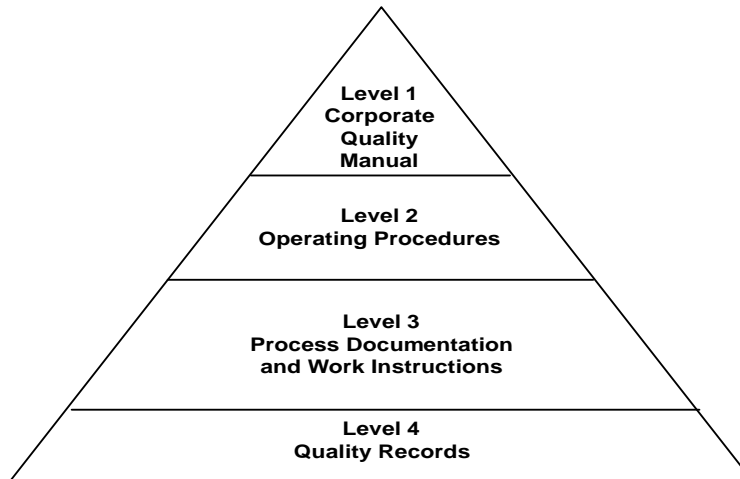
### **Management Representative**

In each production area, a Quality Representative is identified. The Quality Representative is responsible for ensuring that the quality system is adhered to and continuously improved. In this Team Member's absence the Quality Manager will appoint a representative within the Quality department to assume responsibility for maintaining the quality system.

### **Management Review**

The Quality Representative will meet with the Quality Manager and/or representatives monthly to report on and review the performance and effectiveness of the Quality system.

The Quality Manager will maintain and record the minutes for management review and tracking progress. The Quality Manager will maintain a copy of all Quality Team meeting minutes.



## 2.0 Quality Systems

The quality system establishes a means to ensure that TMC products conform to customer specified requirements. The system is divided into 4 levels.

Level 1: Company Quality Manual. The Quality Manual is based on the requirements of ISO 9000 and Customer specified requirements.

Level 2: Operating Procedures. Operating procedures are based on the 18 elements of ISO 9002 and define TMC's operating processes, organizational responsibilities, and process documentation requirements.

Level 3: Process Documentation and Work Instructions. These are defined as product specific procedures, instructions, drawings and checklists.

Level 4: Quality Records. This is any record generated to verify compliance to the requirements of Level 1 through Level 3.

TMC's procedures cross-referenced to ISO elements will be maintained at TMC's site.

The efficiency of the Quality System is determined and evaluated through internal system audits. If a corrective action is necessary, it is documented and followed up as part of the corrective action process.

The Quality System assures the following activities are achieved:

- § Quality Plans, generic and/or customer product specific as required for both established customer products and new customer products
- § Compatibility of production process, service, inspection, and test procedures
- § Clarification of standards of acceptance for all features and requirements
- § Identification and preparation of quality records
- § Updating as necessary the quality verification, inspection and testing methods including development of process fixtures and inspection fixtures.
- § Identification of measurements and verifications necessary for process control, inspection equipment, fixtures and Team Member training

### **3.0 Contract Review**

TMC has both established and maintained documented procedures for customer requests for quotes, executing reviews and customer change orders.

#### **Review**

All customer contracts and amendments to a customer contract shall be reviewed before submission of a tender or their acceptance to ensure that the requirements are clearly understood, complete, adequately defined, and can be achieved.

#### **Amendments**

TMC has a documented contract process that defines how contract amendments and changes are reviewed and accomplished.

#### **Records**

Contract records including amendments and evidence of review will be maintained in accordance to the applicable quality system procedure(s).

### **4.0 Design Control**

### **5.0 Document and Data Control**

TMC maintains operating procedures and process procedures to ensure the proper identification, distribution, collection, and maintenance of documents that relate to ISO requirements. Documents and data may be in paper form or electronic media.

#### **Approval and Availability**

Documents and data are reviewed and approved by authorized personnel as defined in the quality system. TMC maintains a manual document control database to ensure current revision status of documents are available at all locations where operations essential to the effective functioning of the quality system are performed. Currently numerous quality documents related to quality records are not converted to the current document revision status. As these records are utilized upon TMC receiving a customer contract updating to the current document revision will occur.

Obsolete documents are promptly removed from all areas of issue or use unless required to perform a function. Obsolete documents retained for legal or other requirements are archived. All obsolete documents that can be retrieved through TMC's document control database are properly identified as obsolete.

It is the responsibility of TMC Team Members to verify correct revisions to procedures are used.

#### **Changes**

Changes to documents and data are reviewed and approved by the same functions/organizations that performed the original review and approval

unless specifically designated otherwise. The nature of the change shall be identified in the change request and available for review.

### **Records**

Documentation will be maintained in accordance with the applicable quality system procedure(s).

## **6.0 Purchasing**

For components, materials and products that have a direct effect on quality, TMC reviews suppliers and purchases to ensure quality requirement(s) are met. Operating procedures and process procedures, will be maintained to promote the achievement of this requirement.

### **Supplier Evaluation/Assessment**

TMC evaluates and selects suppliers based on one or more of the following:

- § Inspections performed both at the supplier site and upon delivery at TMC
- § Evaluation of supplier's inspection/test data with shipments
- § Implementation of supplier's quality system approved by TMC
- § Routine Supplier Quality audits
- § Historical data

### **Purchasing Data**

Purchase orders issued to suppliers for materials and services that affect the quality of TMC products shall contain a clear, accurate description of the specific requirements. Purchasing documents are reviewed and approved for acceptability prior to release.

### **Verification of Purchased Product**

Purchased products are subject to incoming inspection(s) for conformance of requirements by TMC or its authorized representative where specified in purchasing documents.

Inspection(s) performed by TMC customers or representative(s) will not be used as evidence of effective quality control for the supplier. Nor does it clear TMC of the responsibility to provide acceptable product or prevent later rejections by TMC customers.

### **Records**

Purchasing records will be maintained in accordance to the applicable quality system procedure(s).

## **7.0 Control of Customer Supplied Product**

Customer supplied product is defined as any product or material supplied by a Customer to TMC that is used in the production or packaging of a product for that particular customer.

Customer supplied product is handled like any other product purchased for production supplies. Special handling will be performed as required and specified via individual customer contracts.

## 8.0 Product Identification and Traceability

Raw materials, in-process product and final product, where appropriate, are uniquely identified at all stages of processing.

Product requiring traceability shall have date codes, serialization, and/or paper or electronic travelers to enable TMC to locate or retrieve such materials as defined in operating procedures.

### Records

Inspection, test and certification records used for traceability will be maintained in accordance to the applicable quality system procedure(s).

## 9.0 Process Control

Production activities that have a direct effect on quality are planned and documented as defined in TMC operating procedures and process procedures. These documents are used to ensure that processes that have a direct effect on quality are carried out under controlled conditions, which include:

- § Documented procedures defining the manner of production where the absence of such procedure could adversely affect quality.
- § Use of suitable production equipment and a suitable working environment.
- § Compliance with referenced standards/codes, quality plans, and/or documented procedures.
- § Monitoring and control of suitable process standards and product qualifications.
- § Approval of processes and equipment, as appropriate.
- § Criteria for workmanship, which is stipulated in the clearest practical manner (e.g. written standards, representative samples or drawings).
- § Suitable maintenance of equipment to ensure continuous process capability.
- § Process production activities are continuously inspected, monitored, and tested at planned steps to ensure predefined requirements are met.

Responsibility for approval of process control documents processes and equipment is defined in the quality system.

Statistical process control techniques are used where deemed appropriate and efficient.

### Special processes

When applicable, qualified and trained Team Members will perform processes that are identified in appropriate documented procedures to ensure that the requirements are met.

## Records

Records of qualified processes, equipment, and personnel, as appropriate, will be maintained in accordance with the applicable quality system procedure(s).

## 10.0 Inspection and Testing

Documented procedures are established and maintained for Incoming, In-Process, Final, and testing activities in order to verify that the defined requirements for Customer products are met. Inspection, testing, and the resulting records created are defined in applicable quality plans and documented procedures. The procedures will provide for the following activities:

- § Incoming Inspection sampling plan(s) and certification(s) required by the supplier and handling procedures for urgent production products.
- § In-process Inspection and testing interval(s), location(s) in the process, characteristic(s), and reporting requirements or methods.
- § Final Inspection and testing characteristic(s), sampling if applicable, predetermined location(s), and intervals.
- § Product is released when all activities have been completed and documented as defined as acceptable in the applicable procedures.

### Records

Records are maintained which provide evidence that product has been inspected and/or tested. These records will clearly show whether the product has passed or failed the inspection and/or tests according to defined acceptance criteria. Product that fails inspection and/or test is processed and controlled with documented procedures.

Inspection and testing Team Members are identified on travelers, quality records, and or electronic data collection as a record of acceptance, identifying the inspection authority responsible for release for conforming product.

Records of inspections, testing, and Team Members, as appropriate, will be maintained in accordance to the applicable quality system procedure(s).

## 11.0 Control of Inspection, Measuring and Test equipment

Documented procedures are established and maintained to control, calibrate and maintain instruments used to confirm that product conforms to specified requirements.

Where availability of technical data referring to the measurement equipment is a specified requirement, corresponding data will be made available when required by customer or the customer's representative for verification that the instrument is functionally adequate.

Calibrations may be performed internally (based on adequate environmental conditions) or externally contracted. TMC ensures the following activities are conducted for instruments used to demonstrate product conformance.

- § Required measurements are known, and the appropriate instruments are selected to perform measurements.
- § Instruments are identified that can affect product quality and calibrated at appropriately defined intervals prior to use.

## **12.0 Inspection and test status**

The inspection and test status of products are identified as defined in the quality system documents to indicate conformance or nonconformance of product based upon the inspection and tests performed. The identification of inspection and test status is maintained throughout production of the product to ensure that only product that has passed the required inspections and tests or released under authorized approval.

### **Records**

Inspection and test records will be maintained in accordance to the applicable quality system procedure(s).

## **13.0 Control of Non-Conforming Product**

Documented procedures are established and maintained to ensure that products that do not conform to TMC and customer defined requirements is prevented from unintended shipment or approval. This control provides identification, documentation, evaluation, segregation (as appropriate), disposition of non-conforming product, and for notification to the functions concerned.

### **Review and Disposition of Non-Conforming Product**

The responsibility for review and authority for disposition of nonconforming product is defined in the company operating, and/or process procedures. The procedures include use-as-is dispositions, rework requirements, scrap processing and rejection and return to supplier disposition.

### **Records**

Non-conforming product shall be documented according to applicable established procedures and with documented customer approval as contractually required.

## **14.0 Corrective and Preventive Action**

Corrective and Preventive action is directed at modifying activities to eliminate root causes of any existing or potential nonconformance. All TMC Team Members are accountable for identifying when a corrective or preventive action is required. Documented procedures are established and maintained that define the requirement and the responsibility to initiate these actions. If changes result from a corrective or preventive action to a documented procedure, the procedure is to be revised to reflect the changes using defined document change processes.

### **Corrective Action**

The procedure for corrective action methods includes;

- § Effective handling of customer complaints and reports of product nonconformance.
- § Determining the corrective closed loop action required to eliminate the cause of the nonconformity.
- § Applications to ensure that corrective action are taken and effective.
- § Investigation of the cause of non-conformity relating to product, process and quality system, and recording of the results.

### **Preventive Action**

The procedure for preventive action methods includes;

- § The use of appropriate sources of information such as processes, work instructions which effect product quality, audit results, quality records and customer complaints to detect, analyze, eliminate potential causes of non-conformities.
- § Determination of the steps needed to handle problems requiring preventative action.
- § Initiation of preventative actions and application of control, to ensure that it is effective.
- § Confirmation that relevant information on actions taken is submitted for management review.

## **15.0 Handling, Storage, Packaging, Preservation and Delivery**

Team Members responsible for Customer products are provided with procedures, tools, containers and equipment needed to ensure handling, storage and packaging of material that prevents damage or deterioration and preserve product integrity.

### **Handling**

TMC provides appropriate methods for handling and storing product in a manner that prevents loss of product value.

### **Storage**

Designated areas are used for storage of materials and product to prevent loss of product value pending further operations or delivery. The receipt and dispatching of stored materials is controlled by departmental process procedures.

### **Packaging**

Stocked items and finished goods are packaged as defined by customer instructions, drawings, or specifications to protect the product during shipment.

### **Preservation**

TMC provides appropriate methods for preservation and segregation of product.

## **Delivery**

Carriers that conform to TMC and/or customer specified requirements are used to deliver products to destination.

## **Records**

All records for Handling, Storage, Packaging Preservation and Delivery of customer products will be maintained in accordance to the applicable quality system procedure(s).

## **16.0 Quality Records**

Quality records are generated to verify compliance to the requirements of the quality system including customer and supplier contract requirements and product liability. Procedures are established for identifying, collecting, indexing, accessing, filing storage, maintenance and disposition of quality records.

Quality records are legible, identifiable to the product involved, and the retention period is 5 years.

Methods used for the storage and maintenance of quality records will provide protection against deterioration, damage or loss.

Where contractually agreed, quality records shall be available for evaluation by a customer for an agreed period.

Quality records may be in the form of computer files, hard copies, or both.

Quality records will be maintained in accordance to the applicable quality system procedure(s).

## **17.0 Internal Quality Audits**

Internal quality audits are performed to determine whether quality activities and related results comply with planned results and the effectiveness of the quality system and compliance to applicable ISO standards. Internal Audits are scheduled on the basis of the status and importance of the activity performed. Qualified Team Members independent of those having direct responsibility for the activity being audited will conduct the audits.

The results of internal audits are documented and brought to the attention of the Team Members responsible for the area audited. The management Team Member(s) responsible for the area take timely corrective action on discrepancies found during the audit. Follow-up activities verify and record the implementation and effectiveness of the corrective action taken.

Internal audit results are reviewed at management review meetings for quality system improvements.

## **Records**

Internal Audit records will be maintained in accordance with the applicable quality system procedure(s).

## 18.0 Training

TMC identifies training needs for all Team Members performing activities affecting quality and provides the appropriate training required. Team Members performing specific activities that affect quality are qualified on the basis of appropriate education, training and/or experience, as required.

### Records

Training records will be maintained in accordance with the applicable quality system procedure(s).

## 19.0 Servicing

TMC provides support for warranty and repair of Customer orders as specified in contracts. Reworks and Remakes for Customer orders will occur at TMC's site or the responsible TMC supplier. Shipping costs are incurred by TMC.

Customer reject, rework, and remake documentation provides procedures for performing, verifying and reporting results of customer returns and servicing.

### Records

Corrective and preventive action, nonconforming material and other Service processes are documented and performed in compliance with applicable documented procedures and this Quality Manual.

## 20.0 Statistical Techniques

Statistical methods are used for establishing, controlling and verifying process capabilities, process controls and product characteristics as appropriate. Specific statistical requirements can be defined in Product Quality Plans, Process Flow, Product Qualification Plans and other specific work instructions.

### Records

Where statistical techniques are required, reports will be maintained in accordance with the applicable quality system procedure(s).