

# SUPPLIER GUIDEBOOK



**BASTION**  
TECHNOLOGIES



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## INTRODUCTION

### **Bastion Technologies, Inc.**

Bastion Technologies, Inc. is a prominent engineering and scientific services company with offices in Houston, Texas; Greenbelt, Maryland; Pasadena, California; and Huntsville, Alabama. Our highly skilled engineers and analysts provide a wide range of services and products to the aerospace, energy, petrochemical, biomedical, and information management industries nationwide.

Bastion's services and products include the full range of mechanical, electrical, and structural design and analysis, systems engineering, information technology, and safety and mission assurance services with the overarching goals of improving performance, enhancing quality, and ensuring customer satisfaction.

#### Engineering

As a multi-disciplined engineering company, our core strengths are design, analysis, systems engineering, information technology applications, and engineering research.

#### Safety and Reliability Engineering

Bastion is known for safety and reliability engineering, systems safety, hazard analysis, occupational safety and health, industrial hygiene, reliability and maintainability analysis, and risk management.

#### Information Technology

Bastion develops and delivers IT/database applications and solutions that capitalize on state-of-the-art architectures and IT standards to provide reliable and maintainable products and systems.

#### Configuration and Documentation Management

Bastion provides configuration management systems and processes for hardware and software products and documentation. Bastion supports technical documentation, graphics, engineering drawings, and Web-based information solutions.

#### Design and Manufacturing

Bastion designs and manufactures products, systems, and mockups for aerospace, military, oil & gas, and petrochemical industries.

#### Training and Development

Bastion provides high-consequence and immersive survival, fire, and safety training.

[www.bastiontechnologies.com](http://www.bastiontechnologies.com)

### **Preferred Supplier Program**

Bastion offers a preferred supplier program whereby companies that meet quality, delivery, and cost performance requirements, align with the strategic needs of the business and support competitive commercial terms are selected as a targeted partner for Bastion's supply base consolidation efforts and product development initiatives.

### **Purpose and Scope**

The Supplier Guidebook has been developed as a reference document for our material and service supply base to provide an overview of Bastion's approach to Supplier Quality Management. The approach outlined in this document is not only best practices but expectations of our suppliers that we choose to align with in long term, mutually beneficial partnerships. We encourage our suppliers to share this with their team members and refer to it often.

## Supplier Management Process Overview

The Supplier Quality Management organization at Bastion strives for excellence throughout our material and service supply base. For our organization, this means choosing to partner with the right suppliers by performing rigorous qualification and subsequent monitoring of supplier performance. Our goal is to collaborate with suppliers, to develop processes that deliver outstanding quality and performance. To help us obtain these goals, the organization has put significant effort into the development of our Supplier Quality Management process which provides a structured framework for the control of supplier's products. This process will help to ensure:

- Products sourced by Bastion are compliant with applicable business and regulatory requirements. Product is defined as service, software, direct materials (items on the Bill of Materials and processed materials), indirect materials (non-BOM materials that can impact the finished device performance).
- Consistency across Bastion supply base regarding quality and business expectations
- Pursuit of continuous improvement

## SUPPLIER EXPECTATIONS AND REQUIREMENTS

### Quality Management System Expectations

Bastion expects its supplier partners to have an effective and documented quality management system, to ensure that customer needs and expectations are met. We expect good manufacturing practices to be followed and practiced where applicable. Formal registration is highly preferred, for example ISO 9001, AS 9100, or equivalent.

<b>Expectation:</b>	Suppliers will have a documented Quality Management System.
<b>Best Practice:</b>	Suppliers should maintain a relevant industry certificate, for example, ISO 9001 or AS 9100.

Bastion expects our supply chain partners to embrace a sound quality management system and to work with us in a spirit of trust, cooperation, and teamwork. Individual Bastion departments may establish additional quality system expectations while recognizing that each Bastion department has unique customer requirements. At a minimum, the supplier will establish, document, implement, and maintain a quality management system and continually improve its effectiveness.

<b>Expectation:</b>	Suppliers will have an active continuous improvement process.
<b>Best Practice:</b>	Suppliers should deploy an industry recognized continuous improvement program (e.g. Six-Sigma DMAIC, Lean Six-Sigma).

Suppliers are expected to perform a self-evaluation to identify and resolve gaps to the guidelines in this guidebook. An evaluation of the guidelines with your supply chain should also be completed.

### Supplier Code of Conduct

The Bastion Supplier Code of Conduct is located on the Bastion website, [www.bastiontechnologies.com/suppliers](http://www.bastiontechnologies.com/suppliers). Suppliers are to comply with the code of conduct posted on the Bastion website.

## **Contractual Requirements**

As included in the terms and conditions of Bastion Purchase Orders, acceptance of a Bastion purchase order constitutes acceptance of the requirements of the purchase order terms and conditions. In addition to the requirements contained in the general purchase order terms and conditions, Bastion may include additional quality requirement clauses on the purchase order.

## **Proprietary/Confidential Information**

Suppliers shall consider all Bastion engineering drawings / specifications related to purchase order and requests for quotations as proprietary information. This includes but is not limited to sample parts, sketches, drawings, software and specifications. All such items shall remain the property of Bastion. The supplier shall treat all such information and property as confidential unless otherwise agreed in writing from the Bastion representative. Suppliers may be required to sign Non-Disclosure Agreements (NDA) depending on the level of engagement required.

## **Communication**

Open communication between Bastion and suppliers is integral to a successful relationship. Both sides must be willing to collaborate at all levels. While the discussions around new product or service development, continuous improvement, business strategies, technical roadmaps, quality data and other business points will include cross-functional representation from both sides.

While many discussions are expected to take place throughout the supplier-customer relationship, suppliers shall not make changes to specifications without written documentation.

## **Business Continuity Plan**

Suppliers are highly recommended to have a disaster recovery plan that identifies the actions supplier will take to assure its ability to deliver an uninterrupted supply of products, material, and/or services in the event a disaster occurs. If requested by Bastion, supplier will submit a copy of its plan to Bastion.

## **Change Control / Notification**

A supplier shall not make any changes to a specification, requirement, or process for supplied products without notifying the applicable Bastion Buyer in advance. No changes to products shall be made without obtaining written approval from the applicable Bastion Buyer.

Changes requiring notification include but are not limited to the following:

- Changes in the manufacturing or service process
- Changes that can impact the fit, form, or function of the part
- Changes in the materials used
- Change in Quality System registration status
- Change in supply chain
- Changes in tooling
- Change in manufacturing or service location
- Changes related to components
- Changes in the test or inspection process which results in a lower degree of accuracy or more uncertainty in the measurement / test conducted

## **Sub-Tier Supplier Management**

Suppliers are expected to maintain qualifications for sub-tier suppliers and the products purchased through them. It is the Supplier's responsibility to ensure and control the quality of all materials that are purchased to manufacture products for Bastion. Suppliers will manage sub-tier suppliers with controls commensurate with those Bastion applies to direct suppliers. Suppliers are responsible to ensure that product manufactured utilize only authentic, conforming and specified material requirements as stipulated in the bill of materials. Prior to implementing changes, including changes requested by sub-tier suppliers, Suppliers must notify the Bastion Buyer.

## Original Equipment Manufacturer

In addition to expectations stated throughout this guidebook, Original Equipment Manufacturer suppliers may have responsibilities for the following:

- Design Control Process – initiation (Design History File/Device Master Record), verification/validation activities and maintenance
- Product Literature and Labeling – labeling requirements and Instructions For Use (IFU)
- Product Approval – requirements and regulatory submissions/approvals/maintenance
- Post-Market – external event reporting, complaint handling and device tracking

Specific responsibilities and requirements are defined in applicable agreements depending upon the nature of the supplier relationship.

## Bastion Owned Property

Suppliers shall exercise care with all Bastion supplied property including tooling, materials, intellectual property, reusable containers and other items purchased, furnished, charged to, or paid for by Bastion, while it is under the supplier's control or being used by the supplier or its supply chain. The supplier shall assure such items are identified, protected, verified, and maintained to ensure expected operating performance. The supplier is to provide equipment maintenance and calibration information when requested. Where any such item becomes lost, damaged, or otherwise found to be unsuitable for the intended use, the supplier shall record and report the information to Bastion. The supplier will not dispose any of Bastion's property without prior written approval.

## Counterfeit Product and Material Policy

Bastion prohibits the use of counterfeit product. A counterfeit part is a suspect part that is a copy or substitute without legal right or authority to do so or one whose material, performance, or characteristics are knowingly misrepresented by a supplier in the supply chain. The supplier is to ensure that all materials and products are not counterfeit and adhere to Bastion specifications and requirements. If supplier becomes aware of suspected counterfeit product, Bastion will be immediately notified.

### Expectation:

Suppliers are to ensure that all materials and products are not counterfeit and adhere to Bastion specifications and requirements.

Suppliers are to notify Bastion immediately if they become aware of suspected counterfeit product.

## Component Obsolescence

Bastion expects suppliers to have an effective component obsolescence program to avoid shipment disruptions. In the event that product or material used in Bastion product is identified as becoming obsolete, the supplier is to communicate immediately with Bastion with written notification. The supplier and Bastion will work together to identify acceptable alternatives to the discontinued item.

### Expectation:

Suppliers will have an effective component obsolescence program.

Suppliers will communicate immediately with written notification if product or material used in Bastion product is identified as becoming obsolete.

# SUPPLIER EVALUATION AND SELECTION PROCESS

## Process Overview

Bastion Suppliers are selected after a thorough review and evaluation of

- Overall business health (for example, Dun and Bradstreet report)
- Quality Management System, using ISO 9001 and AS 9100 as the preferred standards
- Approach to customer service which includes provision of 100% conforming product and on time delivery
- Ability to provide products that meet Bastion's requirements
- Continuous improvement capabilities which result in improved quality and supplier productivity
- Total cost including the cost of quality
- Strategic alignment, partnering with suppliers on development projects
- Planning method and inventory policy

We are committed to partnering with suppliers whose core values, industry expertise and business interests align with those of Bastion. While we are committed to long-term strategic relationships, past business does not always guarantee future business. The method utilized at Bastion to select suppliers involves a tollgate phased approach to drive full evaluation, risk identification and risk mitigation. Upon completion of the Supplier selection, the chosen supplier is added to the Approved Supplier List (ASL).

## Approved Supplier List

All suppliers of Bastion must be assessed and approved by Bastion before being added to the ASL. Each Bastion supplier is expected to maintain an effective quality system. The Quality assessment process at Bastion has been developed based on the AS9100 standard and may include a Self-Assessment and/or On-site Audit.

Once Bastion has determined the supplier meets the necessary requirements, they will add the Supplier to the ASL.

## Suppliers Audit Requirements – On-Site and/or Self-Assessment

The supplier planning process includes evaluations of the supplier's capabilities to determine if the supplier can achieve procurement, technical, and quality requirements.

- Procurement Audit: Verification that the supplier has adequate financial resources and sound business integrity and ethics. Suppliers may be evaluated for financial resources, capacity for growth, ability to meet schedules, experience in the area being evaluated, and cost.
- Technical Audit: Evaluation of the supplier's technical expertise and capability to produce the requested material. Criteria may include assessment of manufacturing environment, measurement capability, manufacturing equipment, engineering staff, experience with manufacture of similar products, ability to obtain raw materials, and specific licensure requirements.
- Quality Audit: Evaluation of the material supplier's quality system through a Supplier Self-Assessment and/or an On-site Audit. The self-assessment serves as an initial document to provide supplier quality system information while an on-site audit allows Bastion to more completely assess the supplier's quality system.

As part of the supplier management process, the supplier must allow Bastion to audit their facility annually and in situations which may require a "for cause" audit. Suppliers are expected to be available upon 30 days' notice for a routine audit and within 24 hours for a "for cause" audit. Additionally, Bastion may request to audit supplier's sub-tier suppliers.

### Expectation:

Suppliers must allow Bastion to audit their facility annually, upon 30 days' notice.

Suppliers must allow Bastion to audit their facility within 24 hours for a "for cause" audit.

## Supplier Status

Bastion suppliers will be assigned a qualification status based on the results of the initial Quality Assessment and subsequent re-evaluation process. This status may also be affected by supplier performance throughout the year. The qualification status is as follows:

- Approved: suppliers who meet Bastion evaluation and/or selection criteria.
- Conditionally Approved: suppliers approved with limitations or conditions. Restrictions and/or special monitoring and/or temporary controls may be put in place for a period of time until requirements are met for approved status.
- Not Approved: suppliers who do not meet Bastion evaluation and/or selection criteria.
- Inactive: a supplier that is no longer supplying products to Bastion or that has not supplied products for the most recent 24 months. This supplier may need to be re-qualified and approved by Bastion.

## PROCUREMENT AND DELIVERY

### Purchase Orders

Purchase orders are Buyer-generated documents that authorize purchase transactions. When accepted by the supplier, it becomes a contract binding on both parties. Purchase Orders from Bastion sites will include the following information:

- Item Number, Revision and Description
- Purchase Order Type (Blanket or Discrete)
- Supplier Name and Address
- Quantity, Unit of Measure and Unit Price (include currency type)
- Delivery date and Date order was placed
- Taxable (Y or N)
- Payment terms and Freight terms
- Bill to Address and Ship to Address (including warehouse or organization to receive into)
- Buyer Identification
- URL for Terms and Conditions

The PO may include:

- Routing and transportation service provider instructions
- Specification or drawing attached – optional
- Other necessary information, as needed

Refer to the Purchase Order for payment terms. Bastion operates under a standard of Net 30 Payment Terms or credit card, but terms may vary in different regions. Evaluation of payment terms are part of the overall business evaluation of our supply base.

### Delivery

The delivery date specified in the purchase order or subsequently mutually agreed upon will be the date on which the products must be delivered to Bastion's facility. On Time Delivery (OTD), the measure of material availability when expected, is defined as zero days late and no more than five days early. If the supplier is late in delivering to the agreed upon date, the supplier would be responsible for expedite costs to remedy the past due deliveries. Refer to the Terms and Conditions applicable to the purchase order. For instructions on submitting invoices, contact your Bastion Buyer.

Service suppliers are required to provide their services per the agreed upon date specified in the purchase order.

#### Expectation:

Suppliers are expected to deliver materials on time; zero days late, and no more than five days early.

Suppliers are expected to provide services per the agreed upon date specified in the purchase order.

## Inventory Management

Bastion aims to partner with suppliers that have strong inventory management programs in place and who are continuously improving lead times and cycle times. Bastion has developed an approach to inventory management that is focused on cost and volume. Bastion understands that different types of product may require different inventory management programs and we strive to collaborate with our suppliers to identify the right approach to inventory management for each product type.

### Best Practice:

Bastion will partner with suppliers that have strong inventory management programs in place, for example, vendor managed inventory, stocking agreements, kanban, etc.

## SUPPLIER PERFORMANCE MONITORING

### Product Documentation

Supplier documentation should follow good documentation practices. Suppliers may be requested to provide inspection data, product certifications, certificates of conformity, certificates of analysis, etc., for each manufactured lot of product shipped or for each service provided to Bastion. It is the expectation that suppliers maintain this data and have it readily available.

#### Control of Documents:

Suppliers must establish, maintain, and document procedures to control all Quality Management System documentation and all data generated under their Quality Management System. The Supplier must have current revisions of documents available at all appropriate locations. Suppliers must have a documented procedure for the control and distribution of drawings and/or standards. Obsolete drawings must be destroyed or appropriately identified as such for limited distribution.

#### Control of Records:

Suppliers are expected to maintain production and quality records and any test results required as part of the specifications for each manufactured lot of a product for at least six (6) years from the date of delivery of the product, and will provide Bastion with copies of such records upon request. Records must be stored in an environment that will prevent deterioration, damage, or loss. Electronic record approvals and storage should comply with 21 CFR Part 11 requirements.

### Nonconforming Product

Bastion expects the supplier to maintain adequate quality systems and processes for the provision of 100% conforming product. Suppliers are expected to have active and effective internal processes to detect and prevent shipment of nonconforming product to Bastion.

### Expectation:

Suppliers are expected to maintain adequate quality systems for the provision of 100% conforming product.

Suppliers are expected to have active and effective internal processes to detect and prevent shipment of nonconforming product.

Product known by the supplier to be nonconforming to specifications will not be shipped to Bastion without prior written approval. The supplier will submit a request for deviation to the appropriate Buyer within Bastion. This request will include a complete description of the nonconformance, the cause of the nonconformance, and the corrective action the supplier will implement to permanently resolve the root cause. A sample of the nonconforming product may be requested by Bastion for evaluation. Unless otherwise instructed, the supplier will hold the nonconforming product until receipt of Bastion approved deviation of authorization to ship.

Nonconforming product data is used to monitor and measure supplier's quality performance and to

identify negative quality trends and specific areas for improvement.

### Immediate Notification of Quality Issues

Suppliers are to verbally notify Bastion immediately of potential product quality escapes, and then follow up in writing, if the supplier becomes aware of any quality control or other information that suggests an adverse impact on products that have been provided to Bastion or on the ability of products to meet or to continue to meet specifications. Suppliers are to notify Bastion if product supplied to Bastion is under regulatory inspection or, in the course of a regulatory inspection, negative findings are made related to quality issues.

Expectation:	Suppliers are to notify Bastion immediately if they become aware of any adverse impact on the products provided to Bastion or on the ability of products to meet specifications. Suppliers are to notify Bastion if product supplied is under regulatory inspection or, in the course of regulatory inspection, negative findings are made related to quality issues.
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### Customer Complaints

As needed, Bastion may require suppliers to assist with complaint investigations to investigate the cause of complaints initiated by Bastion customers. Corrective actions will be required if the product is deemed to be out of compliance with the specifications or attributed to a supplier related cause. Suppliers are expected to provide thorough and timely support to complaint investigations and resolution.

Expectation:	Suppliers are expected to provide thorough and timely support to complaint investigations and resolution.
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### Corrective Action

Suppliers are expected to have a robust system for corrective action. A robust corrective action process eliminates the cause(s) of the nonconformities in order to prevent reoccurrence. Suppliers shall investigate resolution to nonconformities using a process of their choosing.

Expectation:	Suppliers will have a robust system for corrective action.
Best Practice:	Suppliers should use a standard process for investigation of nonconformities.