

ALCO Plastics, Incorporated

SUPPLIER QUALITY SYSTEM REQUIREMENTS MANUAL

INTRODUCTION	
Revision Level: A	5/3/06
Revision Level:	

This manual is provided to the Suppliers of ALCO Plastics, Inc. to communicate the Quality System Requirements and Assessment process.

Purchased materials and components are pertinent to the production process and scheduling commitments of ALCO Plastics, Incorporated. Therefore, the quality and timeliness of delivery of these materials and components are imperative to the operation of our organization. ALCO Plastics, Inc. must have the assurance that its Suppliers have effective operating policies and procedures that ensure material and components supplied to ALCO Plastics, Inc. conform to requirements.

ALCO Plastics, Inc. is committed to selecting Suppliers that can demonstrate the full commitment and ability to comply with the requirements of this manual.

The ALCO Plastics, Inc. Quality System Requirements are based on the existing quality system standard ISO/QS-9000. ALCO Plastics, Inc. will use this common assessment process to evaluate the effectiveness of the Suppliers Quality Systems.

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QUALITY SYSTEM EXPECTATIONS

REQUIREMENTS

1. 100% Supplier performance.
2. Submission of necessary documents:
 - a. ISO 19001: 2000 OR TS 16949: 2002
 - b. Submissions:, (when required)
 1. PPAP For resin and purchased parts
Evidence of approval to OEM material requirements
Certificates of analysis to material requirements
Copy of material specification (map specifications)
Reference AIAG PPAP Manual-2.2.10
 2. Lab Accreditation ISO /IEC 17025:1999
 3. Certificate of analysis per lot code supplied, name of lab and revision level for testing performed must to present on certificate.
 4. MSDS Documentation
 5. NAFTA Certificate of Origin
3. Proper packaging, labeling (with Alco Plastics part number), and quality of products and/or materials.
4. Notification of all incidents of premium freight, ISO/TS 16949: 2002, chapter 7.4.3.2.

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SELECTION CRITERIA FOR QUALITY SYSTEM ASSESSMENT

PURPOSE

To provide a process, which ensures a stable quality conscious supply base.

REQUIREMENTS

The following conditions may warrant a Quality System Assessment:

1. A new Supplier. (ISO 9001: 2000 or ISO / TS 16949:2002 certified)
Must submit a plan to attain registration
2. An existing Supplier that either has had a significant organizational change or added a manufacturing facility.
3. A Supplier request to reassess the quality system in order to upgrade its rating or to change a previous status.
4. A Supplier with a significant drop in its performance rating.

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ASSESSMENT REQUIREMENTS

REQUIREMENTS

The following steps are to be followed to ensure a successful assessment of the Supplier Quality System.

1. ALCO Plastics, Inc. will contact the Supplier to discuss the need for an assessment and the requirements.
2. The Supplier shall supply ALCO PLASTICS, INC. with an ISO 9001 : 2000 or ISO / TS 16949 : 2002 certificate. If not submit a plan with timing to become certified to Alco Plastics, contact Management Representative.
3. Provide notification to all key personnel necessary to attend introduction and summary meetings

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EVALUATION OF SUPPLIERS

REQUIREMENTS

A. Supplier Performance Monitoring

1. Supplier performance monitoring is performed and sent to the Supplier, if performance falls below 90%. The Supplier is to ensure timely corrective action is taken in the deficient areas of the Supplier Performance Document.

B. Updates to a Supplier Rating and Approval List and Premium freight log will be generated by the Materials department in cooperation with the materials group. This report will include:

1. Percent of on-time deliveries.
2. Percent of on-time certification deliveries.
3. Percent of Quality shipment approvals / Submission Performance.
4. Incidents of Premium freight.
5. Interruptions to Alco Plastics customers.
6. Quality rating impact to Alco Plastics customer.

C. Premium Freight Tracking

Records of premium freight costs incurred by ALCO Plastics, Inc. shall be tracked on the Premium Freight Log.

D. Calculating Performance Ratings

A. Percent of On-Time Deliveries

1. Total number of **on-time** deliveries divided by total number of shipments.

B. Percent of On-Time Certifications

1. Total number of **on-time** certifications divided by total number of certifications received.

C. Percent of Quality Shipment Approvals

1. Total number of approvals divided by total number of shipments.

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E. Review and Notification to Suppliers of Delivery Performance

1. Semi Review - Materials Department will review applicable Supplier Performance Data. If the Supplier falls below minimum acceptable levels, a copy of the DPR will be sent to the Supplier, which includes a request for an Action Plan and a required response date. All other Suppliers will a letter, which includes percentage data for their internal records.
2. Supplier Performance Expectation - The Supplier is expected to achieve a semi Performance Rating of 100 percent.

E. Rating of Suppliers

1. New Suppliers will be placed on the Supplier Status List, provided the following criteria is met:
 - A. Selection criteria is met as outlined in section – Selection Criteria for Quality System Assessment.
 - B. Supplier Status will be achieved on a semi basis, as outlined in section – Quality System Expectations.
2. Performance Rating of 90% or higher this constitutes Approved Supplier status with ALCO Plastics, Inc., Incorporated.
3. Performance Ratings 89% or below this Supplier must become a Developmental Supplier on the Supplier Status List until the rating can reach 90% or higher without executive management approval.

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PRODUCT IDENTIFICATION

REQUIREMENTS

A. Identification of Purchased Products or In-process Product

Purchased products are identified by the Supplier using ALCO Plastics, Inc. bar coding system prior to receipt. Products are identified as stipulated on the purchase order. In certain instances the labeling requirements may be waived. All documents shall contain ALCO Plastics, Inc. part numbers.

B. Identification of Raw Materials

Raw materials are identified by the Supplier using ALCO Plastics, Inc. bar coding system prior to receipt. Raw materials are identified as stipulated on the purchase order.

C. Identification of Finished Product or Finished Assembly

Finished products or assemblies are identified by the Supplier as agreed to with the Material Control Department.

D. Supplier Label Requirements

Reference Product Identification
Shelf life identification when applicable

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PRODUCT IDENTIFICATION

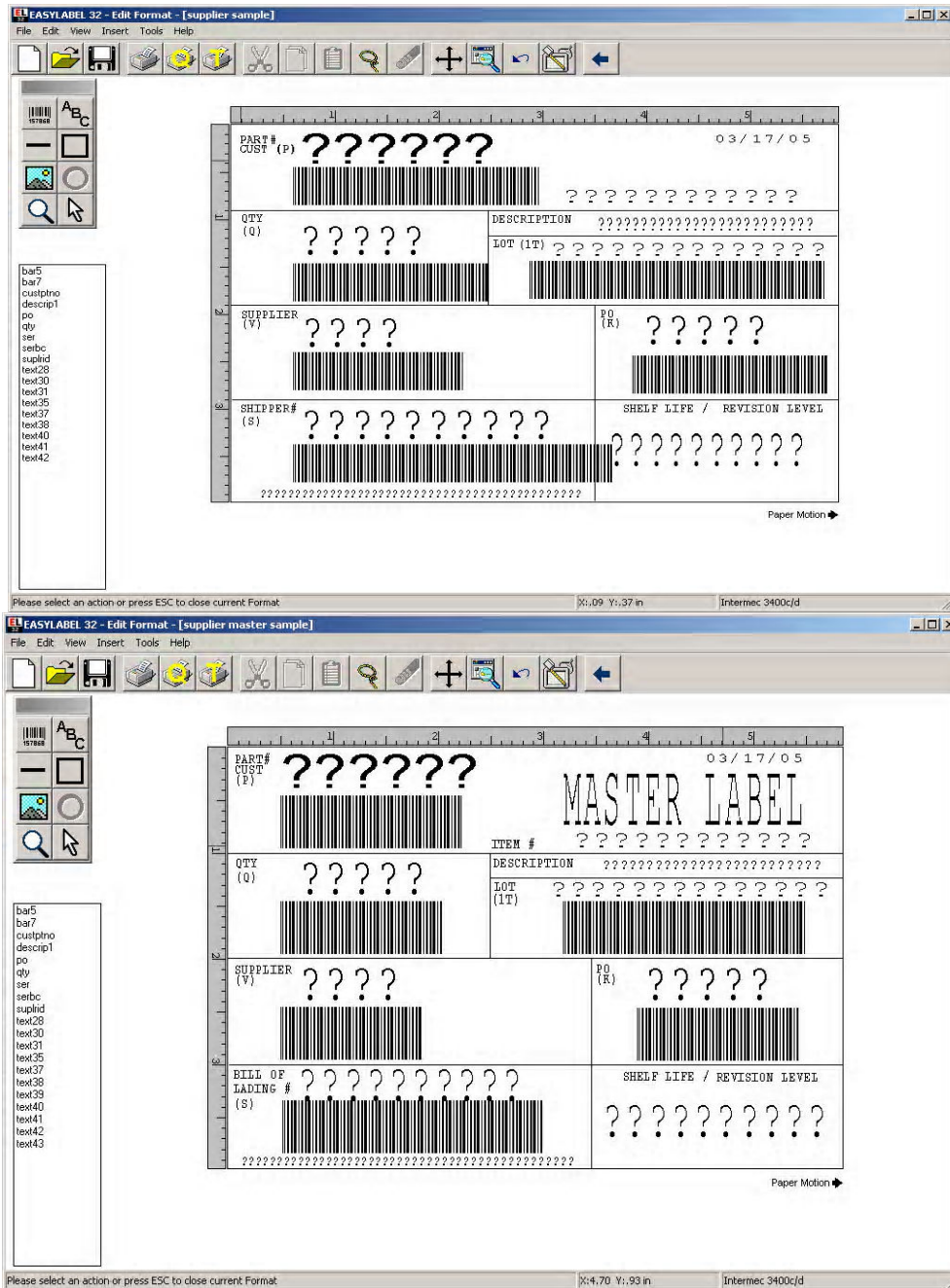
SUPPLIER LABEL REQUIREMENTS

- Symbology: AIAG (www.aiag.org).

SAMPLE LABELS

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SCHEDULING OF SUPPLIERS

REQUIREMENTS

- A. ALCO Plastics, Inc. will provide Supplier(s) sufficient information including delivery request and pricing regarding Purchase Orders with internal part numbers, Supplier's description and required specification(s).

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If vendor is not clear- contact Alco Plastics. If you ship the order it means that you understand Alco Plastics expectations.

- B. Supplier may be invoiced any premium freight charges incurred by ALCO Plastics, Inc. should promised delivery dates be missed delivery date is date specified not early not late.

<p>SUPPLIER PREVENTIVE / PREVENTIVE ACTION REPORT</p>
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REQUIREMENTS

A. ALCO Reject/Hold Process

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Upon receipt of suspect or known nonconforming material/product, ALCO Plastics, Inc. will place product on hold or reject for disposition.

B. Supplier Notification

1. Verbal Contact: Advise of issue Supplier needs to react to issue.
2. Written Notification

A DMN shall be mailed, faxed, or hand delivered to the Supplier in the event nonconformances are detected.

C. Supplier Requirements/Corrective Action

The Supplier is to provide written corrective action, (utilizing the supplied DMN), to ALCO Plastics, Inc. within 15 business days.

1. Initial response within 24 hours.
2. Closed within 15 days.

D. Records

Records of DMN's will be kept on file in ALCO Plastics, Inc. Materials Department for reference and factored in during the Supplier evaluation process.

PRODUCTION PART APPROVAL PROCESS (PPAP)

REQUIREMENTS

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- A. Component Suppliers must submit Level 3 PPAP packages according to the latest revision from AIAG (PPAP) Production. Part Approval Manual. Metrology Department will maintain current PPAP documents.
- B. Supplier must perform annual Validation for dimensional, material & performance testing requirements noted on the design record (blueprint) or applicable specifications. Records must be readily available.

RAW MATERIAL CONSIDERATION PROCESS

REQUIREMENTS

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A. Selection Criteria

1. Suppliers must be an ALCO Plastics, Inc., Incorporated approved Suppliers, (refer to requirements, ISO9001:2000 or equivalent).
2. Required specifications must be approved to Engineering Standards as published by the O.E.M., or an accredited body if required.
3. Non-approved sources will be solicited a Request For Quote if a particular commodity is only available through that source.
4. PPAP Submissions to Alco Plastics will include
 - Evidence of approval to OEM material requirements
 - Certificates of analysis to material requirements
 - Copy of material specification (map specifications)
 - Certificate of analysis per lot code supplied
 - Reference AIAG PPAP Manual-2.2.10
 - MSDS Documentation