

Section 3

D e l i v e r y
P r o c e s s

Section 3 List

3.1 Logistics Planning

3.2 Logistics Management

3.1.1 Logistics Planning—General Requirements

- The supplier shall ensure that logistics development activities are planned for and carried out at an appropriate stage in a product's life cycle.
- All logistic planning and development activities shall be carried out according to the requirements of the appropriate division Coupled Products.
- 100% on time delivery is required—If a supplier does not meet our 100% target, may be required to create an action plan, this plan should be available to Coupled Products upon request.
- On time delivery at the Coupled Products facility of the complete quantity of parts which meet specification.
- Any extra cost, associated with a supplier's lack of meeting Coupled Products delivery and quality requirements, will be debited back to the supplier.

3.1.2 Design for Logistics

The supplier shall ensure that logistics issues are given due consideration, at an appropriate stage of product development, to enable the following:

- Optimal design to reduce packaging complexity.
- Optimal design to improve ease of handling and simplify packaging.
- Optimal design to reduce the likelihood of product damage.

3.1.3 Delivery Process Plan

The supplier shall identify the most appropriate process for the delivery of their product to support a pull system. In doing so, the supplier should consider the following:

- Supply routing for transportation.
- Warehousing (size, storage specifications, shelf life).
- Late assembly operations.
- Any requirement for sequenced delivery product Traceability.

3.1.4 Containerization

The supplier shall plan for the timely provision of containers and/or packaging media to support customer requirements.

3.1.5 Supply Chain Flexibility

The supplier shall complete an analysis of the effectiveness of the planned supply chain and its associated processes for each commodity at the supplier's manufacturing site. Each supplier shall be responsible for managing its own supply chain.

3.1.6 Packaging and Shipping

Prior to release of shipments, the supplier shall contact the Coupled Products facility Materials Department for packaging and labeling instructions, if not previously defined.

3.2.1 Logistics Management—General Requirements

The supplier shall manage logistics activities to ensure the ongoing compliance to Coupled Products requirements.

3.2.2 Delivery Process

Where transportation is provided by Coupled Products, the supplier must ensure that products, together with an appropriate means of loading, are available at the required times.

Where transportation is the responsibility of the supplier, the supplier shall have an effective transportation policy. The policy shall be regularly reviewed for cost effectiveness and success in meeting customer requirements.

The supplier shall measure transportation performance as a means of identifying further opportunities for delivery performance improvement.

The supplier assures, according to a procedure, that old revisions of products could not be delivered after modification, unless mutually agreed upon.

3.2.3 Containerization

The supplier shall develop and implement a system to monitor quantity and suitable condition.

The supplier shall also ensure that:

- Containers are kept in a suitably clean condition.
- Containers are maintained in working order (i.e., lubrication of gate hinges, spring clip locking devices...).
- The customer is notified immediately of any damaged pallets or containers that are in need of repair.

3.2.4 Supply Chain Flexibility

The supplier shall identify any constraints that prevent a free supply of components and assemblies through the manufacturing process.

Areas of inflexibility shall be investigated so that they can be eliminated or managed.

Details of flexibility must be made available to the customer on request.

3.2.5 Communication

The supplier shall identify personnel responsible for the support of product delivery to the customer.

Some divisions may require EDI capability. Any questions regarding EDI should be directed to the appropriate facility materials department.

3.2.6 Performance Measurement

The supplier shall have a process for the measurement and review of logistics management performance. This review should be conducted at the executive level of the organization.

3.2.7 Excess Freight

The supplier will be held liable for additional freight cost incurred because of supplier's lack of quality and delivery performance. This requirement is stated in the Terms and Conditions of the Purchase Order.