



AUTOMATIC PRODUCTS SUPPLIER CRITERIA FOR STAYING APPROVED

Purpose: To provide a written formula for suppliers to maintain approval and to help Automatic Products continue to improve in all processes.

When: The Office Manager or President will review Suppliers at every monthly Manager Meeting.

Criteria:

1. Suppliers who average 6 or more purchase orders in 12 months must maintain a 90% or better on-time delivery.
2. Suppliers who average 6 or less purchase orders in 12 months will be handled on a case-by-case scenario.
3. Delivery dates are based on original agreed upon delivery date, or standard lead- time in Automatic Products database.
4. If an order is delayed by outside events and the suppliers notifies Automatic Products before the due date, the original date may be changed.
5. All suppliers must maintain a 95% or better acceptable quality level from Automatic Products Quality department when received.
6. Quality levels will be monitored monthly and scorecards will be sent annually.
7. Suppliers will be notified first with a corrective action letter and then a System generated corrective action request will be sent for subsequent failure to meet Quality and/or Delivery thresholds.
8. All written notice of corrective action must be filled in and returned within 30 days to Automatic Products.
9. If no corrective action is taken, then the supplier may be removed from the approved suppliers list.
10. All quality records must be kept for an indefinite amount of time. Suppliers who will not or cannot follow this requirement will be assessed on an individual basis.

If you have any questions, please feel free to contact me at **Josh.Stegriy@automatic-products.com**

Thank you very much for helping Automatic Products continue to improve.

Josh Stegriy
Purchasing Agent
Automatic Products Co., Inc