

CCS Custom Control Sensors, Inc. Process Specification					PS #: 142 Page 1 of 14 Revision E	
SUPPLIER PRODUCT REQUIREMENTS AND QUALITY RATING SYSTEM (SQRS)						
REVISION RECORD:						
PREPARED BY:			JIM WALKER		DATE: 08/23/2006	
			APPROVALS			
SYM	DATE	ECO	ENGINEERING		QC	P. CONTROL
N/C	08/25/06		Z. Batsalkin	J. Jorgensen	R. Jones	J. Walker
A	08/30/06	28363	Z. Batsalkin	J. Jorgensen	R. Jones	J. Walker
B	05/17/07	28607	Z. Batsalkin	J. Jorgensen	F. Ruiz	J. Walker
C	07/23/07	28655	Z. Batsalkin	J. Jorgensen	F. Ruiz	J. Walker
D	01/17/08	28792	Z. Batsalkin	J. Jorgensen	F. Ruiz	J. Walker
E	07/17/08	28920	Z. Batsalkin	J. Jorgensen	A. Perez	J. Walker

1. PURPOSE

This process specification establishes general and special product assurance requirements, which are part of the Terms and Conditions on the Purchase Order. It is intended to clearly define all requirements for the Seller to assure that all products delivered by Seller on the Purchase Order conform to Buyer specified requirements for quality, reliability and integrity.

1.1 Applicability

1.1.1 General Requirements

Unless expressly excluded on the Purchase Order, the general product assurance requirements apply to all orders, and Seller's compliance to these requirements is subject to verification by Custom Control Sensors.

1.1.2 Special Requirements and Flow-down Requirements

To assure conformance to all Purchase Order requirements, Seller flows down applicable requirements to Seller's sub tier sources, when Seller uses sources for procurement of products and/or services scheduled for delivery to Custom Control Sensors.

1.1.3 Reference Documents

1.1.3.1 Applicability

All documents, including drawings and specifications, whether Custom Control Sensors, Industry or Government, are considered part of the Purchase Order requirements when specified directly on the Purchase Order or in documents referenced by the Purchase Order.

1.1.3.2 Document Revision Status

Unless otherwise specified on the Purchase Order, or referenced documents, the revision status of all applicable documents in effect on the date of issue of the Purchase Order, apply to the order.

1.1.3.3 Document Sources

Custom Control Sensors furnishes copies of Custom Control Sensors proprietary documents and any special documents not generally available from commercial sources, required by Seller to comply with Purchase Order. Seller is responsible for obtaining Industry/Government documents. Any problems experienced by Seller in obtaining required documents should be brought to the attention of the Purchasing Agent at Custom Control Sensors.

1.1.3.4 Special Forms Applicable to Subcontractors

Any special form(s) applicable to sub-contractors are shown in this instruction.

1.1.3.5 Intellectual Property

The seller is required to protect CCS intellectual property provided with the purchase order and to not distribute or sell to other than CCS. Intellectual property includes, but not limited to, drawings, travelers, process specifications, other documents or tangible objects associated with the purchase order. If the Seller has lost any of the Intellectual property then they must notify CCS purchasing agent in writing (email, fax, letter acceptable) immediately of the loss.

2. SUPPLIER CLAUSES

2.1 General Practice

The Seller is responsible for meeting all requirements of Paragraphs 2.1.1 through 2.1.10.

2.1.1 Prohibited Practices

The following acts and practices are prohibited, and any violation not approved by Custom Control Sensors in writing may result in disqualification of the Seller.

a. Unauthorized Facility Changes

During performance on the Purchase Order, Seller gives Custom Control Sensors written notice before relocating any production, inspection or processing facilities or transferring the work between different facilities, or making any other changes that may affect product quality.

b. Unauthorized Product Changes or Substitutions

Seller makes no changes or substitutions to any product(s) or service required by the applicable drawing, specification or document without prior written authorization by Custom Control Sensors. Authorization may be contingent on Custom Control Sensors representative's review of proposed changes at the facilities of Seller or Seller's sub tier sources.

2.1.2 Responsibility for Product Conformance

Neither audit, surveillance, inspection and/or tests made by Custom Control Sensors relieve the Seller of the responsibility to furnish Product(s)/service(s) that conform to all of the requirements of the Purchase Order.

2.1.3 Seller Designed Products

When the Purchase Order is for Custom Control Sensors approved product(s) under Seller's engineering design control, Seller notifies Custom Control Sensors in writing, of any changes in the approved product description. Custom Control Sensors reserves the right of disapproval of all changes.

2.1.3.1 Class I Changes

Any change in design, fabrication, methods, or processes that result in a Class I change (as defined in Mil-Std-973) must be submitted to Custom Control Sensors for written approval prior to affecting such change.

2.1.3.2 Class II Changes

Seller may incorporate Class II changes without prior approval. Seller maintains a copy of the revised product description on file for "on site" review, or subsequent request by Custom Control Sensors.

2.1.4 Buyer Initiated Changes

2.1.4.1 Effectivity

Seller incorporates on product(s) at the specified Effectivity points, all changes to drawings, specifications, tests, inspections and fabricating methods, or any other change initiated by Custom Control Sensors through a formal Purchase Order change and/or amendment. Seller's system includes appropriate controls and records, including records at Seller's sub tier sources, showing the date, lot, serial number, revision letter or other positive identification that provides objective evidence of incorporation of all changes. Such records are subject to verification by Custom Control Sensors.

2.1.5 Certification Requirements

2.1.5.1 Certifications

Seller furnishes all certifications, issued by Seller or Seller's sub tier source, required by the Purchase Order or the clauses herein, with the initial delivery of the product(s) on the Purchase Order. On subsequent deliveries of the product(s) from the **same lot**, Seller may, in lieu of providing additional copies of certifications, reference on his shipping documents, the date and Purchase Order on which the certifications were initially supplied. Seller is responsible for verifying certifications furnished by Seller's sub tier sources for their adequacy and compliance to the Purchase

Order and requirements herein. To assure the adequacy and authenticity of all certifications furnished by the Seller, the certifications include the name of the issuing organization and signed by an official of the issuing organization.

2.1.5.2 Acceptance Signatures

Only actual signatures tendered in ink by the signing official, a facsimile of an actual signature such as a rubber stamp, or a machine or computer graphics generated facsimile signature are acceptable to Custom Control Sensors. Seller may use a quality or inspection stamp in lieu of a signature providing that such stamp(s) identify the Seller, and the Seller's authorized individual to whom the stamp is assigned.

2.1.6 Seller's Records

Unless otherwise specified on the Purchase Order, Seller retains all required records as objective evidence of conformance to Purchase Order requirements, including Seller's records and certifications of inspections and tests performed in the course of procurement, manufacturing, testing, processing, preserving, packaging and shipping product(s) on the Purchase Order, for a minimum of ten (10) years after completion of the order, unless otherwise provided by Purchase Order requirement. Such records are made available to Custom Control Sensors and Custom Control Sensors customer for review upon request.

2.1.7 Control of Non-Conforming Products and Material Review

2.1.7.1 Submittal of Non-Conforming Material

Seller notifies Custom Control Sensors Purchasing Agent of any product(s) found to be non-conforming to Custom Control Sensors drawings, specifications, Purchase Order or other applicable documents prior to shipment. Seller must submit written documentation of the observed non-conformity to Custom Control Sensors Purchasing Agent, for disposition by Custom Control Sensors Non Conforming Material Committee. Submission may be on Seller's formats, if discovered at Seller's facility.

2.1.7.2 Re-submittal of Rejected Products

Products rejected by Custom Control Sensors and resubmitted by Seller are clearly identified as resubmitted product(s). Seller's shipping documents must contain a statement that product(s) delivered are either "replacement" or "reworked" product(s), and include reference to Custom Control Sensor's rejection document number.

2.1.8 Corrective Action

When a quality (system or product) non-conformance is identified by Custom Control Sensors, Custom Control Sensors may request a formal

corrective action response from the Seller. Such requests require a timely and documented response by Seller and include the following information:

- 2.1.8.1** Seller's analysis of the root cause of the problem, including a statement explaining why Seller's inspection/quality system failed to detect the non-conformance.
- 2.1.8.2** When applicable, a statement that Seller's stock or inventory has been re-inspected and non-conforming product(s) removed.
- 2.1.8.3** Description of the positive action taken by Seller to preclude recurrence.
- 2.1.8.4** The affectivity (date, serial number, lot etc.) of the corrective action implemented by the Seller.

2.1.9 Custom Control Sensors Furnished Property

Seller is responsible for maintaining the accuracy and stability of Custom Control Sensors furnished equipment used for product acceptance. Custom Control Sensors furnished equipment requires periodic re-inspection and calibration as indicated on the calibration stickers on the furnished property. It is the Seller's responsibility to assure continued accuracy while in the Seller's possession.

2.1.10 Product Identification

All products are identified in accordance with drawing, specification, and/or Purchase Order requirements. Unless permitted by drawing, steel stamping and vibro-engraving, identification methods are prohibited, except on attached metal tags. All UL/CSA wire and cable marking must be clear, visible and legible. Certified wire and cable that have been subjected to processing or re-spooling must have identification tags/stickers attached to the spool end. Any deviation from this requirement may be cause for product rejection.

3. SPECIAL PRODUCT ASSURANCE

3.1 Seller's Quality Program Requirements

3.1.1 Basic Inspection System Requirements for Manufacturers

Seller establishes and maintains a documented inspection system that includes provisions for the following:

a. Control Of Sub tier Sources

All products scheduled for delivery to Custom Control Sensors and procured by Seller from Seller's sub tier sources at every tier comply with all applicable provisions of drawings, specifications and other requirements of Custom Control Sensors Purchase Order. When sub tier source approval is required by Custom Control Sensors, only sub tier sources currently approved by Custom Control Sensors or its customer may be used to procure product(s) or services.

b. Receiving Inspection

Product(s) purchased by Seller for use in Custom Control Sensors Purchase Orders, are inspected by Seller upon receipt to the extent required to assure conformance to all applicable requirements. Custom Control Sensors furnished materials are inspected to the extent necessary to assure damage was not incurred during transit and are identified and segregated for use ONLY in Custom Control Sensors Purchase Orders, or as prescribed by Custom Control Sensors Purchasing Agent.

c. Manufacturing Controls

Seller employs a system for controlling, documenting and maintaining required product quality levels throughout the manufacturing process whether performed by Seller or Seller's sub tier sources. Manufacturing plans, outlines, shop routing or traveler, or other suitable methods, which define the step-by-step sequence of manufacturing operations and inspection points and provide objective evidence that resultant product(s) conform to specified requirements. Such plans are subject to verification by Custom Control Sensors representatives. Supplier shall maintain batch controls; changes or deletions to operations and routers shall be documented. If the changes or deletions are not according to the contract then CCS shall be informed and approval obtained from CCS.

d. Control Of Measuring Equipment

Seller maintains suitable tools, gages and Materials & Test Equipment (M&TE) of required accuracy for use during the manufacturing and inspection operations to verify product conformance to specified requirements. Such tools, gages and M&TE are calibrated at scheduled intervals, against certified standards that have known valid relationship to National or International Standards.

e. Preparation For Shipment

Seller assures that product(s) are complete to Purchase Order requirements and that all manufacturing and product inspection and acceptance requirements have been satisfied prior to shipment. Seller assures that product(s) are packaged in accordance with applicable requirements and are accompanied by the required inspection and technical documents.

f. Risk Assessment

General Requirements of such sub-processes are:

- Multi-skilling of key employees
- The regular and routine back-up of computer data, with the backed-up data being stored remote from the normal point of use
- The provision of access to alternative information technology hardware and software
- Access to alternative manufacturing facilities (eg through reciprocal arrangements with companies' employing similar facilities)
- The maintenance of Business Continuity Plans appropriate to the risks involved

Risk management information shall be made available to CCS on request. Any significant risks likely to impact on CCS shall be communicated immediately together with any relevant mitigation plans.

3.1.2 Inspection System Requirements for Distributor/Warehouse

Seller establishes and maintains a documented system to control product quality and integrity. Seller's system includes provisions for:

a. Control Of Purchases And Sub tier Sources

Seller's purchasing or ordering documents contain data clearly describing the product(s) ordered, including, when applicable, the type, class, grade and size or (other precise identification) and the title (or other positive identification) and applicable issue of specification(s), drawing(s), or other relevant technical data. When applicable, purchase of products are made only from sources specified by Custom Control Sensors, or sources that are listed as qualified and/or approved manufacturers or distributors of the product on the applicable Qualified Products List (QPL) or Preferred Parts List (PPL). Procurement from such sources however, does not relieve Seller of the responsibility to furnish product(s) that meet all requirements specified by the Purchase Order.

b. Inspection

Seller employs receiving, in-process and final inspection and testing to the extent necessary to verify product conformity.

c. Stock Control and Traceability

Seller's system provides for handling and storage of product(s) in a manner to protect product quality by preventing damage, loss, deterioration, contamination, corrosion, degradation or substitution. Stock control is such that it precludes unauthorized withdrawal of product(s). Products from different manufacturing sources are stored in a manner so that product(s) do not become intermixed and that the manufacturing source and the identity and traceability of the individual lot or batch, heat number, etc. are maintained from time of receipt to Seller, from Seller's sub tier sources, to delivery to Custom Control Sensors.

3.1.3 Quality System Requirements

3.1.4.1 Manufacture

Seller's system is subject to an audit under one of the following conditions:

a. New Vendor

Change in status – vendor location, vendor performance rating, or change in quality system.

b. Seller's quality system is not subject to an audit if their quality system is certified by a third-party registrar to ISO 9001:2000, AS 9100, or NADCAP accredited.

3.1.4 Calibration System Requirements

Seller's quality assurance calibration system at a minimum shall comply with ISO 10012-1 and/or ANSI Z540-1 requirements for measuring equipment. All equipment submitted for calibration shall be performed to meet ISO/IEC10012-1 and ANSI-SL-Z-540-1994.

3.1.5 Seller's Material Review Authority

Seller's material review authority is limited to disposition of "rework" or "scrap". Seller's Material Review Board (MRB) may not render a disposition of "use as is" and/or "repair" on any products found to be non-conforming. The Seller may propose a "use as is" and/or "repair" disposition including appropriate justification to the Custom Control Sensors Purchasing Agent, however such final decision is that of Custom Control Sensors.

4. SOURCE INSPECTION REQUIREMENT

4.1 Custom Control Sensors Source Inspection

During performance of this Purchase Order, all work may be subject to source inspection and/or test by a Custom Control Sensors representative. When this requirement is specified on the Purchase Order, the Seller assures that the Custom Control Sensors representative is notified immediately upon receipt of this Purchase Order a minimum of 48 hours in advance of any verification or test.

4.2 Custom Control Sensors And Customer Right Of Entry

During the term of this Purchase Order, Custom Control Sensors representatives, Regulatory Authorities, and Custom Control Sensors customers have the "right of entry" to the Seller's premises for the sole purpose of validating performance of the Purchase Order requirements. The Seller is notified in advance when such conditions apply.

5. STATEMENTS OF QUALITY

5.1 Certificate Of Conformance (COC)

Seller provides, on the packing list/shipper or on a separate document, a written statement that all supplies and/or services comply with all requirements of the Purchase Order.

5.2 Mercury Free

Seller takes all precautions to ensure that all products provided have not come in contact with or have been exposed to mercury bearing instruments or equipment, or mercury in any other form.

5.3 Control of Fasteners Certification

With each shipment of fasteners, Seller furnishes documentation that identifies the fastener manufacturer and the manufacturer's production lot or batch. In addition, Seller certifies that the manufacturer or other source of the fasteners is not currently listed as a "debarred, suspended, or ineligible contractor" on the current issue of the "lists of parties" published by the U.S. Government, General Services Administration (GSA).

6. RAW MATERIAL TEST REPORT

6.1 Raw Material Test Reports

For each lot or heat of material supplied on this Purchase Order, Seller furnishes a certified material test report listing the material description, including as applicable, the material name or designation, alloy type, class, grade or condition, producer's (mill) name, the lot or heat number, and the material specification and revision to which the material complies. In addition, for:

a. Ferrous Materials (Except Carbon Steel)

Furnish a listing of the actual values of chemical composition and physical properties, obtained from the lot or heat versus values required by the applicable material specification.

b. Carbon Steel and Nonferrous Materials

Furnish a list of the typical range of values (unless actual values are required by the applicable material specification or the Purchase Order) of the chemical composition and physical properties of the material, and a statement that the material supplied conforms to the requirements of the applicable material specification.

c. Nonmetallic Materials

Furnish a certification issued by the manufacturer of the material listing the material designation and nomenclature, the material size, the specification and revision to which the material conforms, the lot number or designation (if applicable), the date manufactured, the manufacturer's identity, and other deliverable technical data (test results, composition, chemical or physical properties, etc.) required by the applicable specification of the Purchase Order.

6.2 Buyer Furnished Raw Material

Seller maintains strict accountability of material furnished by Custom Control Sensors. In the event that more than one heat of material is furnished by Seller in a lot of material, Seller maintains individual material lot integrity and provides positive traceability of material lot/heat numbers to specific product(s) delivered. Seller provides, on the packing list/shipper or on a separate document, a statement that:

a. All product(s) delivered on this Purchase Order were manufactured:

1. From material furnished by Buyer.
2. From material lot or heat number(s) identified on the material and/or Buyer's shipper to Seller.

b. Seller made no material substitution.

6.3 Seller Furnished Raw Material

The Seller maintains certifications, and test reports of all material utilized in compliance with the Purchase Order. The Seller is responsible to provide such documentation when requested by Custom Control Sensors. The Seller ensures that such documents are maintained for a period not less than 10 years from date of delivery of the product(s) to Custom Control Sensors.

7. CONTROL OF SPECIAL PROCESSES

7.1 Qualified Sources and Process Certifications

a. Unless otherwise specified by the Purchase Order, all chemical, metallurgical, nondestructive or any other special manufacturing or inspection process of product(s) controlled by Military, Government, Industry or Custom Control Sensors specifications is performed only by sources currently approved for the process by the Buyer. ***This clause is imposed only when flow down requirements of Custom Control Sensors' customer are imposed. Seller contacts the Purchasing Agent at Custom Control Sensors prior to use of proposed source to ensure that such source is currently approved for the process required.***

b. Process Certifications

For all special processes by Seller or Seller's sub tier source, the Seller furnishes the certification/test report issued by Seller or Seller's sub tier source that actually performed the process. The certification meets the requirements of Section 2.6 herein.

7.2 Control of Stripping and Re-plating

Stripping and re-plating of product(s) requires prior approval by Custom Control Sensors. Consideration for acceptance should include parts having a hardness requirement of 220 KSI.

7.3 Heat Treat Certifications / Furnace Charts

With each shipment of product(s), Seller furnishes a time/temperature certification that contains, as a minimum, time in and time out, duration, and temperature range or when directed by the Purchase Order provide original or legible copy of the actual furnace temperature charts.

7.4 Non-Destructive Test (NDT) Reports

With each shipment of product(s), Seller furnishes the certified test report of all Non-Destructive Testing (NDT) (e.g., penetrant, magnetic particle, radiographic, ultrasonic) performed. The actual NDT includes a complete description of the test, test name, specification, revision, type, method and acceptance criteria document number and revision. When products are serialized or identified with a lot or batch number, such identification appears on the NDT reports and if radiographic inspection, identified on the exposed radiographic film.

7.5 Report of Certified NDT Employees

When the Purchase Order requires non-destructive testing be performed by the Seller, the Seller provides on receipt of the Purchase Order, a list of all personnel qualified to perform NDT, including special stamp or identification required, unless such current information has already been provided to Custom Control Sensors. It is the Seller's responsibility to ensure that all personnel requiring qualification are properly certified and are scheduled for recurrent certification as required by the specification.

8. CONTROL OF CASTINGS AND CUSTOM MOLDED PARTS

8.1 Control Requirements

Prior to making the first production run of any new product or product for which new tooling (patterns or molds) have been made, or when a change in gates, risers, chills or as-cast shape, or when a pattern or mold is transferred to a different facility or supplier submission to the Buyer for review and approval, the following:

a. First Article

Sample from the first production run and representative of practices and processes to be used on production parts. Changes in process, drawings, procedures, facility location or that affect quality require either a new First Article or a Delta First Article (Inspection of changed elements).

b. Mechanical Properties

The laboratory test report or certified statement of the test bar mechanical properties from the foundry control First Article casting(s). The test bar(s) are from the same melting and heat treat as the foundry control casting(s). On molded elastomers the shore hardness is provided on the First Article Report.

c. Chemical Composition

The Laboratory test report or certified statement of chemical analysis of the material (melt) used in the First Article product showing the actual percentage of each element contained in the specimen.

d. Radiographic Film (x-ray)

The shooting sketch and exposed film of the foundry control First Article casting(s).

8.2 Production Castings and Custom Molded Parts

With the delivery of each heat lot or melt of production articles, Seller furnishes to Custom Control Sensors, the certifications/test reports required by Section 8 of this instruction.

9. CONTROL OF AGE SENSITIVE ITEMS

9.1 Elastomers (Rubber Goods)

Unless otherwise specified on the Purchase Order or referenced documents, age control of elastomers and elastomer material (O-rings, seals, gaskets and other rubber goods) conform to the requirements of Mil-Std-1523. Seller has an effective system of age control of elastomer components for which acceptability is limited by the age of the elastomer. The product(s) are identified as to cure date (quarter and year). Product must have at least 75% of the shelf life remaining upon receipt unless acceptance is coordinated with CCS Production Control.

9.2 Limited Self Life Material(s)

On each container of and on the certification for product(s) having a limited or specified shelf life, Seller shows the cure date or manufacture date, expiration date or shelf life, lot or batch number and when applicable, any special storage or handling conditions. Product must have at least 75% of the shelf life remaining upon receipt unless acceptance is coordinated with CCS Production Control.

10. INSPECTION AND TEST REPORTS

10.1 First Article at Seller's Facility

Buyer inspection and acceptance of First Article product(s) when specified on the Purchase Order is required prior to delivery to Custom Control Sensors. Each first article product is completely processed per Purchase Order and clearly identified as a First Article. Seller notifies Custom Control Sensors sufficiently in advance so that inspection of the First Article, with documentation, can be scheduled at Seller's facility prior to the Purchase Order specified delivery due date. Changes in process, drawings, procedures, facility location or that affect quality require either a new First Article or a Delta First Article (Inspection of changed elements).

10.2 First Article Inspection at Buyers Facility

Custom Control Sensors inspection and acceptance of First Article product(s) may be required prior to Seller's delivering the production order, when specified on the Purchase Order. Each First Article product is completely processed per Purchase Order and clearly identified as First Article sample and submitted to Custom Control Sensors Receiving Inspection for inspection and/or test.

10.3 100% Inspection Requirement

When 100% inspection is directed by the Purchase Order, all characteristics of the supplied product(s) are required prior to delivery to Custom Control Sensors. SPC charts based on 100% examination of all characteristics on the entire order are acceptable as evidence of conformity.

10.4 Sampling Inspection

Unless otherwise directed, the use of sampling inspection is authorized, provided that such sampling inspection is based on valid Acceptance levels of ANSI/ASQC 1.4 normal inspection level II. The sampling plan shall preclude the acceptance of lots with known nonconformities.

11. SUPPLIER QUALITY RATING SYSTEM (SQRS)

To increase the accuracy in measuring our supplier's performance, Custom Control Sensors (CCS) has implemented this Supplier Quality Rating System (SQRS). The measurements of a supplier's quality rating include on-time delivery and a quality acceptance rate for product delivered to CCS within the last twelve months.

CCS' goal is to do business only with high performing suppliers. The SQRS is a tool to keep you apprised of your current status with CCS. We encourage you to review rating and share the results with your organization.

11.1 Introduction

Supplier Quality Ratings System (SQRS) measures delivery and quality performance based on the last twelve months of product history. The quality Rating measurement system aligns with our preferred supplier program rating levels (i.e. Excellent, Satisfactory and Unsatisfactory).

SQRS rating are calculated and distributed on a quarterly basis. The SQRS rating package includes the current ratings. An overall composite rating is also calculated. The composite rating represents the average of the delivery and quality ratings.

As a supplier to CCS, it is important that your company maintains an acceptable rating. Please share this information with the appropriate personnel within Your Company. For more information and rating status between quarters, it is recommended that you contact your appropriate CCS supplier representative.

11.2 SQRS Rating Levels

Rating	Quality Rating	Delivery Rating	Composite Rating
Excellent	91 %	91 %	91 %
Satisfactory	75% - 90%	75% - 90%	75% - 90%
Unsatisfactory	Less than 75%	Less than 75%	Less than 75%

11.3 SQRS Status Requirements

The SQRS Requirements for Quality Rating has to be in the Excellent or Satisfactory sections. If the Rating stays in unsatisfactory section for more then 3 quarters CCS can actively seek another vendor for your replacement.

11.4 Rating Logic

a. Delivery

The delivery rating is calculated quarterly for the last twelve (12) and (3) months of receipt activity. The rating, an average of a scoring system based on the On-Dock date. Each shipment is scored in accordance with the table below:

On-Dock	Score
21 days early to 3 days late	100%
More than 21 calendar days early	95%
4 days to 10 days late	90%
11 days to 21 days late	80%
22 days to 31 days late	60%
32 or more days late	50%

On-time delivery is determined based on an On-Dock receipt date window of 21 calendar days early to 3 calendar days late subsequent to, the corresponding contractual commitment date. A Delivery Rating is then

calculated by averaging all “delivery scores” For the given time frame (either 3 or 12 months).

b. Quality

The quality rating is calculated quarterly for the last twelve months and three months of receipt and rejection activity. The quality rating is a quality acceptance rate based on the number of units rejected divided by the number of units received within the given time frame (3 or 12 months).

The rejections include all Vendor Rejection Reports (VRR) written. Non-conforming items accepted by CCS because of “ Urgent Need “ are considered non-conforming and still affect vendor Quality Rating.