

**OSRAM SYLVANIA Products Inc.
AUTOMOTIVE LIGHTING
HILLSBORO, NH**

SUPPLIER QUALITY AUDIT

DATE: Saturday

SUPPLIER NAME:

PRODUCT DESCRIPTION:

SUPPLIER PERSONNEL CONTACTED:

SYLVANIA AUDIT TEAM:

**** For Key Suppliers that require an annual audit:
Any non-conformances will require follow-up activities to be verified within 60 days
unless a different time period is noted in the comments section.**

**OSRAM SYLVANIA Products Inc.
AUTOMOTIVE LIGHTING**

SUPPLIER AUDIT SCORING COMPOSITION

SECTION	ASSOCIATED QUESTIONS	POINTS AVAILABLE	POINTS SCORED	PERCENT SCORED
QUALITY PLANNING/ CONTINUOUS IMPROVEMENT	1 - 3	30	0	0.00%
STATISTICAL METHODS	4 - 6	30	0	0.00%
INSPECTION/TESTING	7 - 8	30	0	0.00%
GENERAL	9 - 12	40	0	0.00%
HANDLING/STORAGE	13	10	0	0.00%
MANAGEMENT	14	10	0	0.00%
MAINTENANCE	15	10	0	0.00%
COST	16	10	0	0.00%
CAPACITY	17	10	0	0.00%
TECHNOLOGY	18 - 20	20	0	0.00%
	Total	200	0	0.00%

Total Quality Supplier = 90% score or better = 180 points.

**The supplier must score the maximum available points on the following questions to achieve Total Quality status:

1A, 2, 3, 4A, 5, 8, 9B, 11, 12A

Certified Supplier = 75% score or better = 150 points.

QUALITY PLANNING/CONTINUOUS IMPROVEMENT

- 1A.** *Are written procedures defining quality-related operations available and in use?*
****** *Is a documented method used to develop quality plans?*
Does the supplier effectively implement these procedures?

Procedures and plans should include but not be limited to:

- | | |
|------------------------|-----------------------|
| a. Quality Labor | f. Product |
| b. Efficiency | g. Organizational |
| c. Reduced Reject Rate | h. Shipping/receiving |
| d. Training | i. SPC |
| e. Process | j. Inspections |

Guide for making point assignments:

- 0 - No written procedures related to quality planning or methodology are available. No quality plan is in place.
- 1 - Verbal indication of the existence of quality planning is found, but there is little or no physical evidence of such planning.
- 2 - A written quality plan is available, but may be incomplete or inappropriate. More documentation or adherence to the plan may be needed.
- 3 - Written procedures are available, including FMEAs and CPs, but there is insufficient evidence that it is completely followed.
- 4 - Good written procedures and quality plans are available, and supplier appears to be following them in a timely and adequate manner. The supplier trains operators on the use of FMEA's and CP's
- 5 - Extremely thorough plans, exceeding Sylvania's expectations, are in place and continually being followed, developed, and expanded to provide the highest quality product possible.

POINTS	Available	Actual
	5	

1B. **Does this quality planning procedure make provisions for the team participation including management operators?**

Guide for making point assignments:

- 0 - The supplier has no quality plan.
- 1 - The supplier states that there is a quality plan, but offers no documentation to prove its existence.
- 2 - The supplier has a quality plan, but it is incomplete or inoperable.
- 3 - The supplier has a completed and documented quality plan, but it does not incorporate all areas of management.
- 4 - The supplier has a completed quality plan that incorporates all levels of management and has been in effect for at least six months. There are extensive descriptions of how responsible persons are in quality product and process planning.
- 5 - The supplier has a working quality plan that covers every possible level of management. Improvements and updates have been consistently made.

POINTS	Available	Actual
	5	

2
**

Are Sylvania personnel involved in the determination of significant product and process characteristics? Is there a procedure for reviewing changes in Process Flows, FMEA's and CP's with appropriate Sylvania approval?

Guide for making point assignments:

- 0 - The supplier has no quality planning effort.
- 1 - Verbal commitment to quality planning is found, but no associated documentation is present.
- 2 - Supplier has appropriate control plans and FMEAs, but Sylvania has no input in their maintenance or development.
- 3 - Sylvania has approved some but not all CPs and FMEAs, and the supplier must concentrate on their further development.
- 4 - Sylvania has approved all CPs and FMEAs in place, but they are not fully operative in the supplier's system. CP's and FMEA's contain the elements identified within the Automotive Lighting Quality Guide
- 5 - CPs and FMEAs are working documents in the supplier's system and Sylvania is continuously working with the supplier to further develop such plans.

POINTS	Available	Actual
	10	

Auditors are to rate this question on a scale of 1-5 and multiply result by 2.

Is there a long-term plan for continuous improvement? Does the plan identify specific projects with time lines of execution? If implemented, have the goals been met?

The plan should include improvements for the following:

- | | |
|---|-----------------------|
| a. quality labor | f. product |
| b. efficiency | g. organizational |
| c. reduced reject rate
(field returns) | h. shipping/receiving |
| d. training | i. SPC |
| e. process | j. inspections |

Guide for making point assignments:

- 0 - There is no evidence that the supplier is committed to continuous improvement in quality and productivity.
- 1-2 - The supplier has a document such as a policy or procedure stating that continuous improvement is a major business objective. However, there is no evidence that the policy is being implemented.
- 3-4 - Implementation of a continuous improvement policy is in progress and in various stages. Actual improvement to date is minimal.
- 5-6 - Implementation of a continuous improvement plan including three or more of the above areas is in place and some improvements have been made on one major process.
- 7-8 - Implementation of a continuous improvement plan including six or more of the above areas is in place and definite improvements have been made.
- 9-10 - Implementation of a Continuous Quality Plan that includes all of the above items is in affect and some major improvements have been seen.

POINTS	Available	Actual
	10	

QUAL. PLANNING AND CONT. IMPROVEMENT TOTAL

POINTS	Available	Actual
	30	0

STATISTICAL METHODS

4A. Is SPC used on significant process and product characteristics?

**

Guide for making point assignment:

- 0-2 - The supplier has no SPC in use.
 - 3-4 - The supplier has no SPC in use, but has begun to train the appropriate personnel (operator through plant manager).
 - 5-6 - The supplier has one or more pilot operations in progress.
 - 7-8 - The supplier uses variable type charts as applicable for virtually all significant characteristics, the selection of which has been concurred by the appropriate Sylvania personnel.
 - 9-10 - As above, with the additional use of statistical methods on other parameters throughout production and other operations.
- or
- As above, with the additional use of statistical methods by employee involvement groups.

POINTS	Available	Actual
	10	

4B. Yes or No?

- 1 Are control charts updated in real time for all significant characteristics? _____
- 2 Are there procedures to follow when out of control conditions occur? _____
- 3 Are control charts well-labeled (i.e., dimensions and characteristics being controlled)? _____
- 4 Is Sylvania involved in determining what the significant characteristics are (i.e., dimensional and attribute)? _____
- 5 Are training programs dealing with SPC and control charts available and required for all employees?

Guide for making point assignments (each item is scored individually):

Yes -- one point
No -- zero points

POINTS	Available	Actual
	5	

Do control charts indicate statistical control has been achieved and process capability has been demonstrated?

Statistical Control requires both stability and capability. A process is considered stable if out of control conditions are less frequent than once per shift and the process is being brought back into control within a cpk > than 1.33. Statistically control should be demonstrated over an extended period of time, typically twenty to thirty production days.

Guide for making point assignments:

- 0 - Control charts are not in use for significant characteristics, therefore no conclusions about capability can be drawn.
- 1-2 - Control charts are available for some significant characteristics, but do not show statistical control. No conclusions about capability can be drawn, and there is no evidence of improvement actions to help stabilize the process.
- 3-4 - Most significant characteristics are control-charted and all or most of the charts show statistical control. One or more of these operations may not be capable, however, and no definite plan exists (e.g., specific actions, target dates) to attain capability.
- 5-6 - Control charts are in use for all significant characteristics, statistical control has been shown, and there are convincing action plans available for any non-capable process..
- 7-8 - Control charts show most or all significant product characteristics and/or process parameters to be in control and capable.
- 9-10 - As above, but the supplier has an effective continuous improvement program and has achieved at least 99.99% capability on a majority of the significant process characteristics.

POINTS	Available	Actual
	10	

6

Are statistical process potential studies conducted on product characteristics and process parameters? Process potential studies are short-term, preliminary evaluations of the process to understand both the variability of the process and its potential for producing products meeting specifications. The data must be analyzed using control charts or other similar time order methods.

Guide for making point assignments:

- 0 - The supplier offers no evidence of having conducted potential studies.
- 1 - Process potential studies and process capability studies have been conducted occasionally, but they didn't use appropriate statistical analysis, were not properly documented, and are not a regular part of the new product launch process.
- 2 - There is evidence that process potential studies have been frequently conducted, but the method was inadequate.
- 3 - Acceptable process potential studies have been conducted on one or two isolated characteristics.
 or
 Process potential studies have been conducted on all or most of the significant characteristics, but there are deficiencies in the conduct of the studies or in the response to unacceptable results.
- 4 - There is evidence that process potential studies are conducted for all significant new product characteristics and process parameters. Process improvement actions are initiated when unacceptable results are obtained.
- 5 - No process is used for production until a process potential study shows both stability and 99.994% conformance.

	POINTS	Available	Actual
		5	
STATISTICAL METHODS TOTAL	POINTS	Available	Actual
		30	0

INSPECTION/TESTING

7A. Is there an effective system of tests and quality inspections / operations to insure the quality of incoming products and services? Are results and records kept on file?

Guide for making point assignments:

- 0 - No documented system is available for testing and inspection of incoming material for quality. No records are kept.
- 1-2 - The supplier utilizes receiving inspection with a MIL.STD.105-D or similar AQL sampling plan.
- 3-4 - The supplier utilizes receiving inspection with an acceptable sampling plan.
- 5-6 - As above, but the supplier additionally receives satisfactory statistical evidence from or more key suppliers.
- 7-8 - As 3 above, and the supplier has an effective SQA program as well.

If supplier documents the results of one or more inspections of incoming material, add 1 point.

or

If supplier documents test results of inspections on all incoming material and performs statistical analysis on the results, add +2 points.

POINTS	Available	Actual
	10	

7B. Are sub-suppliers encouraged to use SPC? Is evidence of statistical control required from them?

Guide for making point assignments:

- 0 - The supplier has made no documented effort to implement SPC with sub-suppliers.
- 1 - The supplier has written letters to one or more key sub-suppliers specifically requesting the implementation of SPC and appropriate documented verification.
- 2 - The supplier has received written commitment from one or more key sub-suppliers that SPC will be implemented.
- 3 - Statistical evidence has been received from one or more key suppliers but it indicates unstable or non-capable processes. Appropriate interim containment measures have been implemented. The supplier has an action plan to attain stability and capability.

or

The supplier uses receiving inspection and testing for significant characteristics of purchased products and services and performs appropriate statistical analysis of the data.

- 4 - Statistical evidence of control and capability is available from most key sub-suppliers.
- 5 - Statistical evidence of control and capability is available from all key sub-suppliers and the supplier provides SPC training for sub-suppliers and/or includes SPC as a condition of purchase orders.

POINTS	Available	Actual
	5	

Are the appropriate quality tests and inspection performed on in-process and outgoing product?

The existence of the following should be verified:

- Design expertise
- CAD system
- Dock Audits
- Life, environment, and/or vibrator

Guide to making point assignment:

- 0 - No inspection/test records are available.
- 1 - Observation indicates that inspections/tests are being performed properly, but the records of such tests are seriously inadequate or nonexistent.
- 2 - Inspections and tests are being performed properly with records available. However, some of the records indicate that not all procedures were followed (i.e.) test results are missing, log entries are missing.
- 3 - Same as two but only log entries are less than adequate.
- 4 - Inspection and tests are properly performed. This is confirmed by the existence of complete and detailed records. No discrepancies can be noted in lot traceability with with inspection/test records.
- 5 - The supplier has innovated in this area. In addition to the above, parts or specified quantities of parts are marked to show satisfactory test completion.

If any of the four aspects of design and testing are not present in-house, subtract one point for each from the total.

Auditors are to multiply total score achieved from the above guidelines by 3 to achieve the maximum score of fifteen points.

	POINTS	Available	Actual
		15	
INSPECTION/TESTING TOTAL	POINTS	Available	Actual
		30	0

GENERAL

9A. Are production operations that produce non-conforming product promptly corrected?

Guide for making point assignments:

- 0-1 - There is no indication that supplier management gives a high priority to correcting out-of-control or non-capable operations.
- 2 - The records indicate that deficient operations require excessive time for correction. Reports to management may not be taken into proper consideration.
- 3 - Deficient operations are corrected fairly rapidly, but there is no indication that management is aware of these conditions.
- 4 - The existence of deficient operations is effectively communicated to management and such operations are quickly corrected.
- 5 - The supplier uses unique and unusually effective methods (such as line shutdown switches for employees to use when quality concerns arise) to direct management attention to quality concerns.

POINTS	Available	Actual
	5	

9B. Are the proper controls in place to keep rejected material from moving into the production system? Are non-conforming products separated from the stream of production and inventory to prevent shipment to the customer?

**

Guide for making point assignments:

- 0 - There is no method for separating non-conforming or rejected products.
- 1 - Quarantine areas, if available, are not well-defined. Containment of identified problems is not well defined.
- 2-3 - Quarantine areas are defined, but non-conforming or rejected products were seen in locations other than the defined area. Containment actions are defined but not effective due to scope of procedures.
- 4 - As above, but containment action are well defined and records both at Sylvania and at the suppliers' facility indicate the process is effective.
- 5 - The supplier has a superior method of segregating non-conforming and rejected products so that they cannot possibly be shipped. Auditors are to define superior methods in comments section.

POINTS	Available	Actual
	5	

10 **Is a documented repair and scrap procedure available? Are reworked and sorted products subject to audit by other than repair operators?**

Each specific repair should have a documented repair standard approved by the appropriate supplier (normally product or manufacturing engineering). Any repaired products which do not fully conform to Sylvania specifications must have an approved Sylvania deviation.

Guide for making point assignments:

- 0-2 - The supplier has no documented repair procedures and/or audit is made on repaired/sorted products.
- 3-4 - Repair procedures and the post-repair audit are in some way inadequate.
- 5-6 - A satisfactory post-repair audit is utilized, but repair procedures require clarification.
- 7-8 - Appropriate repair procedures are available and an adequate post-repair audit is performed.
- 9-10 - As above, as well as existence of process capability so high (+4.0 CpK) for all significant operations that minimal repair is required.

POINTS	Available	Actual
10		

11 **Does the supplier analyze nonconforming product returned by the customer, determine failure mode, and take appropriate action.**

**

Guide for making point assignments:

- 0-2 - The supplier has no provisions for returned product analysis.
- 3-4 - Returned product analysis is severely handicapped by deficiencies in two of the following areas: equipment, facilities, personnel, procedures, or records.
- 5-6 - Effective returned product analysis requires improvement in one of the following areas: equipment, facilities, personnel, procedures, or records.
- 7-8 - The supplier has a fully adequate system for returned product analysis.
- 9-10 - As above, plus the supplier has an extremely thorough returned product analysis system and/or provides thorough analysis results consistently ahead of normal timing--48 hours initial report, 72 hours detailed report.

POINTS	Available	Actual
10		

12A. Are appropriate gages available to facilitate process control?

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Are gages available to provide process operators with variable data whenever such data can feasible be obtained?

Guide for making point assignments:

- 0 - Necessary gauging and test equipment is not available.
- 1 - Only general-purpose gauging (e.g., micrometers) is available. More specialized equipment is needed.
- 2 - Rudimentary special gages (go/no-go plug gages) are available.
- 3 - Complete variable-data type gauging is available for all significant characteristics.
- 4 - Same as above, plus gages for all significant characteristics provide input directly to analytical equipment for analysis.
- 5 - Same as 4 above, plus capability studies (GRR's) have been performed for all significant characteristics. Gage GRR's with an error rate greater than 20% are either taken out of service or accompanied with a corrective action plan that will be completed within 180 days. The supplier will provide for containment measures due to the high error rate. Detailed procedures are available for the use of gauges and the measurement of specific product characteristics.

POINTS	Available	Actual
	5	

12B. Is there an appropriate and effective gage and test equipment maintenance program available for these devices? Does this program include calibration? Electronic calibration should be an integral part of this program.

Guide for making point assignments:

- 0 - No maintenance program is in place.
- 1 - There are some elements of a gage maintenance program, but the program is neither . well-thought out nor well-implemented.
- 2 - The supplier has a fairly well planned gage maintenance program, but the evidence shows that it is not necessarily well-implemented.
- 3 - The evidence shows that the supplier has effectively implemented a gage maintenance program, but certain aspects of the program require more development.
- 4 - There is a well-planned and effectively implemented gage maintenance program.
- 5 - There is an unusually well-planned and implemented gage-maintenance program.

	POINTS	Available	Actual
		5	
GENERAL TOTAL	POINTS	Available	Actual
		40	0

HANDLING/STORAGE

13A. Are handling, packing, and storage adequate to preserve product quality? Can accurate part number information be retained throughout the manufacturing, packing, and storage process? Is the supplier's materials management system automated (computerized)? Can the supplier's materials management system identify lot numbers and date codes? Does a purge system exist for the supplier to quickly and effectively eliminate defective product within the materials management system?

The product, where appropriate, should be protected against damage and contamination. Storage areas for incoming, in-process, and finished products should be reviewed to determine if any conditions exist which could affect product quality. Packing should be reviewed for adequacy.

Guide for making point assignments:

- 1 - There are major deficiencies in handling, storage, and packaging. There is no systematic approach to improving these functions.
- 2 - There are two or more significant discrepancies in either handling, storage, or packaging.
- 3 - While handling, storage, and packaging are generally satisfactory, there are corrective actions required in one of these areas.
- 4 - Packaging, handling, and storage are fully satisfactory.
- 5 - Packaging, storage, and handling significantly exceed Sylvania requirements.

POINTS	Available	Actual
	5	

13B. In storage of product, does the supplier utilize a FIFO system? Does the FIFO system include raw material, finished goods and WIP?

Guide for making point assignments:

- 0 - The supplier has no procedures for storage.
- 1 - The supplier states that a FIFO system is in effect, but there is no documentation to support the claim.
- 2-3 - The supplier seems to follow FIFO, but mistakes have been made in the past year.
- 4-5 - The supplier has a very effective system to insure FIFO storage. Within an automated material management system date codes and lot numbers are easily identified.

POINTS	Available	Actual
	5	

HANDLING/STORAGE TOTAL	POINTS	Available	Actual
		10	0

MANAGEMENT

14 Does the supplier have a formally documented organizational chart? Does management demonstrate teamwork with staff toward quality? Is there a system to ensure all employees are effectively and completely trained? Does the management system include yearly operations goals and objectives that are tracked to progress against time lines?

Guide for making point assignments:

- 0 - The supplier has no proof of an organizational chart or management system.
- 1 - The supplier states that there is an organizational chart, but there is no documentation of it.
- 2 - There is a documented organizational chart, but there are both unfilled positions and too many or too few levels of management. Management participation in the general framework of employee goals is present, but not necessarily within the human resource management system.
- 3 - There is a documented organizational chart, but there are either unfilled positions or too many or too few levels of management. Management provides employees with performance reviews and yearly goals and objectives citing continuous improvement activities. Some evidence of results from management involvement is available.
- 4 - As above, the organizational chart is both complete and includes the appropriate number of levels. Involvement by all functions with documented improvement and future plans in most functional areas, as well as periodic program reviews. Project tracking shows time lines are 98% accurate.

If management goals and objectives for the organization are revised yearly and updated monthly for project status, add +1 point to total.

Auditors are to multiply score from guideline above by 2 to obtain total management score.

TOTAL MANAGEMENT	POINTS	Available	Actual
		10	

MAINTENANCE

15 Does the supplier have a comprehensive maintenance program that includes facilities, process equipment and related tooling? The maintenance system should be a part of the management improvement programs which is tracked and updated monthly against yearly targets.

Guide for making point assignment:

- 0 - A documented maintenance program does not exist.
- 1 - A maintenance program exists but is not documented and is reliant on individual contributions and is lacking direction by management.
- 2 - A basic maintenance system is available for process equipment and facilities. The system is part of operator maintenance but does not promote goal attainment. The system is documented.
- 3 - A maintenance system is part of the quality management system. Goals and objective have been set and are review at least quarterly. The program includes all facets of the organization to include process equipment and tooling and plant facilities.
- 4 - As above, the maintenance system includes designated managers. A spare parts system is fully documented and includes an inventory of wear items with stocking level analysis for lead time risks associated with down times. The maintenance system forecasts equipment/facility downtime in conjunction with manufacturing operations. Cycles of maintenance are fully documented and rational for such cycles tied with equipment capability and customer requirements.
- 5 - As above, the maintenance system is automated(computerized) and provides management with reports showing all maintenance costs and reasons for maintenance. The automated system is used to manage the system through the analysis of trends. System updates are made at least monthly and tracked by management for progression against targets. Spare parts are inspected for compliance to requirements. Spare part suppliers are managed within the supplier quality program.

Auditors are to multiply score from guideline above by 2 to obtain total maintenance score.

MAINTENANCE TOTAL	POINTS	Available	Actual
		<u>10</u>	

COST
16

Is a specific structure or organizational chart responsible for controlling costs? Is there a plan for continuous cost reductions? Has it been effective to Hillsboro?

The supplier, in developing all goals, should always keep cost control and cost reduction in mind. The auditor should verify that the appropriate personnel are in charge of cost. A cost reduction plan can include investigating ways to cut costs in: a. Engineering, b. Energy, c. Shipping / Transportation, d. Materials, e. Labor, and f. Overhead. The plan should be three to five years in duration, and include updates at least yearly.

Guide for making point assignments:

- 0-1 The supplier states that there is a structure for controlling costs, but there is no documentation of it.
- 2 The supplier has a skeleton structure which controls costs. The supplier has begun working on a cost reduction plan, but it is not yet in effect.
- 3 The supplier has a fairly strong structure which controls costs, but it is lacking in some areas. The supplier has a completed cost reduction plan, but it has been in effect for less than three months (with little or no cost reduction to Hillsboro yet).
- 4 The supplier has a complete structure which controls costs, and documentation proves that the structure is that the structure is effective. The supplier has a completed cost reduction plan that has been in effect for at least a year and has proven effective in reducing some costs (minimum 3% cost reduction)to Hillsboro (offsets to inflation is adequate). Audit team to quantify reductions.
- 5 The supplier has an extremely well-planned and effective cost-cutting structure which is beyond Sylvania's expectations. The supplier has a continuously updated cost reduction plan that has significantly reduced costs to Hillsboro (5% price reduction at minimum is required). Audit team to quantify reductions.

Auditors are to multiply score from guideline above by 2 to obtain total cost score.

COST TOTAL	POINTS	Available	Actual
		10	

CAPACITY

17 Does the supplier have a stated production capacity for items it produces? Is capacity a formulation based on product mixes? Are capacity statements updated at least quarterly? Do capacity statements tie into lead times?

Guide for making point assessment:

- 0 - The supplier has no understanding of production capacity.
- 1 - The supplier has a basic understanding of capacity but does not take into account product mixes and changing raw material lead times and availability
- 2 - The supplier's capacity management system is part of the production planning cycle. The management system includes an understanding for needed equipment/tooling upgrades or replacements. Equipment changes are not forecasted.
- 3 - As above capacity upgrades are forecasted but do not coincide with the outstripping of needed production. The supplier updates customers regularly(monthly) on order status and potential solutions to shortages.
- 4 - Capacity is managed effectively to the point of providing available production to 98% of all orders(What is order attainment?). Short fall in order attainments is due only to order entry timing and normal production fluctuations.
- 5 - The supplier's capacity management is above and beyond all Sylvania expectations. Quarterly capacity statements are available for review. Order attainment is 100% during the last 6 months.

Auditors are to multiply score from guideline above by 2 to obtain total capacity score.

CAPACITY TOTAL	POINTS	Available	Actual
		10	

TECHNOLOGY

18 Evaluate the supplier's design and development process.

The design and development process should include some specifics:

- 1 - Efforts to simplify, optimize, and innovate.
- 1 - Feedback from test, production, and customers.
- 1 - Use of FMEAs.
- 1 - Designated individuals responsible for quality, safety, ability to be produced, and cost reduction.
- 1 - Effective communication with customers.

Guide for making point assignments (each item is scored individually):

- 0 - Item does not exist.
- 1 - Item does exist and is effective.

Any item that exists but is not effective automatically receives a zero score. Auditors are to show at least two examples where an item is not effective.

POINTS	Available	Actual
	5	

19 Does the supplier investigate new and innovative methods for manufacture, packing, and storage of the product?

Guide for making point assignments:

- 0-2 - The supplier puts little or no effort into investigating new methods to manufacture, pack, and store the product.
- 3-4 - The supplier states that they have investigated new methods, but there is no supporting documentation.
- 5-6 - The supplier provides written documentation of investigation of new methods, but with no clearly identifiable results.
- 7-8 - The supplier has documentation of investigation of new methods of manufacture, packing, and storage, and has demonstrated at least marginal improvements in the past two years.
- 9-10 - The supplier has continually investigated and implemented new processes in manufacture, packing, and storage, and has shown continual improvements in efficiency.

POINTS	Available	Actual
	10	

20

Does the supplier have engineering departments for the following?

Verify the existence of the following:

- 1 Research and Development (product Development)
- 1 Equipment Engineering
- 1 Quality Engineering
- 1 Process Engineering
- 1 Manufacturing Engineers

Guide for making point assignments (each item is scored individually):

- 0 - Department does not exist.
- 1 - Department exists, and is fully staffed.

POINTS	Available	Actual
	5	
