

Supplier Manual



IN PARTNERSHIP WITH OUR SUPPLIERS

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Approval and History of Revisions

Approval

This Supplier Manual has been approved for use by APT Manufacturing Solutions external providers:

Date of Initial Version: Oct. 18, 2019

Name and Title of Approver: Ben Nighswander, VP Administration

Date of Approval: Oct. 18, 2019

This Supplier Manual was written and published by Wesley Wagner of APT Manufacturing Solutions.

Revision History

The following revisions have been made to this Supplier Manual since its initial publication:

Revision Date	List of Changes	Page #
11/21/19	Removed Acknowledgement form & added statement on pg. 3	3, 8
12/12/19	Added supplier email address	6
5/24/22	Remove email address	6

Purpose – To provide information to external providers regarding APT’s requirements.

Scope – All providers of processes, products and services incorporated into our products and services or provided directly to our customers.

Upon receipt, and unless otherwise negotiated, supplier agrees to the requirements of the APT Supplier Manual and terms and conditions stated on the APT website.

Supplier Qualification

General Requirements

- APT requires a completed “Supplier Self Audit” in order to be placed on the Approved Vendor List.
- Buyer/Purchasing will make the qualification decision whether or not to add a supplier based on the results of the Supplier Self Audit.
- APT terms and conditions are found at [www.aptmfg.com/supplier terms](http://www.aptmfg.com/supplier_terms) (CTRL click). It is the supplier’s responsibility to consider and comply with these terms prior to acceptance of an order.
- Supplier representatives that visit APT must be accompanied at all times when in the facility.
- All shipments are FOB Hicksville and the supplier is responsible for the product up to and until it is unloaded at our dock. APT reserves the right to refuse shipment if it is found to be damaged or unusable.

APT Manufacturing Solutions retains documented information on the results of the evaluations and of any necessary actions and maintains records in accordance with ISO 9001. This may include the issue of a SCAR (Supplier Corrective Action Request) as a result of supplier product or service nonconformance to purchase requirements. APT does not perform 100% verification of product but may request material or process certification as applies.

Purchasing

APT Purchase Orders

When a PO is submitted, the following needs to be referenced on all quotes/confirmations, packing slips, and invoices:

PO number: If you do not have one, one must be obtained before an order can be processed.

APT's part number (first line of descriptions on POs)

APT's line item number: The items listed must be consistent with the order they are on the PO that was placed, if the PO has line 1 as A, the suppliers needs to have line 1 as A, not flipped around.

Note: The expectation is, if there are any adjustments or changes that need to be made to the PO such as uom, pricing, material, etc, these must be made back to APT purchasing prior to accepting and acknowledging the order. Once the order is acknowledged, there can be no changes made by the supplier when filling the order.

General

- No orders shall be processed without the supplier first obtaining an accurate PO. This includes **correct quantity, price, description and due date**.
- APT requires acknowledgement of all purchase orders before order fulfillment is commenced.
- The acknowledgement must include the APT Purchase Order number.
- No “Verbal” PO numbers are acceptable except in the case of a credit card order having “CC + Purchasers Name”.
- For credit card orders: packing slips, confirmations and invoices must reference the “CC” with the purchaser’s name following so APT knows who the order is for.
- All packing slips, invoices and confirmations must have the APT PO number and PO line item numbers identified on it.
- Absolutely NO CHANGES to the order or on the order acknowledgement after order is placed and acknowledged. This includes uom changes, price changes and item number changes. [If you cannot fill the order as requested, contact the APT purchasing agent, then acknowledge what is agreed to by you and the purchaser.](#)

- Orders shipped by the supplier without an APT PO number or credit card reference will be returned at supplier's expense.
- Any duplicate shipments will be returned to the supplier at the supplier's cost.
- APT requires a 30-day notice before new pricing can take effect for any product.

Send all order acknowledgements via email to the purchasing agent who placed the order.

Note: Please send invoices to AP@APTMFG.COM

On Time Delivery

Delivery of goods is expected at our facility on the due date shown with up to one day late without penalty. If you cannot meet this date prior to submitting order acknowledgement contact APT purchasing agent. If APT accepts the new date, you will be held to the new delivery date and your supplier rating will be based on meeting the new date. (See [supplier delivery requirements](#)). If you cannot deliver on time after acknowledging a date, contact the buyer to make arrangements to expedite per our Terms and Conditions. The buyer may push the date out at their discretion and the new date will be entered into our system as the due date.

Special Processes (Outside Processing)

All documentation including Pack Slips and Tags must be returned with product to maintain identification and traceability. If there are discrepancies found in quantity or type of product described for processing upon receipt at your facility, contact the buyer immediately to correct or provide other disposition prior to processing. [Product must be packaged in such a manner as to protect from damage during transit](#). (Most outside processing is shipped via APT truck).

Nonconformance

⌘ Nonconformance is defined as:

- Damaged in transit due to insufficient packaging (see Terms and Conditions)
- Under or grossly over shipped quantity

- Defective or out of specification materials
- Does not meet product description (i.e., ordered cold rolled steel and received hot rolled steel)
- Fails to perform or is defective (i.e., flashlight that does not turn on & light)
- If issued an APT SCAR, you will be expected to perform interim corrective action within 24 hours and full root cause analysis & CA within 30 days. (May include sorting, expediting, replacement, repair* or rework* with APT approval). Supplier may use their own CAR form.

Note: Not all nonconformances will result in a SCAR. Extenuating circumstances such as bad weather will be taken into consideration.

Supplier Evaluation

Initial Evaluation - Acceptance as an APT Supplier will be based on review of the Supplier Self Audit # 50299 and resulting score above 79%.

Monthly - Suppliers performance will be rated using a combination of OTD and Quality and will be sent out monthly via email. At the end of the month, the performance rating will be reset but ongoing consecutive issues 3 months running will result in corrective action initiation. Only months when product or service is received will be used to calculate supplier performance.

Delivery- Requirement: 95%> OTD. OTD will be defined as:

- Under \$10K invoice= no earlier than 30 days prior and no later than 1 day after due date.
- Over \$10K invoice= no earlier than 1 week prior and no later than 1 day after due date.
- The OTD is calculated based on the number of line items delivered on time. For example, if 50 line items are ordered and 47 are received within delivery window, it would equate to 94% OTD.
- Each supplier must maintain a **95% or better average on time** delivery in a given month.
- If a supplier falls below 95% for 3 consecutive months, a SCAR will be issued.

Quality- Must meet order requirements. (☞ See definition of nonconformance above.)

For quality, each supplier will begin with a rating of 100 points. Five points will be deducted for each quality issue in a given month.

Depending on the affect to APT, a SCAR may be issued for each non-conformance, **or three instances of quality related rejections in a quarter will result in the issue of an APT SCAR.**

Corrective Actions shall be appropriate to the effects of the nonconformities.

If supplier fails to provide corrective action or does not improve performance, the supplier may be de-sourced.

All active suppliers will be re-evaluated on an annual basis using the criteria below. Only months that APT receives material or service will be used in the average calculation for the year.

Annual Supplier Performance Review

Level	Pt Range	Level Outcome
Green	95-100 90-94	These suppliers will be the first to be considered for new business.
Yellow	85-89 80-84	These suppliers may be considered for new business.
Red	79, or below	These suppliers are on probation and will not be considered for new business. If there is no improvement, they may be de-sourced.