



**B&B
MANUFACTURING**

PCR Form
Procedure Change Request Form
Form-42-02 Rev. A

Doc. No. WI-74-05	Rev. C	Requested by: Kirk Simmons	Dept. Supplier Quality	Date: 01-16-2007
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Doc. Name Approved Supplier's Guide	AS9100 Section: AS9100 element - 74	Page 1 of 1
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Reason for Change
Result of Audit <input checked="" type="checkbox"/>
Efficiency Improvement <input type="checkbox"/>
AS9100 Spec. Change <input type="checkbox"/>

Approvals	Date	Approved	Declined
Originator: Kirk Simmons <i>Kirk Simmons</i>	1-17-07	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Business Systems: Anna Fisher <i>Anna Fisher</i>	1/17/07	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Quality Assurance: Mark Elliott <i>Mark Elliott</i>	01-18-07	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Section	Current Procedure:	Change to:
Business Performance Expectations	Supplier's Quality System must be certified to NADCAP, ISO9000, or AS9100. When a supplier is not certified a complete system audit shall be performed.	Supplier's Quality System should be certified to NADCAP, ISO9000, AS9100, or equivalent. When a supplier is not certified they will complete a Quality System Questionnaire.
	Supplier shall develop and provide to B&B Manufacturing, upon request, reasonable information describing or evidence of a disaster recovery plan that includes emergency back-up capacity and appropriate record protection and recovery.	Supplier shall develop and provide to B&B Manufacturing, upon request, reasonable information or evidence of a disaster recovery plan that includes emergency back-up capacity and appropriate record protection and recovery.
	Supplier must have documented training processes and procedures in place.	Supplier shall provide, upon request, documented training processes and procedures.
	Supplier shall provide technical assistance and support services, seven days a week, 24 hours a day, at no additional charge.	Supplier shall provide technical assistance and support services, to include nights and weekends as necessary.
	Suppliers must be familiar with Lean Manufacturing practices.	Manufacturing Suppliers must be familiar with Lean Manufacturing practices.
	Processes must include documented and controlled Operational Method Sheets (OMS) as required.	Removed.
Quality and Delivery Metrics	The supplier metric goals are set in alignment with our customers' requirements: 100% Quality 100% On-time Delivery	The supplier's minimum requirements for Quality and Delivery are: 95% Quality 80% On-time Delivery
	Suppliers are expected to review their performance numbers provided and identify any discrepancies in the data	Suppliers are expected to review their performance numbers on the B&B Supplier Website and identify any discrepancies in the data
	If the supplier feels that they have received an invalid NCMR, they should submit request for reversal through B&B Manufacturing Supplier Quality Department. Likewise, invalid late delivery issues should be addressed with your representative	If the supplier feels that they have received an invalid NCMR, they should submit request for reversal through B&B Manufacturing Supplier Quality Engineer. Likewise, invalid late delivery issues should be addressed with your buyer/contact.
Non-Conforming Material	Non-Conforming Material Reports (NCMR) are generated when a part/assembly does not meet B&B Manufacturing's Purchase Order, Specification and/or Drawing requirements	Non-Conforming Material Reports (NCMR) are generated when a part/assembly does not meet B&B Manufacturing's Purchase Order, Specification and/or Drawing requirements as well as handling damage.

Maintenance of Records	None / Added	Unless otherwise required by the Contract, the Supplier shall maintain all records that provide objective evidence of compliance to the Contract requirements for a minimum of fifteen (15) years after the last delivery of products and/or services on the Contract. Such records include drawings, specifications, work instructions, certifications and test reports and any other records generated in the course of procurement, manufacturing, testing, processing, inspecting, preserving, packaging and shipping products to B&B Mfg., and when applicable include records generated by the Supplier's sub-tier sources. Such records may be in any form including, electronic, hard copy or microfilm and shall be handled and stored in a manner to preclude deterioration or loss during the time period specified. Upon request, the Supplier shall be capable of retrieving & delivering required records to B&B within ten (10) working days or sooner from date of request by B&B. Prior to discarding, transferring to another facility, or destruction of such records, the Supplier shall notify B&B in writing and allow B&B the opportunity to gain possession of such records including applicable records at the Supplier's sub-tier sources.
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Approved Suppliers Guide

Introduction

Welcome to B&B Manufacturing Supplier Guide

B&B Manufacturing realizes that the Supplier plays a significant role in our goal of ongoing continuous improvement and customer satisfaction.

As an approved supplier, you are provided this guide to acquaint you with conducting business with B&B Manufacturing. This Approved Supplier Guide has been created to strengthen our relationships with our Suppliers and to define a set of standards and practices in which to do business. **However, it does not supersede contractual obligations or expectations.**

We are convinced that this guide will provide both parties with a method of continuously measuring our respective performance against our needs and expectations – and will provide a communication platform to proactively improve the quality and mutual profitability of our relationship.

If you have any questions, please contact your assigned B&B Manufacturing Purchasing Representative.

A nondisclosure agreement shall be signed by a key member of management and returned to B&B prior to receiving a request for quote (RFQ) or purchase order (PO).

B&B Manufacturing Supplier Website

B&B Manufacturing external supplier web site is a very important tool for information on technical requirements, quality, delivery and business processes. The site is located on the Internet at www.bbmfg.com. There is public information open to all suppliers; however, "Secured Information" requires assigned access that is available through your quality representative.

The most recent supplier changes and/or requirements are posted on the Supplier web site. Suppliers are required to monitor the information provided on the website daily to comply with this document requirements, contractual obligations and expectations. The supplier web site is an extremely valuable communication tool for B&B Manufacturing suppliers.

Business Performance Expectations

B&B maintains a set of basic requirements that every approved supplier is required to review. The supplier must meet these requirements, or develop plans to meet them within a reasonable time period.

The following is a summary of the overall Business and Operational requirements and represents, but is not limited to, the basic performance expectations for Suppliers.

Protection of B&B Manufacturing and its Customers Confidential Information

- No confidential information of B&B's or its customers may be disclosed to any prospective supplier until the parties have executed a Non-Disclose Agreement (NDA).
- B&B will only share information with a Supplier on a need to know basis.
- Supplier may not disclose this information to any third party without B&B Manufacturing's written consent. B&B's expectation is that a Supplier will protect B&B's and its customers confidential information with any third party by: (a) imposing the same overall requirements upon its supply base, (b) executing Nondisclosure Agreements with its supply base, and (c) keeping accurate records of confidential information provided to third parties.
- Supplier must return all B&B and its customers confidential information at B&B's or its customer's request and/or upon termination of the relationship.
- Supplier may not use any confidential information to develop, design, manufacture, engineer, refurbish, sell or offer for sale products to any party other than B&B Manufacturing.



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General Key Requirements

- Supplier's Quality System should be certified to NADCAP, ISO9000, AS9100, or equivalent. When a supplier is not certified they will complete a Quality System Questionnaire.
- B&B's quality requirements and workmanship standards shall be integrated into Supplier's processes and identified accordingly.
- Supplier shall develop and provide to B&B Manufacturing, upon request, reasonable information or evidence of a disaster recovery plan that includes emergency back-up capacity and appropriate record protection and recovery.
- Supplier shall provide, upon request, documented training processes and procedures.
- Supplier must be capable of receiving e-mail documents and photographs and have on-site Internet access.
- Supplier shall provide technical assistance and support services, to include nights and weekends as necessary.
- Manufacturing Suppliers must be familiar with Lean Manufacturing practices.
- Supplier is required to provide access to B&B, its customer, and any regulatory authority to all facilities involved and applicable records required to fulfill an order.
- Manufacturing, Processes and Supplier's general performance must comply with all applicable City, County, State and U.S. Laws.
- Supplier shall maintain traceability records for a minimum of 15 years.

Quote & Purchase Order Process

Quote Stage

B&B Procurement Department generates Request for Quote (RFQ) regularly. RFQ's generally are accompanied by a print for reference. B&B's RFQ, print, specification and general business requirements should be taken into consideration when placing a quote.

- Always assume that you are competitively bidding on all quotations.
- The Supplier should respond with a unit and/or lot price for each item.
- Quoted prices should be valid for 90 days unless otherwise specified.
- The Supplier, if applicable, shall be responsible to note any special terms and conditions of the quote response at the time of quote.
- The supplier, if applicable, shall notify B&B of any changes in product and or process definitions
- Standard Lead times should be quoted, unless otherwise requested. Be aware that quoted lead times, at time of award, will be used as a base for determining P.O. delivery date. Committed lead times will be used to measure Delivery Performance.

Purchase Order Stage

B&B Procurement department will generate a Purchase Order (PO) for product or services required. As necessary, PO's can be accompanied by prints, specifications, B&B Customer special requirements, pictorial work instructions, etc. The supplier is responsible to review all documents provided and incorporate specified requirements into the suppliers work orders to ensure compliance with all requirements throughout manufacturing and/or processing.

Suppliers are required to maintain configuration control during all manufacturing and processing per the provided drawings, purchase order requirements and applicable governing specifications.

In the event a supplier is required to utilize a sub-tier supplier to complete a purchase order agreement, the supplier is required to use only customer approved sources as specified on the P.O., and to ensure proper flow down of all applicable requirements and key characteristics to ensure configuration control.

The supplier should take great care in reviewing Purchase Order requirements prior to fulfilling the order. Any discrepancies with the PO should be communicated to your representative prior to fulfilling the order. The supplier is to notify B&B, prior to P.O. fulfillment, of any changes in product and/or process definition and are required to obtain approval from B&B prior to continued process or delivery of product.



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B&B Purchase orders are governed by our Terms and Conditions. Suppliers are provided a hard copy of B&B Terms and Conditions with this Guide and a signed acknowledgement is required to continue business with B&B. The Terms and Conditions may change at any time and it is the suppliers' responsibility to refer to the Terms and Conditions listed on the external Supplier Web Site as needed to assure compliance.

Transportation Requirements

B&B's continued partnership with suppliers includes customer service initiatives encouraging daily supplier pick-up and delivery services. In the event those services do not exist or the Supplier is not local, specified transportation requirements are indicated on the PO. Transportation requirements should be considered upon receipt of order to ensure on-time delivery of product or services. Suppliers shall not deviate from specified transportation requirements without written authorization from B&B Manufacturing. In the event a supplier needs to deviate from specified requirements to ensure on-time delivery, additional incurred cost will be at the Supplier expense. Delays and/or damage incurred during transportation may impact the Suppliers quality and delivery metrics.

Cosmetic Requirements

In any industry, customers recognize poor cosmetic condition as an indicator of overall poor quality. Nicks, dings, scratches, irregular finish, contamination, dirt etc. all reflect poor quality to our customer.

B&B and its customers require product without defects. Surface defects may cause changes during use that could cost the end customer time, money, and safety concerns. For many of our parts, the cosmetic condition is a vital factor of the part's function; any changes in its quality may have unwanted effects. B&B has become sensitive to cosmetic conditions and will reject any part not meeting specified and industry standards.

Cosmetic requirements are provided to our suppliers through Purchase Order requirements, a print and/or industry specifications. Please contact your representative with questions regarding any cosmetic requirements prior to processing.

Handling and Packaging Requirements

B&B manufactures a range of products for various industries including aerospace, semiconductor, medical and automotive. Products range from large sub-assemblies, detailed manifolds, and small component parts. Each part requires care and handling to ensure product integrity. Handling may include special packaging, transportation totes, clean room requirements, heavy lifting equipment, special racking requirements, rust preventative oil requirements, basket liners etc. Suppliers are to ensure that all handling requirements are being met at all times.

Nicks, dings and scratches caused by poor handling encompass a large percent of our rejections. B&B continues to make great internal efforts to eliminate handling damage at our facility and we require the same from our suppliers. Handling damage can cause extensive rework time and loss of product, it also incurs extreme cost internally. Suppliers may be held responsible for damages caused by intentional deviation from specified handling requirements.

Products must be packaged per B&B's purchase order requirements. If requirements are not specified, parts should be adequately packaged to ensure part protection during the transportation process and to ensure material integrity. All B&B provided, reusable totes must be returned in good condition. Contact your representative with any questions prior to shipment.



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Quality and Delivery Metrics

Quality and delivery metrics are major performance indicators for our suppliers. Suppliers can access monthly performance reports by visiting the external Supplier Web Site, "Secured Information" option.

The supplier's minimum requirements for Quality and Delivery are:

- 95% Quality
- 80% On-time Delivery

Supplier Quality and Delivery metrics are calculated as the number of parts defective or late, divided by the total quantity of receipts in a given time period (30 days).

B&B Manufacturing may require periodic reviews of key supplier's to discuss the supplier's performance as well as expectations. Suppliers are expected to review their performance numbers on the B&B Supplier Website and identify any discrepancies in the data.

Suppliers are responsible for initiating resolution on any discrepancy, particularly with regards to NCMRs and late delivery issues. If the supplier feels that they have received an invalid NCMR, they should submit request for reversal through B&B Manufacturing Supplier Quality Engineer. Likewise, invalid late delivery issues should be addressed with your buyer/contact.

Non-Conforming Material

Supplier are required to have a system in place to identify nonconforming material/process and are required to report all non-conformances related to B&B product to B&B immediately upon discovery. Non-conforming process that may have affected previous lots should be reported to B&B to allow for containment and review.

Non-Conforming Material Reports (NCMR) are generated when a part/assembly does not meet B&B Manufacturing's Purchase Order, Specification and/or Drawing requirements as well as handling damage. NCMR's are dispositioned as either B&B responsibility or supplier responsibility.

B&B Supplier Quality Engineer is responsible for communicating NCMR information to suppliers. NCMR information is accessible through the external Supplier Web-Site, "Secured Information" option. Suppliers are required to have resources available to electronically respond to Root Cause and Corrective Action for the NCMR's via the Supplier Web Site.

Maintenance of Records

Unless otherwise required by the Contract, the Supplier shall maintain all records that provide objective evidence of compliance to the Contract requirements for a minimum of fifteen (15) years after the last delivery of products and/or services on the Contract. Such records include drawings, specifications, work instructions, certifications and test reports and any other records generated in the course of procurement, manufacturing, testing, processing, inspecting, preserving, packaging and shipping products to B&B Mfg., and when applicable include records generated by the Supplier's sub-tier sources. Such records may be in any form including, electronic, hard copy or microfilm and shall be handled and stored in a manner to preclude deterioration or loss during the time period specified. Upon request, the Supplier shall be capable of retrieving & delivering required records to B&B within ten (10) working days or sooner from date of request by B&B. **Prior to discarding, transferring to another facility, or destruction of such records, the Supplier shall notify B&B in writing and allow B&B the opportunity to gain possession of such records including applicable records at the Supplier's sub-tier sources.**



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Invoicing and Accounts Payable Information

The following are important Accounts Payable information you should know:

- Invoices are to be sent directly to Accounts Payable in Valencia California
- Term date begins when a correct invoice is received in Accounts Payable
- Standard terms are Net 30
- To ensure proper and timely payment to your account, the following requirements must be met:
 - Each document must reference an Invoice Number and a Date for tracking payments.
 - The packing slip number must be referenced on the invoice, which will identify the receipt of the product(s) if there are multiple shipments for duplicate deliveries
 - Surcharges and other special charges must be included in the piece price on your invoice.
 - * All payment of invoices will be made against the stated dollar value on the purchase order itself and NOT the invoice. It is the supplier's responsibility to review each purchase order to ensure pricing is correct prior to invoicing. In the event discrepancies are found on the Purchase Order, it is the supplier's responsibility to contact B&B Manufacturing immediately for correction.
- B&B Manufacturing will not be held responsible and will not pay for any materials delivered or services rendered on invalid P.O. numbers

Safety

All suppliers are required to comply with all applicable OSHA standards governing Environmental Health and Safety.

Suppliers must provide a Material Safety Data Sheet for any hazardous substance brought onto B&B Manufacturing property. All hazardous materials and substances brought onto B&B Manufacturing property will follow label requirements (e.g. chemical identification, hazard warnings, and chemical manufacturer and address)

Gifts and Gratuities Policy

A "gift" or "gratuity" is any cash, property or item of value transferred to any person or entity where nothing or less than full value is received in exchange, and does NOT include:

- Meals and served drinks in connection with business discussions
- T-shirts, coffee mugs, inexpensive pens and pencils, calendars and other items of nominal value

All gifts must comply with the following general requirements:

- Gifts must be compatible and appropriate in value and kind for the region and culture in which the gifts are given.
- Cash should not be given as a gift.
- No gifts shall be given in order to induce or appear to induce any person to breach any duty or obligation.
- No gift shall be given that is intended to or would appear to improperly influence a business relationship or decision.
- All gifts given must be incidental to a legitimate business transaction or relationship.

B&B Manufacturing employees are not to accept gifts or other forms of compensation directly or indirectly from suppliers. Gifts given or offered will be sent back to the supplier with a letter re-stating our Gift and Gratuities policy.

Customer business amenities such as meals and entertainment may be accepted, provided the expenses involved are kept to a reasonable level and are not prohibited by law or known Supplier practices.