SECTION II.15 – HANDLING, STORAGE, PACKAGING, PRESERVATION, AND DELIVERY

PURPOSE: The supplier shall have procedures in place for the handling, storage, packaging, preservation, and delivery of product.

SCOPE: This applies to all suppliers of purchased production intent parts to HTNA.

EXPLANATION: The supplier is responsible for the handling, storage, packaging, preservation, delivery of product, and the steps it takes to maintain those requirements.

SUPPLIER RESPONSIBILITIES:

1. Handling:

   HTNA Supplier Quality System Requirements reflect TS 16949 Section 7.5.5 Preservation of Product.

   HTNA Clarification

   The supplier shall have systems in place that defines how material should be handled to prevent physical damage, and/or deterioration throughout the entire manufacturing process.

2. Storage:

   HTNA Supplier Quality System Requirements reflect TS 16949 Section 7.5.5.1 Storage and Inventory.

   HTNA Clarification

   The supplier shall have a designated storage area to prevent physical damage, deterioration, and/or unauthorized use pending the use or delivery of the product. Material is to be identified and the inventory properly rotated to use the oldest material first, also known as a FIFO (First In First Out) system.

3. Packaging:

   HTNA Supplier Quality System Requirements reflect TS 16949 Section 7.5.5.1 Storage and Inventory.

   HTNA Clarification

   A. Processes are monitored to assure that the contents meet HTNA specifications or requirements. In-process and finished product shall be appropriately packaged to protect against damage. The packaging and its labeling shall meet HTNA specifications or requirements. Packages shall be labeled in accordance with Automotive Industry Action Group (AIAG) Standards unless otherwise specified. HTNA specifies packing which will meet applicable shipping laws, codes and regulations.

   B. All shipments shall be packaged or placed in a new container unless otherwise specified. Packing slips shall be attached to the carton exterior in shipping envelopes.
C. Each shipment shall be marked with the HTNA part number, engineering change level, quantity, lot number, purchase order number, number of boxes, HTNA name, address and gross weight in pounds as required.

D. The initial shipment of product shipped under an approved Part Submission Warrant (PSW), PPAP checklist, Engineering Change Notification (ECN), or deviation must be labeled as such. A note must be added to the exterior packaging notifying HTNA that the shipment contains the appropriate PSW, ECN, PPAP, or Deviation Request and the HTNA contact name and duration of instance, if applicable.

4. Preservation:

HTNA Supplier Quality System Requirements reflect TS 16949 Section 7.5.5.1 Storage and Inventory.

HTNA Clarification

1. All material from initial receipt to final production shall be preserved and segregated.

2. “First in - First out” (FIFO) stock rotation shall be practiced.

3. If segregation is not practical, the material or products shall be clearly identified throughout the various processes.

4. Each department shall be responsible for monitoring preservation and segregation to assure practices are maintained.

5. Delivery:

HTNA Supplier Quality System Requirements reflect TS 16949 Section 7.5.5.1 Storage and Inventory.

HTNA Clarification

1. Product, after final inspection and test, shall be protected against damage and deterioration from adverse conditions. Protection shall include delivery to destination. Material that is temperature sensitive must have systems in place during shipping to assure that it has not been exposed to adverse conditions.

2. “The supplier shall establish systems to support 100% on-time shipments to meet customer production and service requirements.”

3. Corrective actions must be prepared and submitted to HTNA for all failures to meet delivery dates.

4. All material deliveries must meet the following compliance requirements:
   - On time Delivery
   - Correct HTNA specified transportation used
   - Correct routing followed
   - Correct packaging and labeling

5. “The supplier’s production scheduling activity shall be order driven. The use of small lots with a goal of one piece flow in a synchronous manner is encouraged.” The supplier should have systems in place to eliminate mass production and one that focuses on a “pull” system that replenishes inventory and promotes lean manufacturing. Any performance issues are documented by the Materials Group, via a Supplier Problem Report (SPR).