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AUTHOR CLP		Section 5. Delivery	ED./AMEND. 3/0	ISSUE DATE 15/06/01	

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Effective Date	Change History
15/06/01	Reviewed & revised
07/04/00	Revised due to upgrade from PRMS to SAP system
30/01/98	New

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1 INTRODUCTION

Supplier delivery assessment is based on the standard SAP reporting. The assessment system

- Records the number of receipts counted as deliveries on specific dates
- Reports on the number of receipts in specified ranges from the 'on-time' date.

Receipt of 80% or more of the due quantity on a date is counted as a delivery. A delivery within 3 days prior to, and 2 days after the due date is currently counted as 'on-time'.

The percentage of on-time deliveries to total deliveries for the period is calculated and reported. This percentage is the primary measure of delivery performance.

The due date is the scheduled due date ex supplier, not the RBAU required date.

1.1 Purpose


To define the delivery expectations and requirements of RBAU for suppliers of direct materials and parts to RBAU's manufacturing operations.

1.2 Applicability

This procedure is applicable to all direct suppliers to RBAU.

1.3 Definitions

RBAU :	Robert Bosch (Australia) Pty. Ltd.
CLP :	Customer Scheduling & Planning Department (Customer, Logistics & Planning)
ERS :	Evaluated Receipt Settlement
DS :	Delivery Schedule
JIT :	Just in Time
EDI :	Electronic Data Interchange
FIFO :	First In, First Out.
QPR :	Quality Problem Report

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ASN : Advanced Shipping Notification

2 PROCEDURE

2.1 Scheduling System

The supplier shall have a date/order driven scheduling system capable to receive RBAU Delivery Schedules on a frequent basis (weekly or daily). A planning horizon of six (6) months minimum is required. The use of continuous small production lots (JIT, Kanban) with the aim of introducing one piece flow is a recommended manufacturing strategy.

The scheduling system shall be capable of checking variations in customer demands and performing periodic capacity comparisons against scheduled requirements. Our suppliers are expected to advise RBAU's Scheduling Department (CLP) of any potential shortfalls well in advance. Failure to do so will affect delivery performance measurement. All necessary actions must be taken in consultation with RBAU before incurring excessive charges (freight, overtime etc.) for overdue deliveries. The impact on the schedule requirements to RBAU's customers must be minimised.

The system shall be capable of identifying planning bottlenecks and detecting potential future problems in order to take corrective actions to avoid short or delayed shipments.

The system shall be capable of planning engineering changes and run out products with the aim to minimise redundancy cost. The last off shipments will be according to requirements and not to any restrictive minimum lot or production batch size.


The system shall be capable of identifying lead times in excess of RBAU's general approved lead-time of 8 weeks – i.e. Production authority of 4 weeks, and a material purchase authority of 4 weeks (Note- deviations to this standard need to be notified to the respective scheduling contact at RBAU to ensure the production and material authorisation time fences are correct in the RBAU system). A periodic evaluation and review process shall be in place to continuously reduce lead times.

The supplier shall have a periodical management review process to ensure the effectiveness of the scheduling system including continuous improvement activities.

2.2 Inventory Management System

The Supplier shall have an Inventory Management System capable of measuring inventory turns and stock levels of finished goods, work in process, and raw materials / purchased parts.

The supplier shall have a documented review process aimed at increasing inventory turns and reducing inventory levels to set targets.

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The supplier shall have a stock management system that ensures stock rotation on a 'First In First Out' (FIFO) principle, and a periodic review process to assess the condition of stock concerning storage and expiry dates (Shelf Life). The system shall be capable of supporting strategies like consignment stock or Ship to Line deliveries (whereby daily stock levels directly on the line or in a specified warehouse are maintained by the supplier).

2.3 Supplier Delivery Requirements

The supplier shall have a system that supports 100% on-time shipments to RBAU's requirements. The system shall be capable of tracking and measuring delivery performance so that necessary corrective actions are taken when the performance level drops below 100%. Poor performance (less than 80%) will require the submission of a Quality Performance Report (QPR) to be forwarded to RBAU.

The Supplier shall take a proactive approach and communicate all potential delivery problems before they affect current RBAU stock levels.

The system shall be capable of preventing over-shipments to RBAU.

The delivery business processes shall be capable of allowing an ERS payment process using invoices generated by RBAU based on the Goods Receipt (quantities) and current valid Scheduling Agreement (quotation).


Deliveries of all parts/materials shall conform to RBAU standards and requirements, especially to agreed standard lot sizes. Changes to these require approval by RBAU. Please refer to Packaging, Labelling & Delivery Documentation section for additional information.

2.4 Electronic Data Interchange (EDI) Transmissions

The supplier's system shall be capable to receive Delivery Schedules from RBAU electronically. Manual data entry must be minimised, with the aim of direct electronic data transfer into the Suppliers Materials Planning System. Suppliers with low volume or small number of parts shall as a minimum requirement have access to the Internet to allow electronic transfer of schedules and entry of Delivery Dockets. Transfer of schedules by fax is considered as the minimum standard, however, this will be gradually phased out.

The system shall be capable to generate and transmit on line or via the Internet Advanced Shipping Notifications (ASNs).

A copy of the RBAU Implementation Guide for EDI/Intranet services can be obtained from the Information Systems Department at RBAU. This guide provides current EDI standards and network requirements used at RBAU.

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2.5 Scheduling Contacts

The supplier's contact person for scheduling matters shall have access to E-mail facilities allowing speedy communication with RBAU.