

MISSION DRIVEN



Supplier Containment
Level 1 & 2

Revision 1.1

Purpose:

- A standardized methodology to contain defective product and to protect Oshkosh Corporation from receiving additional non-conforming material.

Containment Level 1:

- Oshkosh Corporation requires that a supplier put into place a redundant inspection process at the supplying location. The Supplier is responsible to sort for a specific nonconformance, execute 8D corrective action methodology, and insulate Oshkosh Corporation from the receipt of nonconforming parts/material. The redundant inspection is required in addition to Supplier's normal production process controls, and is executed by the supplier's employees.

• Containment Level 2:

- An Oshkosh Corporation requirement that includes the same processes as Containment Level 1, **with an additional inspection process by a 3rd party Inspection and Rework Company** representing Oshkosh Corporation's interests specific to the containment activity. The third party is selected by the supplier, approved by Oshkosh Corporation, and **paid for** by the supplier.

Containment Level 1 (CL1)



CRITERIA:

- Repeat Non-conformances
- Major Disruptions
- Production Line Down
- Production Shortage
- Supplier's current controls are not sufficient to ensure conformance to requirements

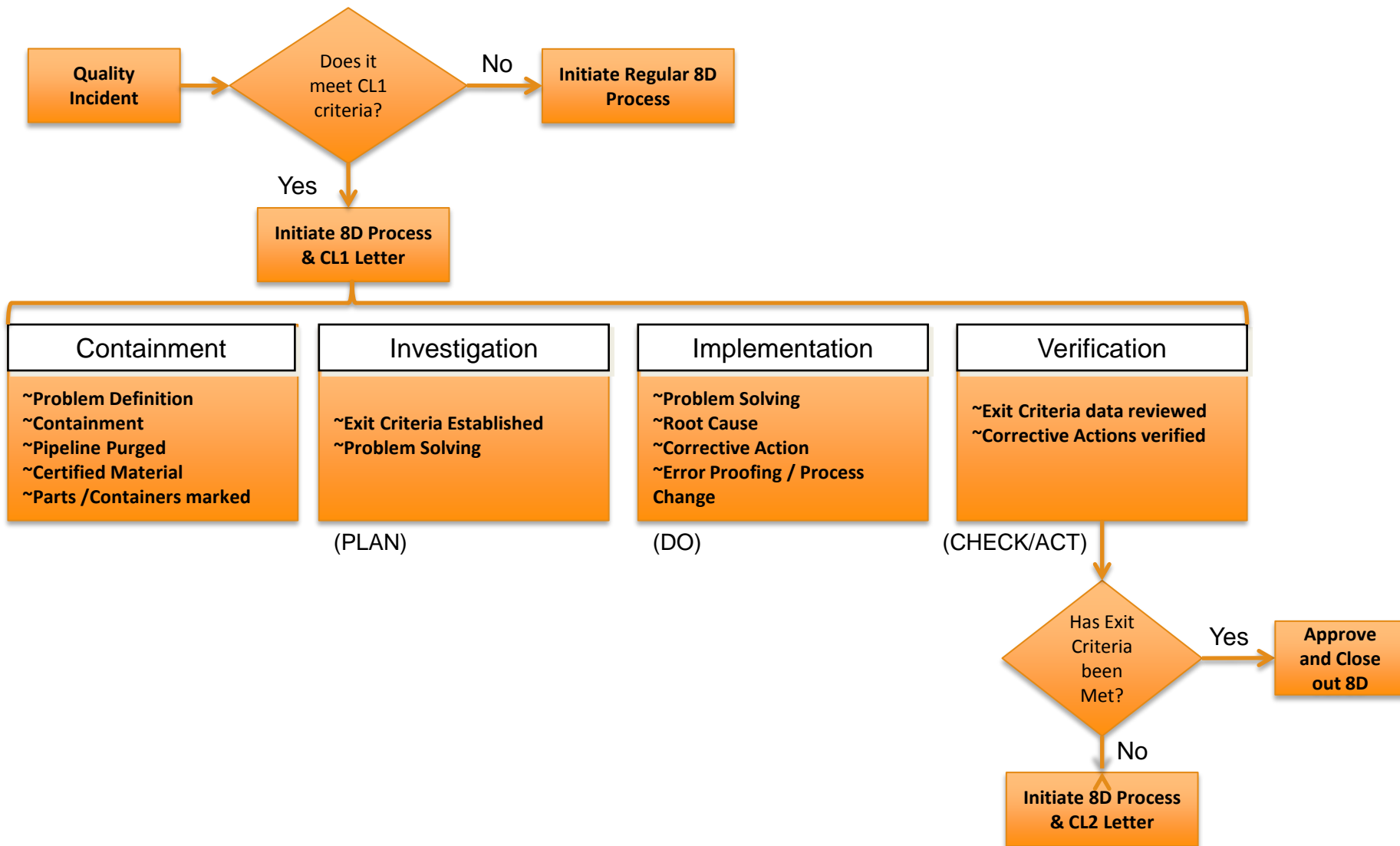
REQUIRED ACTIONS:

- Establish a separate containment process at the supplier's facility within 24 hours of notification of CL1
- Create standardized inspection instructions.
- Provide floor space and proper tooling to execute standardized inspection instructions
- Track breakpoints of nonconforming material. (Purge pipeline of suspect material, i.e. at Oshkosh Corporation facility, in transit, and at all storage locations)
- Identify individual parts, material, and containers, as agreed upon by Oshkosh Corporation, to have traceability of parts certified for production.
- Certified material to Oshkosh Corporation.
- The Supplier must document the (CL1) inspection results daily and provide at a minimum weekly status updates to Oshkosh Corporation. Utilize form: Containment Level 1 and 2 Tracking (OSK-F3100), located at <http://osn.oshkoshcorp.com/gsq-en.htm>.

EXIT CRITERIA:

- Exit criteria plan has been met at the Supplier and at the affected Oshkosh Corporation facility.
- The 8D initiator must approve the exit of Containment Level 1 in the 8D corrective action prior to stopping the Containment Level 1 activity.
- If the exit criteria is not met in the agreed upon timeline or if the CL1 process is ineffective, the Supplier will be placed in Containment Level 2.

CL1 Process Flow



Containment Level 2 (CL2)



CRITERIA:

- The supplier did not meet the exit criteria plan for Containment Level 1

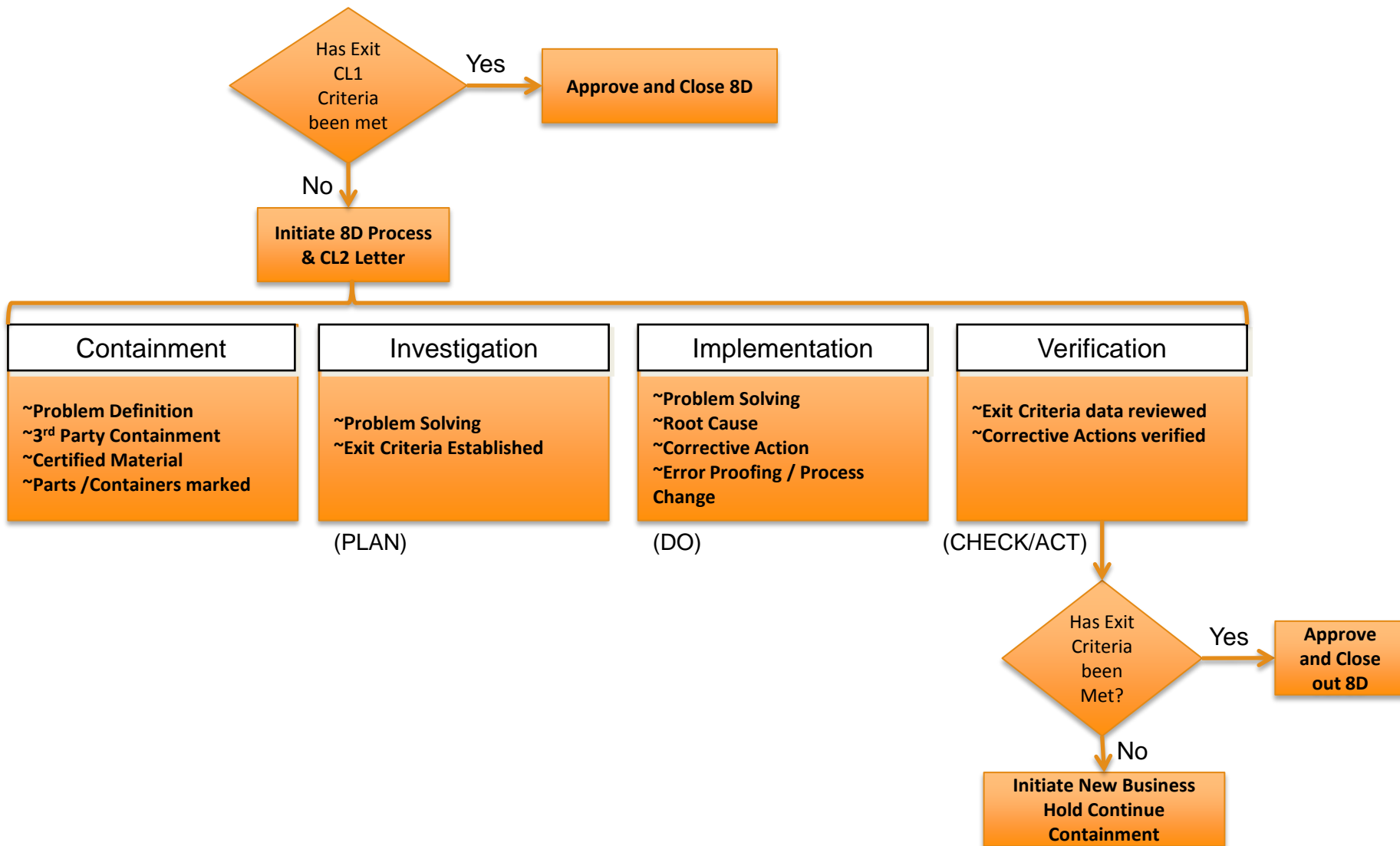
REQUIRED ACTIONS:

- Containment Level 1 activity must continue along with Containment Level 2.
- Containment Level 1 material must be provided to the 3RD Party CL2 provider.
- Establish a separate containment process at the supplier's facility, or at a 3rd Party Inspection and Rework Company within 24 hours of notification of CL2.
- Create standardized inspection instructions for CL2.
- Provide floor space and proper tooling to execute standardized inspection instructions for the CL2 3rd Party Inspection and Rework Company.
- Track breakpoints of nonconforming material. (Purge pipeline of suspect material, i.e. at Oshkosh Corporation facility, in transit, and at all storage locations)
- Identify individual parts, material, and containers, as agreed upon by Oshkosh Corporation, to have traceability of parts certified by CL2.
- Only Containment Level 2 material must be delivered to Oshkosh Corporation.
- The Supplier must document the (CL1 & CL2) inspection results daily and provide at a minimum weekly status updates to Oshkosh Corporation. Utilize form: Containment Level 1 and 2 Tracking (OSK-F3100), located at <http://osn.oshkoshcorp.com/gsq-en.htm>.

EXIT CRITERIA:

- Exit criteria plan has been met at the Supplier and at the affected Oshkosh Corporation facility.
- The 8D initiator must approve the exit of Containment Level 1 in the 8D corrective action prior stopping the Containment Level 1 activity.
- If the exit criteria is not met in the agreed upon timeline the Supplier will be place in new business hold and could result in de-sourcing the Supplier.

CL2 Process Flow



Containment Level 1&2 Tracking Template

Containment Level 1 - Tracking

Supplier Name: Supplier Name Here
Revision Date: Insert Rev date Here each time change made
Supplier POC: Insert name / email / of supplier point of contact for this issue

Supplier Containment Results

Document each part number and issue being contained

Supplier Containment Results

Document Supplier Information

Date	part#1		part#2		part#3		part#4		part#5		Total Inspected	Total Rejected	Reject Rate	Total PPM
	Qty Inspected	Qty Rejected	Qty Inspected	Qty Rejected	Qty Inspected	Qty Rejected	Qty Inspected	Qty Rejected	Qty Inspected	Qty Rejected				
5/1/2011	10	1	45	2	444	3	44	3	34	5	577	14	2.4%	24.263
5/2/2011	12	2	56	3	66	3	66	4	55	4	255	16	6.3%	62.745
5/3/2011											0	0	#DIV/0!	#DIV/0!
5/4/2011											0	0	#DIV/0!	#DIV/0!
5/5/2011											0	0	#DIV/0!	#DIV/0!
5/6/2011											0	0	#DIV/0!	#DIV/0!
5/7/2011											0	0	#DIV/0!	#DIV/0!
5/8/2011											0	0	#DIV/0!	#DIV/0!
5/9/2011											0	0	#DIV/0!	#DIV/0!
5/10/2011											0	0	#DIV/0!	#DIV/0!
5/11/2011											0	0	#DIV/0!	#DIV/0!
5/12/2011											0	0	#DIV/0!	#DIV/0!
5/13/2011											0	0	#DIV/0!	#DIV/0!
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5/15/2011											0	0	#DIV/0!	#DIV/0!
5/16/2011											0	0	#DIV/0!	#DIV/0!
5/17/2011											0	0	#DIV/0!	#DIV/0!
5/18/2011											0	0	#DIV/0!	#DIV/0!
5/19/2011											0	0	#DIV/0!	#DIV/0!
5/20/2011											0	0	#DIV/0!	#DIV/0!
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5/22/2011											0	0	#DIV/0!	#DIV/0!
5/23/2011											0	0	#DIV/0!	#DIV/0!
5/24/2011											0	0	#DIV/0!	#DIV/0!
5/25/2011											0	0	#DIV/0!	#DIV/0!
5/26/2011											0	0	#DIV/0!	#DIV/0!
5/27/2011											0	0	#DIV/0!	#DIV/0!
5/28/2011											0	0	#DIV/0!	#DIV/0!
5/29/2011											0	0	#DIV/0!	#DIV/0!
5/30/2011											0	0	#DIV/0!	#DIV/0!
TOTAL	22	3	101	5	510	6	110	7	89	9	832	30	3.6%	36.058
TOTAL Reject Rate	13.64%		4.95%		1.18%		6.36%		10.11%					
TOTAL PPM	136.364		49.505		11.765		63.636		101.124					

Document each day total parts inspected / rejected

Adjust the date range as needed to reflect working days.

SQE / Oshkosh 8D Originator:

- CL1 & 2 Letter Origination
- Contact Supplier expectations aligned
- Approve certified marking method
- Monitor Performance Weekly
- Approve / Reject Exit Criteria Plan
- Approve / Reject 8D and Exit of CL1 & 2

Supplier:

- Containment Management (Purge Material)
- Communicating “How” it is being executed
- Provide weekly performance reports
- Create an Exit Plan
- Complete 8D Corrective Action

MISSION DRIVEN



THE END