

# Engine Group Supplier Guidelines October 2013



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The Purchasing & Logistics Group has collaborated to bring you these **ENGINE GROUP SUPPLIER GUIDELINES**. These guidelines set forth the Supply Chain requirements for all suppliers doing business with the Engine Group of Navistar. We have developed a list of beliefs that best describes our approach to the customer/supplier relationship.

We believe . . .

- . . . that we are responsible for the development of common processes within the Materials and Supply Chain areas for the Engine Group.
- . . . that we are responsible for maximizing efficiencies in the Materials and Supply Chain areas.
- . . . that our role is to support the Engine Plants in achieving World Class Materials and Supply Chain initiatives.
- . . . that we have a responsibility to Corporate standards, policies and direction.
- . . . that potential suppliers should be contacted as early as possible in the sourcing process.
- . . . that we have a responsibility to educate the supply base concerning Materials and the Supply Chain.
- . . . in developing long-term relationships with the supply base.
- . . . the Supplier has responsibility to adhere to the *Supplier Guidelines*.
- . . . in helping to make Navistar ". . . **be the best Truck and Engine company in North America.**"

As always, do not hesitate to contact one of our group's representatives to discuss any questions or concerns you may have.



Persio Lisboa  
V. P. & Chief Procurement Officer,  
Purchasing & Logistics



Ed Melching  
Director, Logistics

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## Navistar International Corporation

Navistar International Corporation is a holding company whose individual units provide integrated and best-in-class transportation solutions. Based in Lisle, IL., the company produces International® brand commercial trucks, mid-range diesel engines and IC brand school buses, and Workhorse brand chassis for motor homes and step vans. It is a private-label designer and manufacturer of diesel engines for the pickup truck, van and SUV markets. The company also provides truck and diesel engine parts and service. A wholly owned subsidiary offers financing services. Additional information is available at: [www.internationaltrucks.com](http://www.internationaltrucks.com).

The company became Navistar International Corporation in 1986, after selling the agricultural equipment business, International Harvester name and IH brand to Case and its parent, Tenneco. Navistar was selected as a name with a strong sound, a resonance to Harvester, and a connection to its root words "navigate" and "star." In 2000, the operating company name was changed from Navistar International Truck Corporation to International Truck and Engine Corporation, so that we could focus on the International brand, which at the time was the name on all of our vehicles and engines. Navistar International Corporation remained the name for the parent holding company.

The name "Navistar" was originally intended to represent a holding company containing many businesses and brands. That intent is being realized today. Now, our business has grown far beyond just International brand vehicles. It's time to use the Navistar name as the umbrella for all of our vehicle, engine and service businesses, while at the same time, maintaining our strong product brands, including International trucks, MaxxForce engines and others.

**NAVISTAR®**



## Purchasing and Logistics

The Purchasing and Logistics group's mission is to be the Industry Leader in Supply Management for improved Profitability of the Extended Enterprise and Customer Life Cycle Value. Extended Enterprise includes International, supply base, supply partners, service and logistics providers, dealers, truck equipment manufacturers, customers and International joint venture alliances. Our organization manages the supplier sourcing process and the commercial issues involved in supporting Supply Management.

## Engine Group Supply Chain

Our focus is to develop common processes and maximize efficiencies within the Materials and Supply Chain areas. The group represents the three U. S. - based engine facilities (hereinafter referred to as Engine Group): Navistar Big Bore Diesels, LLC (Huntsville, AL); Navistar Diesel of Alabama, LLC (Huntsville, AL); and, Melrose Park Engine Plant (Melrose Park, IL). Supply Chain is responsible for six key elements for Tier 1 production components supplied to these facilities.

- Electronic Data Interchange
- Logistics
- Transportation
- Packaging and Labeling
- Master Scheduling
- Supplier Performance

## **ELECTRONIC DATA (Element 1.0)**

### 1.1 Electronic Data Interchange (EDI)

Electronic Data Interchange (EDI) is the electronic exchange of routine business transactions using standard data formats and integrating them into software applications and business processes. All suppliers are required to comply with Navistar’s EDI requirements within sixty days of notification. Navistar facilities utilize several EDI transactions to facilitate communication with its suppliers. These transactions utilize the American National Standards Institute’s (ANSI) X-12 Standard and are supported by the Automotive Industry Action Group’s (AIAG) Automotive Industry Implementation Guides. These “*Implementation Guides*” for applicable transactions can be found at <http://evaluate.internationaldelivers.com/supplier/> under the “EDI” tab. For more information on the American National Standards Institute (ANSI) please visit <http://www.ansi.org> or, for more information on the Automotive Industry Action Group please visit <http://www.aiag.org>.

Navistar Corporate ISA ID	01:781 495 650	
Navistar Big Bore Diesels, LLC	GSid 784 218 583	Plant Code 029
Navistar Diesel of Alabama, LLC	GSid 115 117 926	Plant Code 040
Melrose Park Plant	GSid 005 245 238	Plant Code 083

The Engine Group utilizes the following EDI transactions sets:

- 1.1.1 820 – Payment Order/Remittance Advice
- 1.1.2 824 – Application Advice
- 1.1.3 830 – Planning Schedule with Release Capability
- 1.1.4 846 – Inventory Inquiry/Advice
- 1.1.5 856 – Ship Notice/Manifest (Advanced Shipping Notice – ASN)
- 1.1.6 997 – Functional Acknowledgement

### 1.2 Evaluated Receipts Settlement (ERS)

Evaluated Receipts Settlement (ERS) is a business process between trading partners that conducts commerce without invoices. For the Engine Group, ERS invoices are based on the EDI 846 transmitted to the suppliers as Supplier Managed Inventory (SMI) material is transferred from the Logistics Provider to the using Plant. The EDI 846 will match the EDI 820 that is transmitted when the check is issued. Both the EDI 846 and EDI 820 will reference the ASN created by the Logistics Provider on your behalf (which contains a “Z” reference number that is required for all payment research). You may access the *Evaluated Receipts Settlement (ERS) Invoicing Procedures* at <http://evaluate.internationaldelivers.com/supplier/> and clicking on the “Payment Instructions/Evaluated Receipt Settlement (ERS)” tabs.

## **LOGISTICS (Element 2.0)**

### **2.1 Supplier Managed Inventory (SMI)**

Supplier Managed Inventory (SMI) is the ownership and management, by the supplier, of established inventory levels at a designated facility. All Engine Group suppliers are required to participate in the SMI program. All non-NAFTA supplying locations are required to maintain an adequate supply of material within the United States, at their expense, which will then be shipped to their respective Logistics Provider(s) in order to maintain their established minimum/maximum inventory levels. Non-NAFTA suppliers should contact the Purchasing and Logistics group to discuss their specific SMI terms as a global shipper.

#### **2.1.1 Process**

- EDI 830 is transmitted as a forecasting tool, not an authorization to ship.
- Each Plant's Material's Group will provide the applicable minimum and maximum levels dependent upon volumes, geographic location and standard packs.
- Supplier will be provided secure access to each Logistics Provider's website (2.1.2) to monitor inventory and bulletin boards on a daily basis. If a supplier ships to multiple facilities, username and passwords should be common and can be shared between users.
- Supplier ships all material to each Engine Plant's Logistics Provider in order to maintain the established minimum and maximum inventory levels. It is the responsibility of the Supplier to notify the using Plant's Materials personnel if unusual circumstances will drive inventory levels below the established minimums, as well as, it is the Supplier's responsibility to expedite in this event.
- The Logistics Provider for each Plant is:

- Navistar Big Bore Diesels, LLC:

C/O Perez Services Incorporated

255 Short Pike

Huntsville, AL 35824

- Navistar Diesel of Alabama, LLC:

C/O Perez Services Incorporated

255 Short Pike

Huntsville, AL 35824

- Navistar Melrose Park Plant:

C/O ODW Contract Services

1000 N. County Line Rd

Elmhurst, IL 60126

- The supplier must transmit an EDI 856 (ASN) to the using Engine Plant at time of shipment. This ASN will be used to facilitate receipt into the Logistics Provider facility and will **not** be used in the payment process. Once the ASN is used to facilitate the receipt into SMI, it will serve no further function in the process.
- Additionally a quick receive label must be affixed to the packing slip attached to the shipment.
- Once received by the Logistics Provider, a secured website (2.1.2) will be updated to reflect the receipt and on-hand quantities.
- Engine Plant requirements are generated and communicated to the Logistics Provider (can occur multiple times per day).
- Logistics Provider will prepare material for shipment to Engine Plant, create an ASN on the behalf of the supplier and the website will be updated to reflect the shipment and on-hand quantities.
- Engine Plant receives material and ASN, at which time **ownership changes** from supplier to Navistar.
- Navistar transmits an EDI 846 and the ERS process begins.
- Supplier should again check the website and ship material in support of a replenishment based system.

### 2.1.2 Logistics Providers and Website Addresses

Navistar Big Bore Diesels, LLC utilizes **Perez Services Incorporated.**

<http://www.webperez2.com>

Navistar Diesel of Alabama, LLC utilizes **Perez Services Incorporated.**

<http://www.webperez2.com>

Navistar, Melrose Park Plant utilizes **ODW Contract Services.**

<http://www.melrosepark.odwcs.com> (Scoreboard/Access My Account)

**NOTE: It is required (see “Supplier Performance – Element 6.0”) that suppliers check the respective website(s) for each Navistar Engine Plant that they supply, at least once each plant operating day.**



## **TRANSPORTATION (Element 3.0)**

### 3.1 Multi-Stop Routes (aka milk runs)

The Engine Group makes every attempt to assign each supplier to a truckload route where feasible. A route is a structured method of delivery; based on geographic regions, established frequencies, designated carriers and assigned window times. A route may consist of multiple suppliers on a single trip. Each supplier will be notified individually of their carrier, frequency and specific schedules for pick-ups and delivery. Suppliers are required to adhere to their assigned schedule. Menlo Worldwide OTM supports the Engine group multi-stop routes. For inclusion to current route matrix please contact [menlonavistarengine@menloworldwide.com](mailto:menlonavistarengine@menloworldwide.com).

#### 3.1.1 Cross-Docking

In order to maximize transportation efficiencies, the Engine Group may utilize cross-docking where feasible. Cross-docking is a process of delivery to one location, consolidation and reshipment of goods to their ultimate destination. All cross-docking activities will occur at one of the Engine Group Logistics Providers, and will be loaded for its subsequent destination the same day it is received. Please note the requirements below.

##### 3.1.1.1 Requirements

- Separate EDI 856's (ASN's) must be transmitted for each using Plant's shipment.
- Separate Bills of Lading must be generated for each using Plant's shipment.
- ***Note: If shipping via LTL, suppliers are also required to create a Master Bill of Lading. A Master Bill of Lading must have a combined skid count and combined total weight for each separate Bill of Lading and must be clearly marked as "Master Bill of Lading." Each separate Bill of Lading must be attached behind the Master Bill of Lading. The "ship to" on the Master Bill of Lading must read: "Navistar c/o (Logistics Provider's name and address where the material will be cross-docked)"***
- Each skid must be clearly identified (i.e. 8-1/2" x 11" sheet of paper) with name of the using Plant. This identification must be facing a loader/unloader, and must be visible from an unloading device (i.e. forklift, pallet jack, etc.).
- If it becomes necessary to expedite cross-dock material, shipments **must** be shipped directly to the Logistics Provider for the using Engine Plant.
- Parcel shipments **must** be shipped directly to the Logistics Provider for the using Engine Plant.

### 3.2 Shipments not on Multi-Stop Routes

Unless contacted by Menlo Worldwide OTM, all shipments will be made in accordance with the instructions set forth in the "LTL & PARCEL ROUTING INSTRUCTIONS" ("Transportation Routing Matrix") that can be found online at <http://evaluate.internationaldelivers.com/supplier/> under the "Logistics" tab. You will need to enter your email address to login. If you have already been contacted by Menlo Worldwide OTM, please follow the instructions they have communicated to you.

### 3.2.1 Less-than-load (LTL)

In general, less-than-load (LTL) shipments weigh less than 15,000 pounds, or fill less than 60% of a carrier's trailer, or utilize less than 14 linear feet of a trailer.

### 3.2.2 Parcel

According to the "*LTL & PARCEL ROUTING INSTRUCTIONS*" ("*Transportation Routing Matrix*"), shipments under 150 pounds and less than eight containers should be shipped via UPS Ground, Collect billing (UPS account numbers are available on the matrix).

### 3.3 Expedited

An expedite is a shipment requiring special service, which may require delivery sooner than the agreed standard. All associated costs for an expedite will be the responsibility of the party at-fault. If an expedite becomes necessary, the supplier is required to contact the materials personnel at the respective plant.

***NOTE: Failure to comply with these instructions will result in chargebacks through material invoice reduction. A deviation from a specific routing may be authorized by Navistar's local operations personnel on an emergency shipment-by-shipment basis. In such cases, you should clearly record the name of the authorizing individual on the bill of lading.***

## **PACKAGING AND LABELING (Element 4.0)**

### 4.1 Packaging

In adherence to ISO 14001 Environmental Standards, the Engine Group makes all attempts to eliminate waste by utilizing returnable containers and packaging. ALL production material MUST be delivered in returnable packaging; any exceptions must be pre-approved, in writing, by the using Plant.

#### 4.1.1 Packaging Specifications

You can find the packaging specifications (*D-13 Packaging Specifications*) for Navistar at <http://evaluate.internationaldelivers.com/supplier> following the “Logistics” tabs. Packaging specifications specific to the Engine Group are located in the Appendix of this document.

#### 4.1.2 Supplier’s Responsibility

- Suppliers must contact the Engine Group Packaging Specialist before beginning the packaging design phase.
- Suppliers must complete a Packaging Approval/Cost Transparency (PACT) Form for all Tier 1 production intent parts, and all approvals must be in place prior to packaging being procured. This requirement applies to both returnable packaging and expendable alternatives if applicable.
- Navistar has the option, if necessary, of approving or rejecting a supplier’s selection of packaging materials and sources.
- The determination of the type of standardized modular and customized returnable container and associated internal and/or external dunnage will result from the collaborative agreement between the supplier and Navistar.
- The supplier must ensure that the parts and all packaged shipments, no matter the style of packaging, are received in acceptable (damage free) condition, are efficiently and economically packaged for the method of transportation, type of handling planned for the final destination and its intended point of use.
- Suppliers will ultimately be responsible for the design and testing of packaging.
- Suppliers are expected to purchase and maintain all returnable packaging.
- Suppliers are required to de-label and clean all packaging. It is the supplier’s responsibility to ensure that the container cleanliness should be such that it does not affect part integrity, it is maintained at all times, and there is no impact on the part. Specific part cleanliness specifications should be discussed with your Supplier Quality Engineer (SQE).
- All features/surfaces considered critical to the quality of the operation of the part (e.g. machined surface, bore, etc) must be protected from damage and/or moisture, contamination, or other debris as required by Navistar Engineering and Supplier Quality.
- Returnable packaging is expected to be designed and in use by the Pre-Production Approval Process (PPAP) phase.

## **PACKAGING AND LABELING (Element 4.0)**

### 4.1.3 Container Standards

#### 4.1.3.1 General Specifications

- All containers must conform to applicable AIAG standards, including a 48" x 45" x 34" footprint.
- All pallet loads are to be secured with a seatbelt and buckle system (or approved alternative containment methods) with proper tensioning to secure the unit load. Over tightening will cause a deflection in the pallet, top cap and/or containers and this condition is unacceptable. Insufficient tension will allow easy movement or shifting of packaging components and this condition is also unacceptable.
- Container colors will be determined by program, you must contact the Engine Group Packaging Specialist for the appropriate color scheme prior to ordering containers.
- Top caps and base pallets are to be black.
- Any deviation from these color schemes must be pre-approved, in writing, by the Engine Group Packaging Specialist.
- ALL returnable packaging (totes, bulk boxes, custom packaging, internal dunnage, lids, base pallets, etc.) MUST be labeled with specific supplier name and location for the return of containers. No artwork or logos are permitted. This must be maintained over the life of the containers, otherwise, containers could become lost in the system.
- All containers must be loaded to their "mutually agreed upon" designated standard pack quantities. Partial standard pack quantities are **prohibited**.
- All pallet loads must be capable of a minimum double stack condition in transit and in storage.
- Navistar will NOT provide, fund, or manage WIP (work in process) to the supply base.
- The Engine Group does not utilize Navistar part numbers for returnable containers.

#### 4.1.3.2 Standard Container Specifications

- Standard containers are to be totes of a straight wall design (no lids) and knock down bulk containers.
- Tote sizes must not exceed 22" in width, as limited by line-side racks. (Melrose Park Plant only).
- Total packaging weight of material in totes is not to exceed 35 pounds for non-repetitive lifting, and 25 pounds for repetitive lifting.
- All standard containers are sourced through Buckhorn (<http://www.buckhorninc.com>). For the appropriate Buckhorn representative, contact the Engine Group Packaging Specialist.

## **PACKAGING AND LABELING (Element 4.0)**

### **4.1.3.3 Custom Container Specifications**

- All custom containers must have handholds.
- To ensure that all packaged shipments will reach their intended point of use without damage to the parts, all packages must be tested under simulated real-life transportation and handling conditions and must pass Level 2 ASTM standards.
- A list of preferred custom packaging manufacturers is available from the Engine Group Packaging Specialist.
- Nine-point style base pallets are prohibited. All base pallets must be manufactured with solid decking.
- All plastic materials must be recyclable and marked with the standard symbol in accordance with SAE standard J-1344 and/or meet any local government regulations that may apply.

### **4.1.4 Return Shipment of Empty Containers**

All containers will be returned from the Engine Plant to each respective Logistics Provider, staged and prepared for outbound shipment. The frequency of empty container shipments will be determined by Navistar and based on each supplier's volume, number of part numbers and geographic location. The success of using returnable containers as cost effective packaging depends on how well they are care for, controlled and returned to be reused.

### **4.1.5 Damage/Repair Disposition**

Suppliers must assure that containers in need of repair are not used for shipping purposes. It is each supplier's responsibility to repair/replace all damaged containers immediately.

## **PACKAGING AND LABELING (Element 4.0)**

### 4.2 Labeling

The Engine Group employs four different labels: a B-10 Trading Partner Label, a Quick Receive Label, a Master Label and a Mixed Load Label.

#### 4.2.1 Quick Receive Label

The purpose of the Quick Receive Label is to allow mechanical match of a supplier's incoming shipment to the information on the supplier's EDI 856 (ASN). To accomplish this, the information on the Quick Receive Label **must** uniquely identify the shipment for the customer and must match the information on the EDI ASN. The Quick Receive Label must be affixed to, or incorporated into, the packing list that is attached to the shipment. Suppliers must comply with the Navistar Quick Receive Guideline, which may be found at <http://evaluate.internationaldelivers.com/supplier/> and following the "Logistics" tabs.

#### 4.2.2 AIAG B-10 Trading Partner Label

This label is used to identify the contents of an individual container, of a single part number, for a shipment. Two identical labels must be affixed to two adjacent sides of each container shipped. Definitions and examples of this label can be found at <http://evaluate.internationaldelivers.com/supplier/> and following the "Logistics/D-13 Packaging Specifications" tabs.

#### 4.2.3 Master Label

A Master Label is to be used to identify the contents of a multiple, single pack load of the same part number for a shipment (i.e. a skid of totes consisting of one part number). Definitions and examples of this label can be found at <http://evaluate.internationaldelivers.com/supplier/> and following the "Logistics/D-13 Packaging Specifications" tabs.

#### 4.2.4 Mixed Load Label

A Mixed Load Label is to be used to identify a load of multiple single packs of different part numbers for a shipment (i.e. a skid of totes of varying part numbers). Definitions and examples of this label can be found at <http://evaluate.internationaldelivers.com/supplier/> and following the "Logistics/D-13 Packaging Specifications" tabs.

## **MASTER SCHEDULING (Element 5.0)**

### 5.1 Obsolescence

Navistar makes every attempt to minimize obsolescence when changes occur. However, recognizing that there may be occasions where suppliers find themselves with excess material, following is the policy adopted by the Engine Group to address these claims.

#### 5.1.1 Identification of Obsolescence

The Engine Group will entertain obsolescence claims for no more than three weeks of finished material and an additional six weeks (total of nine weeks) of raw material. For finished material, Suppliers will be permitted to utilize the highest cumulative EDI 830, less cumulative ship quantity, in the three-week period prior to the EDI 830 when the part last appeared. For raw material, Suppliers will be permitted to utilize the highest cumulative EDI 830, less cumulative ship quantity, in the nine-week period prior to the EDI 830 when the part last appeared. Special circumstances that may potentially affect the above time windows must be pre-approved by Purchasing and the using Plant(s).

#### 5.1.2 Process for Filing an Obsolescence Claim

- All claims must be filed electronically using the form provided and forwarded to the Materials Manager for the affected Plant.
- Only one Engine Group production part number per claim filed (obsolescence costs for Engineering orders are not covered by this policy).
- **All claims must be filed within 45 calendar days from the issue date of the last EDI 830 that contains requirements other than zero for the affected part. Filing extensions will not be accepted. If no claim is filed, all remaining material in SMI after that 45-day limit will be returned to the supplier, freight collect.**
- The supplier is responsible for retaining all release data used to calculate highest EDI 830 quantities (Engine Group employees are not authorized to provide prior EDI 830 data to suppliers).
- Final claim values may not exceed the unit cost of the Engine Group production part number.
- The Engine Group reserves the right to request that all raw components be completed into finished material for purchase.
- The Engine Group reserves the right to physically audit all claimed material and cost data identified in the claim. The Engine Group also reserves the right to request proof of disposition for any material that is to be scrapped at the supplier location.
- Rejected claims may not be re-submitted.
- **Failure to follow these guidelines as defined may result in non-payment and/or claim rejection.**

## **SUPPLIER PERFORMANCE (Element 6.0)**

### 6.1 Metrics

The Engine Group has developed a Supplier Performance assessment tool for issues relative to Materials and the Supply Chain. There is a separate score developed for each using Plant a supplier ships to. This rating is based on a 100-point scale for each calendar month. This assessment targets seven key metrics: order shortages, website logins, minimum/maximum violations, packaging, labeling, ASN compliance and transportation; which are defined below.

- **Order Shortages** (25 possible points; 5 point deduction per violation up to 25 points)
  - Plant orders from SMI that cannot be completed for full requirement (2.1.1).
- **Website Logins** (20 possible points; 5 point deduction per violation up to 20 points)
  - Required to check appropriate SMI Logistics Provider website(s) each Navistar Engine Plant operating day (2.1.2).
- **Minimum/Maximum Violations** (20 possible points; 2 point deduction per violation up to 20 points)
  - SMI levels fall below or above the established inventory levels (2.1).
- **Packaging** (10 possible points; 1 point deduction per violation up to 10 points)
  - Adherence to Packaging Guidelines (4.1).
- **Labeling** (10 possible points; 1 point deduction per violation up to 10 points)
  - Adherence to Labeling Guidelines (4.2; excluding 4.2.2).
- **ASN Compliance** (10 possible points; 1 point deduction per violation up to 10 points)
  - Properly formatted and timely EDI 856 – ASN (1.1.5) **and** proper use of Quick Receive Label (4.2.2).
- **Transportation** (5 possible points; 5 point deduction per violation up to 5 points)
  - Utilization of proper carrier (Element 3.0); instances of premium freight; multiple shipments received during same day; correct transportation information on EDI 856 (ASN).

### 6.2 Online access

Suppliers can access their supplier performance at any time by logging on to:

<https://evaluate.internationaldelivers.com/supplierscorecard/>. Suppliers are required to have a Navistar login identification, which can be received by emailing [enterprisescorecard@navistar.com](mailto:enterprisescorecard@navistar.com). Each unique user must obtain a unique username (i.e. usernames cannot be shared). The information on this website is updated each evening to reflect activity for the current day.

### 6.3 Exclusions

Violations can only be excluded by Engine Group Plant Materials personnel based on provided evidence to the contrary, or prior approval from same.

***NOTE: All violations within Supplier Performance are subject to the Supplier Chargeback Policy for suppliers who have demonstrated systemic or chronic issues with no presence of a corrective action plan.***



## **SUPPLIER CHARGEBACK POLICY (Element 7.0)**

### **7.1 Policy**

The goal of the Supplier Charge-Back Policy is to encourage the Engine Group's suppliers to consistently provide accurate, precise, timely and cost effective deliveries of materials to the Engine Plants by holding them financially accountable for the consequences of their non-performance. This Policy will set uniform guidelines for the Engine Plants to follow in order to recover, from the supplier, the costs associated with the supplier's non-performance.

Non-performance is defined as any event that constitutes failure to maintain the minimum performance requirement under the Engine Group Supplier Guidelines. The Materials organization will be responsible for monitoring suppliers' adherence to these standards and will initiate the proper actions necessary to charge back suppliers' for their non-performance. The following sections detail the areas of responsibility for the Materials organization to follow when initiating charge-backs against suppliers.

### **7.2 Supplier Performance**

Any failure to comply with the requirements described in the Engine Group Supplier Guidelines. The charge-back will be \$500 administrative charge per occurrence and any other actual cost incurred as a result of the supplier's non-conformance to the requirements of the Engine Group Supplier Guidelines.

### **7.3 Route Compliance**

Any failure to comply with the Route Compliance Matrix will result in supplier charge back of total cost of freight charges of non compliant carrier.

### **7.4 Excessive Premium Freight Control**

Any premium freight charge determined to be the Supplier's responsibility by Materials Managers. The charge-back will be the entire premium freight charge plus \$75 administrative charge per shipment.

## **CONTACT INFORMATION (Element 8.0)**

### **8.1 Navistar Big Bore Diesels, LLC**

- Materials Business Team Leader: Kathy Lemley ([kathy.lemley@navistar.com](mailto:kathy.lemley@navistar.com))
- Materials Manager: Brian Johnson ([brian.johnson@navistar.com](mailto:brian.johnson@navistar.com))
- Perez Services Incorporated (Logistics Provider) Site Manager: Tim Swart (256-319-1000; [tswart@webperez.com](mailto:tswart@webperez.com))

### **8.2 Navistar Diesel of Alabama, LLC**

- Materials Business Team Leader: Kathy Lemley ([kathy.lemley@navistar.com](mailto:kathy.lemley@navistar.com))
- Materials Manager: John Batte: ([john.batte@navistar.com](mailto:john.batte@navistar.com))
- Perez Services Incorporated (Logistics Provider) Site Manager: Tim Swart (256-319-1000; [tswart@webperez.com](mailto:tswart@webperez.com) )

### **8.4 Melrose Park Engine Plant**

- Materials Manager: Mark White ([mark.white@navistar.com](mailto:mark.white@navistar.com))
- ODW Contract Services (Logistics Provider) Site Manager: Jeff Soderberg (708-397-1060; [jeff.soderberg@odwcs.com](mailto:jeff.soderberg@odwcs.com))

### **8.5 Supply Chain**

- Supplier Compliance, Scorecard Administrator: Cathy Yates ([cathy.yates@navistar.com](mailto:cathy.yates@navistar.com))
- EDI: Simba Nyemba ([simba.nyemba@navistar.com](mailto:simba.nyemba@navistar.com))
- Packaging: Ronald Schwanke ([ron.schwanke@navistar.com](mailto:ron.schwanke@navistar.com))