

To: All Suppliers

August 30th, 2018

GUIDANCE TO REDUCE RECEIPT INSPECTION REJECTION RATES

Dear Valued Supplier,

In a move to become more efficient and work more effectively with suppliers, Bruce Power has recently performed a review of 18 months of orders that have been received with an error (referred to as Over, Short, Discrepant or Damaged (OSDD) items).

Bruce Power estimates that each OSDD item costs ~CAD\$1,500 in administrative labour to resolve, and expects that your organization also incurs lost time, rework, and delayed payments during the resolution process. Further, resolving OSDD issues has a direct impact on Bruce Power's business as it delays execution of planned work. Thus, fixing the underlying causes of OSDDs and reducing OSDD rates provides added value to both of our organizations.

Through analysis of past data, Bruce Power has identified the following three primary causes of OSDDs:

1. Certificate of Conformance Received
2. Identification Problem
3. Shelf Life Problem

Attached in Appendix A are examples of the purchasing clauses and related templates and examples that are intended to illustrate the information required in order to avoid entry into the OSDD process. We request that you review this information provided in Appendix A and update your processes and templates to address any mismatch of information currently provided with your orders. We are happy to work with you to achieve this success together. Please contact Paul Czuczman at paul.czuczman@brucepower.com if you require further information.

Best Regards,

A handwritten signature in black ink, appearing to read 'Dave Dennier'.

Dave Dennier
Department Manager,
Supply Chain Improvements & Integration
Bruce Power

Appendix A

CERTIFICATE OF CONFORMANCE

Purchase order certificate of conformance clause:

CERTIFICATE OF CONFORMANCE
THE COMPANY SHALL PROVIDE ON THE PACKING SLIP OR ON SEPARATE COVER THE FOLLOWING OR SIMILAR CERTIFICATION STATEMENT:
"THE EQUIPMENT LISTED HEREIN HAS BEEN INSPECTED BY THE COMPANY AND IS IN CONFORMANCE WITH THE CONTRACT REQUIREMENTS AND APPROVED FOR SHIPMENT".
THIS STATEMENT SHALL BE ENDORSED WITH THE SIGNATURE, AND INCLUDE THE TITLE, OF AN AUTHORIZED REPRESENTATIVE OF THE COMPANY'S QUALITY AUTHORITY.
SEPARATE CERTIFICATION OF CONFORMANCE FORMS SHALL IDENTIFY BRUCE POWER L.P.'S PURCHASE ORDER AND LINE ITEM NUMBER, CATALOG ID, AND THE COMPANY'S CONTRACT REFERENCE NUMBER.

Example of Conforming Template:

Name and address of company

CERTIFICATE OF CONFORMANCE

CUSTOMER: **BRUCE POWER L.P.
TIVERTON, ONTARIO N0G 2T0
CANADA**

PURCHASER ORDER #:

CUSTOMER CATALOG ID & LINE #:

MODEL / PART # -

EQUIPMENT DESCRIPTION:

QUANTITY:

THE EQUIPMENT LISTED HEREIN HAS BEEN INSPECTED BY THE COMPANY AND IS IN CONFORMANCE WITH THE CONTRACT REQUIREMENTS AND APPROVED FOR SHIPMENT.

NAME: _____

POSITION: _____

SIGNATURE: _____

DATE: _____

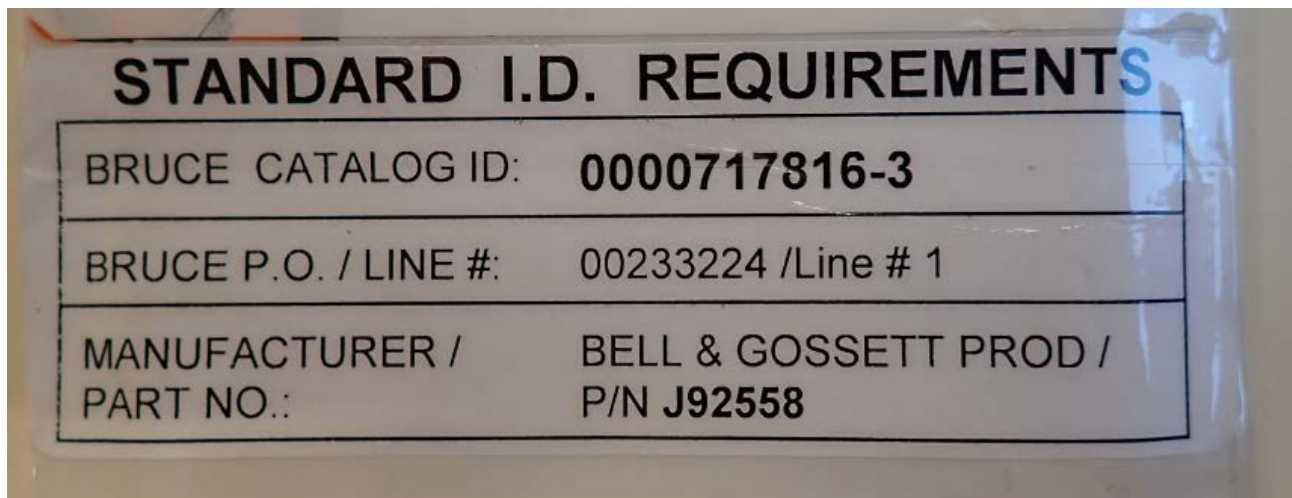
IDENTIFICATION

Purchase order identification clause:

Example in regards to Bruce Power GEN-ID-PACK purchasing clause. Specifically on the label portion of the clause:

STANDARD IDENTIFICATION AND PACKAGING REQUIREMENTS
ALL INDIVIDUAL CARTONS/PACKAGES ARE TO BE IDENTIFIED WITH:
1. PART NUMBER OR MATERIAL SPECIFICATION / SIZE.
2. BRUCE POWER L. P. PURCHASE ORDER & LINE ITEM NUMBER.
3. BRUCE POWER L. P. CATALOGUE ID.
IDENTIFICATION MARKINGS AND TAGGING SHALL BE CLEAR, UNAMBIGUOUS, INDELIBLE, AND SHALL BE APPLIED IN A MANNER NOT AFFECTING THE FUNCTION OF THE ITEM.

Example of Conforming Template:

A photograph of a white identification label with a black border, attached to a clear plastic bag. The label contains the following information:

STANDARD I.D. REQUIREMENTS	
BRUCE CATALOG ID:	0000717816-3
BRUCE P.O. / LINE #:	00233224 /Line # 1
MANUFACTURER / PART NO.:	BELL & GOSSETT PROD / P/N J92558

SHELF LIFE

Purchase order shelf life clause:

IDENTIFICATION OF SHELF LIFE
SHELF LIFE INFORMATION IS REQUIRED FOR THIS ITEM. THE COMPANY SHALL PROVIDE A STATEMENT OF SHELF LIFE FOR THIS ITEM WITH SHIPMENT WHICH CONTAINS THE FOLLOWING INFORMATION:
1. MATERIAL NAME AND/OR SPECIFICATION/COMPOUND NUMBER,
2. CURE/MANUFACTURE DATE (YEAR/QUARTER) AND/OR SHELF LIFE EXPIRATION DATE,
3. IN-STORAGE PREVENTIVE MAINTENANCE REQUIREMENTS, IF APPLICABLE, AND
4. ANY MANUFACTURERS RECOMMENDED STORAGE & HANDLING REQUIREMENTS.
MATERIAL SHIPPED MUST HAVE GREATER THAN 70% OF THE RECOMMENDED SHELF LIFE REMAINING UNLESS PRIOR APPROVAL TO DEVIATE FROM THIS REQUIREMENT IS OBTAINED FROM BRUCE POWER L.P.
IF A CURE DATE AND SHELF LIFE EXPIRY DATE ARE NOT AVAILABLE, THE COMPANY SHALL PROVIDE INFORMATION SUCH AS MATERIAL
NAME/COMPOSITION/SPECIFICATION FOR USE BY BRUCE POWER L.P. IN ESTABLISHING SHELF LIFE CRITERIA.

Example of Conforming Template:

Identification of Shelf Life

Date:

Company Name:

Address:

Material	
Specification	
Cure Date	
Expiry Date	



Batch Number / Serial Number	
Customer PO Number	
Line Item Number	
Bruce Power Catalog ID	
Manufacturer Part Number	

Notes: Any pertinent information regarding storage & handling of supplied material related to shelf life.