



**ABC Metals, Inc.**

***UNCOIL THE POWER OF ABC METALS***

# **Business Policy Manual**

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**ABC Metals, Inc.**

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## **Introduction**

ABC Metals, Inc. is a service center specializing in distribution of catalog and custom precision slitting of ferrous & nonferrous metals. It is our mission to demonstrate our commitment to integrity and service in every relationship. With over 32 years in the metals industry, ABC Metals, Inc. is committed to providing consistent product that meets our customer's needs. ABC Metals Inc. consists of facilities in Logansport, IN, Indianapolis, IN, Pharr and EL Paso Texas.

## **Purpose - Quality Management Systems Integration**

ABC Metals Inc. has a strategically planned quality management system that conforms to ISO 9001:2015. ABC Metals, Inc. provides slitting, cut-to-length, tension leveling, traverse winding, strip welding, decambering, tinning and warehousing of ferrous and nonferrous metal strip of various thicknesses, alloys and tempers. We have integrated our Quality Management System (QMS) as part of our business, where top management is the cornerstone and bears the responsibility, accountability and required leadership in maintaining the QMS. Top management is responsible for reviewing processes for effectiveness and efficiency through management review. When the organization determines the need for changes to the QMS, the changes are carried out in a planned manner. We are committed to excellence in quality and strive to maintain customer satisfaction as a foundation of our business. Our Quality Policy, Quality Manual, operating procedures, process turtles, documents & forms are written in an easy-to-use manner to be a useful and relevant guide to our process integrated approach to conducting our business. Operating procedures and work instructions are maintained to give more detail, definition, and clarify responsibilities for a process or procedure.

Throughout this manual, as well as other documents, the QMS is termed as a business management system or business system to encourage the integration of our QMS into day-to-day life of the business with no notable separation of the systems. This matured system provides the foundation to address our customer's expectations. However, we understand that it takes more than a foundation to demonstrate an ability to provide a level of excellence and consistent results that lead to overall customer satisfaction. That is why everyone at ABC Metals, Inc. is committed to skillful execution and continual improvement of our manufacturing processes including product, customer, corporate, statutory and regulatory requirements.

This business policy manual gives our employees, customers, suppliers, subcontractors, and any other relevant interested parties, an overview and outline of our business and the framework for the requirements, as mentioned above and described in Table 1. Our senior management team is dedicated to communicating the importance of meeting these requirements, as well as regulatory and legal requirements. Throughout this manual and our procedures, the terms *Senior Management* and *Top Management* are used interchangeably.



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**Table 1: Relevant Interested Parties**

| Aspects                | Interested Party                 | Relevant Interested Party   | Needs and expectations   | Risk to Organization   | Risk Mitigation & Monitoring  | Internal /External |
|------------------------|----------------------------------|---|--|--|---|--------------------|
| Competitive and Market | Customers                        | Top (5) customers of revenue.   | Receive quality products/services that meet their specifications.<br>Consistency of quality & delivery.                              | Large concentration of revenue<br>Parts out of spec                      | Top customer listing and Management Review<br>APQP process<br>Production Planning | External           |
| Knowledge              | Employees                        | Employee  | Good work environment, job security, health & safety.<br>Recognition and reward.<br>Proper training<br>Good benefits<br>Compensation | Low unemployment ( <i>unable to hire needed resources</i> ),<br>Turnover | Management Review<br>Data   | Internal           |
| Competitive and Market | Suppliers                        | Top suppliers supplying 90% of purchases.                               | Mutual benefit and continuity  | Loss of competitiveness or market.                                       | Top Supplier Listing and Management Review  | External           |
| Performance            | Owners / Shareholders            | Board of Directors  | Sustained profitability, Transparency  | Return on investment and dividends expectations.                         | Monthly financial and performance results   | Internal           |
| Cultural and Social    | State, Local, Public & Community | State of Indiana<br>City of Logansport, IN,<br>Neighbors,<br>Schools    | Environmental protection, Ethical behavior, Compliance with statutory & regulatory requirements                                      | Change in local laws.  | Compliance audits   | External           |
| Compliance             | Certification bodies             | SRI Registrars  | Assess needs of the company against ISO 9001 and must be notified of changes in the QMS.   | Loss of certification  | Internal and External Audits  | External           |
| Values and Culture     | Management                       | Executives  | Leadership, direction, resources, involvement, motivation, etc.  | Turnover   | Management Review   | Internal           |
| Competitive and Market | Competitors                      | Top competitors in each market segment.                                 | Provide challenges to our ability to provide products/services to customers.   | Loss of business and revenue.  | Competitor Evaluations  | External           |
| Legal                  | Regulators                       | Indiana Dept. of Environmental Mgmt.,<br>Logansport Municipal Utilities | Dictate controlling regulations that have impact on the management system and our products   | New environmental laws   | Annual review of regulations.   | External           |
| Legal                  | Contractors                      | Individual contractors used.  | Compliance with statutory & regulatory requirements. Safe work environment.  | Unsafe or noncompliant acts.   | Contractor competency plan  | External           |



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## **Scope – Facilities Processing Capabilities**

**Logansport, IN** - "Slitting, traverse winding, tension leveling, edge conditioning, Hotdipped Tin plating and warehousing of ferrous and non-ferrous metal strip of various thicknesses, alloys and tempers"

**El Paso, TX** - "Slitting and warehousing of non-ferrous and ferrous metal strips of various thicknesses, alloys, and tempers"

**Pharr, TX** - "Slitting, cut-to-length, and warehousing of non-ferrous and ferrous metal strip of various thicknesses, alloys, and tempers"

**Indianapolis, IN** - "Slitting, cut-to-length, and warehousing of non-ferrous and ferrous metal strip of various thicknesses, alloys, and tempers"

## **Non-Applicable – Product Design & Development Activities**

While ABC Metals, Inc. is focused on customer expectations, needs, and strives to excel beyond average service and provide exceptional products, we do not design or develop products. All product characteristics are specified by customers. We are committed to comprehension and delivering product that meets our customer requirements and understanding that our expertise and engineering activities are focused on best practices of the design and development of our manufacturing processes.

## **Process Approach - Flow & Interactions**

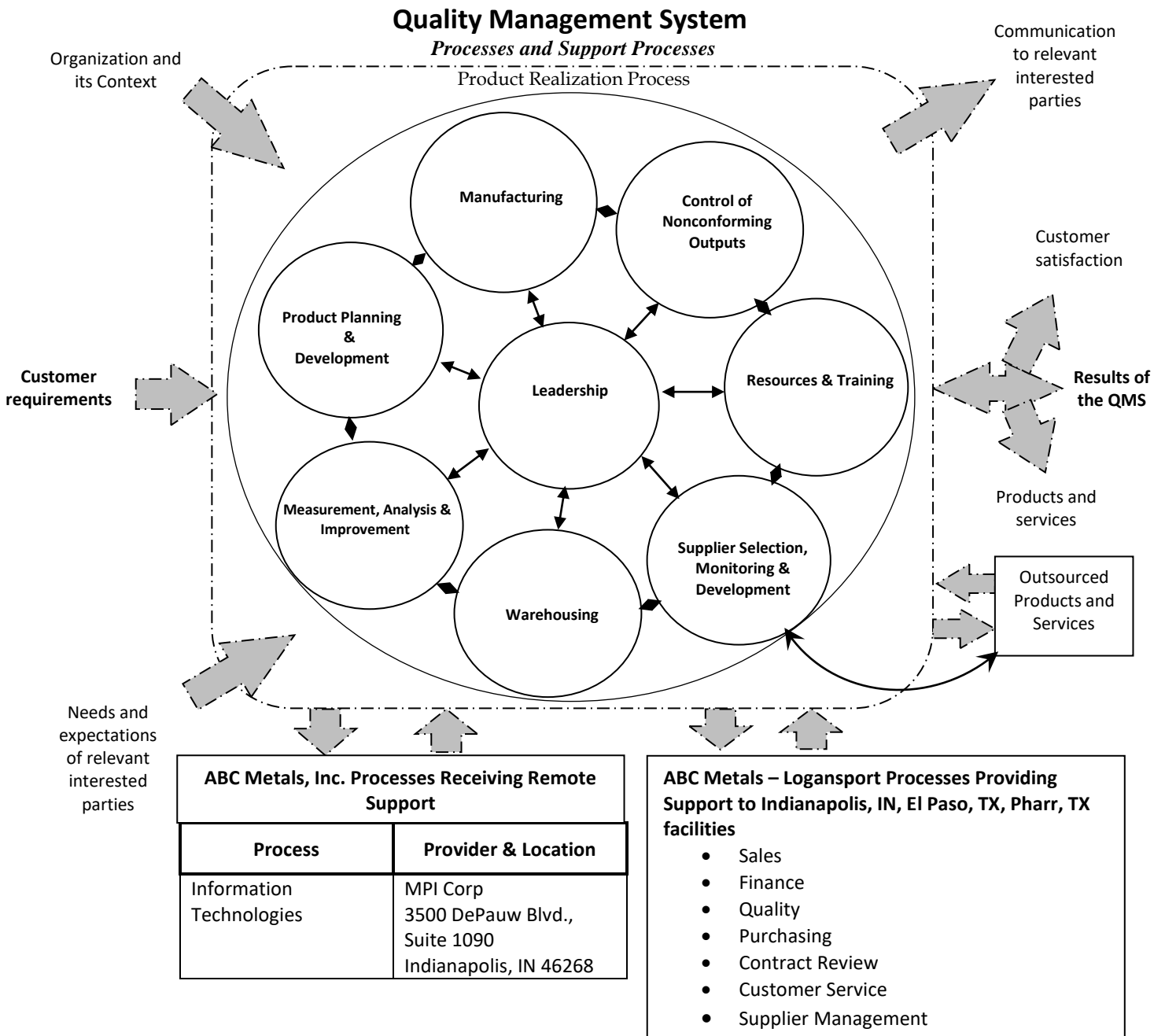
Our system is defined in terms of a “process approach”, flowing from the primary processes, or those that impact our customers: Sales, Purchasing, Production, Corporate Quality and Warehousing to those activities and processes that support or are used to manage effectively. For simplicity, the inter-relationships of our system are illustrated in Figure 1.



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## Process Approach - Process Interactions - Figure 1



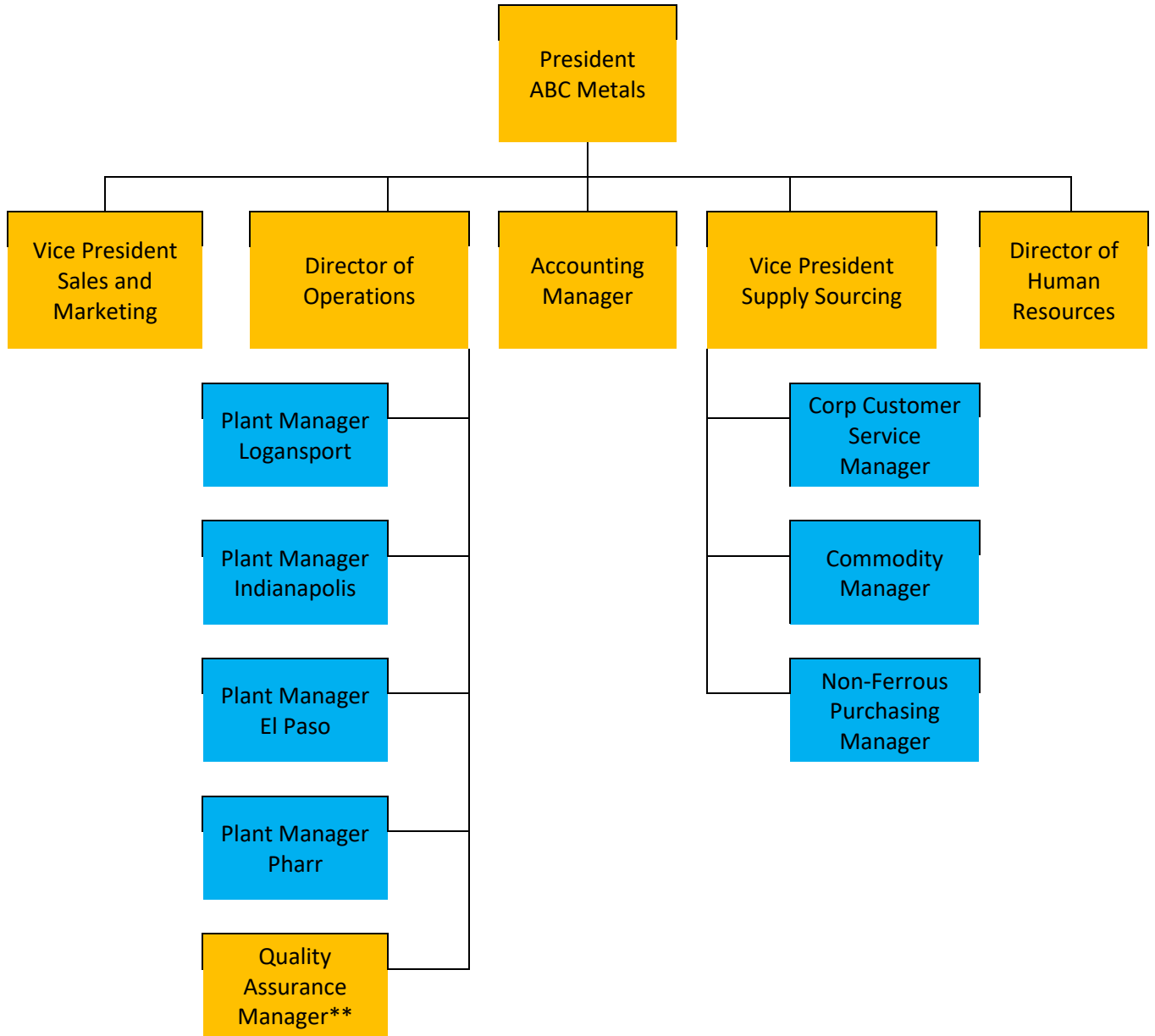


**Table 2: Processes, Procedures & Work Instruction Reference Table**  
**Support Processes and Documents**

| <b>Processes</b>                             | <b>Procedures</b>  | <b>Work Instructions</b>                                    |
|--|--|---|
| Leadership                                   | Management Review  | QMS Awareness Presentation                                  |
|  |  | Contingency Plan for Abnormal Failures of Resources         |
| Control of Nonconforming Outputs             | Control of Nonconforming Outputs                           | WI - Receiving Customer Returns (RMA's)                     |
|  | QA087 Suspect Material Procedure - Receiving               |   |
|  | QA088 Suspect Material Procedure - RMA                     |   |
|  | QA089 Suspect Material Procedure - Production              |   |
|  | QA091 Suspect Material Procedure - Shipping                |   |
|  | QA106 Toll Work Suspect Material Procedure - Production    |   |
| Product Planning & Development               | Quotation & Order Entry Procedure with Product Definitions | WI - Production Planning                                    |
|  | QOP-12-1-01 Engineering Changes                            | WI - Creating Subcontractor Purchase Orders in PLEX         |
|  |  | WI - Verifying Tempers Specifications on Purchase Orders    |
|  |  | QA401 Creating a customer owned inbound part number         |
|  |  | WI - Changing Coil Allocations in PLEX                      |
|  |  | WI - Interplant Transfer Utility                            |
|  |  | WI - Adding and Updating PLEX Control Plans                 |
| Measurement Analysis & Improvement           | Corrective Action  | 10-1 WI Receiving   |
|  | Internal Audit   | 10-2 WI In-process Inspection                               |
|  | Preventive Action  | 10-3 WI Measurement Techniques                              |
|  | Document and Data Control                                  | 15.3 WI Shipping Instructions                               |
|  | Gage Calibration   | 15.5 WI Handling, Storage, Package, Preservation & Delivery |
|  |  | WI - Ruler Verification                                     |
|  |  | WI - Tape Measure Verification                              |
|  |  | WI - Camber Table Verification                              |
| Supplier Selection, Monitoring & Development | Supplier Selection, Monitoring & Development               |   |
|  | SS001 ABC Supplier Evaluation                              |   |
| Manufacturing                                | ROPT Demand Forecast                                       | 10-1 WI Receiving   |
|  | TPI Process  | 10-2 WI In-process Inspection                               |
|  |  | 10-3 WI Measurement Techniques                              |
|  |  | 15.3 WI Shipping Instructions                               |
|  |  | 15.5 WI Handling, Storage, Package, Preservation & Delivery |
|  |  | WI - PLEX - Exact Pack                                      |
|  |  | WI - PLEX Setup Operator                                    |
|  |  | WI - PLEX Tech Pack Operator                                |
|  |  | WI- PLEX Raw Material Receiving                             |
|  |  | WI - Receiving Customer Material                            |
|  |  | WI - Receiving Subcontract Material                         |
| Resources & Training                         | Resource and Training                                      |   |
| Warehousing                                  |  |   |



Figure 2 - Organizational Structure



\*\* Quality Management System Representative



# ABC Metals, Inc.

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## Our Commitment to Excellence: Business Policy & Objectives

### Quality Policy

*ABC Metals, Inc. is committed to meeting customer requirements, while striving for defect free products, on-time delivery and continual improvement of our processes and services.*

### Quality/Business Objectives

Decrease the number of customer complaints from 3.75 to  $\leq 2.0$  per month in one year.

Improve External PPM (EPPM) from 4645 to 3500 over one year.

Improve customer on-time delivery performance to greater than 85% over one year.

### Our Vision

Through the development and application of our core values of *integrity, excellence, and service*, ABC Metals, Inc. will be the preeminent service center in our market, providing superior value in our relationships with our customers, employees, owners and others.

What do our values mean to our customers?

#### *Integrity*

- doing the right thing

#### *Excellence*

- doing things right

#### *Service*

- doing things with the right attitude





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## Organizational Multi-Level Risk Identification and Mitigation Table

| Risk Level | Location                                      | Identified Potential Risk                           | Impact (1-5) | Likelihood (1-5) | Control/Mitigation   | Mitigation Rating | Overall Risk (I x L) - CM |
|------------|---|---|--------------|------------------|--|-------------------|---------------------------|
| Strategic  |   | Threats, Weaknesses                                 | 4            | 3                | SWOT analysis & action plans                                       | 2                 | 10                        |
|            | <b>Process Name</b>                           |   |              |                  |  |                   |                           |
| Process    | Leadership                                    | Inaccurate information provided                     | 3            | 3                | Daily, weekly, monthly reviews                                     | 2                 | 7                         |
| Process    | Leadership                                    | Lack of follow-up actions                           | 2            | 3                | Daily, weekly, monthly reviews                                     | 2                 | 4                         |
| Process    | Leadership                                    | Lack of appropriate results for SWOT                | 4            | 3                | Multi-level review, Management Review                              | 2                 | 10                        |
| Process    | Product, Planning & Development               | Contingency plan failure                            | 4            | 3                | Annual review and testing  | 2                 | 10                        |
| Process    | Product, Planning & Development               | Loss of potential or new customer                   | 5            | 3                | Management & Operational reviews                                   | 2                 | 13                        |
| Process    | Product, Planning & Development               | Loss of profit                                      | 5            | 2                | Management & Operational reviews                                   | 2                 | 8                         |
| Process    | Manufacturing                                 | Machine Downtime Due to Failure                     | 3            | 3                | Maintenance procedure, Predictive & Preventive Maintenance Metrics | 2                 | 7                         |
| Process    | Manufacturing                                 | Lack of key tooling or machine components available | 3            | 3                | Operational review input   | 2                 | 7                         |
| Process    | Manufacturing                                 | Lack of trained employees                           | 4            | 2                | Monthly tracking of training                                       | 2                 | 6                         |
| Process    | Manufacturing                                 | Poor on time Delivery                               | 4            | 2                | Operational/Management Review Input                                | 2                 | 6                         |
| Process    | Measurement Analysis & Improvement            | Lack of sharing lessons learned                     | 4            | 3                | Required input during APQP   | 2                 | 10                        |
| Process    | Measurement Analysis & Improvement            | Lack of control of non-conforming material          | 5            | 2                | Daily meeting, Material Review Board                               | 3                 | 7                         |
| Process    | Resources, Training & Safety                  | Incomplete and/or outdated training matrix          | 3            | 3                | Monthly tracking of training review                                | 2                 | 7                         |
| Process    | Resources, Training & Safety                  | Untrained employees                                 | 4            | 3                | Monthly tracking of training                                       | 2                 | 10                        |
| Process    | Resources, Training & Safety                  | Unsafe and/or disorganized premises                 | 3            | 3                | 5S program and monitoring, safety audits                           | 3                 | 6                         |
| Process    | Resources, Training & Safety                  | Employees not motivated and/or empowered            | 3            | 3                | Motivation & Empowerment processes                                 | 2                 | 7                         |
| Process    | Supplier Selection, Development & Performance | Loss of supplier                                    | 4            | 3                | Contingency plan reviews, supplier monitoring                      | 1                 | 11                        |
| Process    | Supplier Selection, Development & Performance | Loss of business due to supplier                    | 5            | 3                | Contingency plan reviews, supplier monitoring                      | 1                 | 14                        |
| Process    | Supplier Selection, Development & Performance | Inability to follow contingency plan                | 4            | 3                | Contingency plan reviews, supplier monitoring                      | 2                 | 10                        |
| Process    | Control of Non-conforming Outputs             | Shipment of non-conforming product                  | 5            | 2                | Daily meeting, Material Review Board                               | 3                 | 7                         |
| Process    | Control of Non-conforming Outputs             | Lack of non-conforming material control             | 4            | 2                | Daily meeting, Material Review Board                               | 3                 | 5                         |
| Process    | Control of Non-conforming Outputs             | Customer shutdown                                   | 5            | 2                | Daily meeting, Material Review Board                               | 3                 | 7                         |
| Process    | Control of Non-conforming Outputs             | Negative financial impact                           | 5            | 2                | Daily meeting, Material Review Board                               | 1                 | 9                         |
| Process    | Warehousing                                   | Improperly stored or protected material             | 4            | 2                | Monthly Process Audit  | 3                 | 5                         |
| Process    | Warehousing                                   | Lack of storage space                               | 2            | 3                | Monthly review, ops review   | 4                 | 2                         |



| Risk Level | Location                 | Identified Potential Risk                   | Impact (1-5) | Likelihood (1-5) | Control/Mitigation  | Mitigation Rating | Overall Risk (I x L) - CM |
|------------|--------------------------|---|--------------|------------------|---|-------------------|---------------------------|
| Process    | Warehousing              | Damaged material                            | 5            | 3                | Monthly process audits, ops review                                    | 3                 | 12                        |
| Product    |                          | Risks identified during product realization | 4            | 3                | APQP procedure, FMEA  | 2                 | 10                        |
| Product    |                          | Not following defined instructions          | 4            | 3                | Product Audits  | 2                 | 10                        |
| Product    |                          | Product recalls & Field Returns/Repairs     | 5            | 2                | APQP procedure, FMEA  | 2                 | 8                         |
|            | <b>Procedure</b>         |   |              |                  |   |                   |                           |
| Product    | Corrective Action        | Incorrect root cause corrected              | 4            | 3                | Verification of effectiveness of the root cause and corrective action | 2                 | 10                        |
|            | <b>Work Instructions</b> |   |              |                  |   |                   |                           |
| Process    | Contingency Plan         | Customer shutdown, unplanned downtime       | 5            | 3                | Contingency plan deployment   | 2                 | 13                        |

**Legend for Ratings**

| Impact | Likelihood | Rating | Mitigation | Rating    | Overall Risk | Rating |
|--------|------------|--------|------------|-----------|--------------|--------|
| 1 - 2  | 1 - 2      | Low    | 5          | Excellent | 0 - 9        | Low    |
| 3 - 4  | 3 - 4      | Medium | 3 - 4      | Good      | 10 - 17      | Medium |
| 5      | 5          | High   | 1 - 2      | Fair      | 18 - 25      | High   |



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## Communication Table

| Location   | Type of Communication         | Purpose of Communication   | Owner   | To Whom                                   | Frequency | Documentation  |
|------------|-------------------------------|--|---|---|-----------|--|
| Logansport | Alignment Meeting             | To ensure staff alignment to the strategic objectives  | President   | Plant Staff                               | Weekly    | Meeting minutes  |
| All        | Daily Production Meeting      | Communication and status of relevant issues to the organization.   | Production Mgr.                                     | Plant Staff personnel                     | Daily     | Meeting minutes  |
| Logansport | Tactical Meeting              | Communication and status of weekly dashboard.  | President   | Plant Staff                               | Weekly    | Meeting minutes, dashboard.  |
| All        | Operational Reviews           | Review of the QMS to ensure its continuing suitability, adequacy, effectiveness, and alignment with the strategic direction. | Plant Mgr.  | Plant Staff personnel                     | Monthly   | Operational review manual and electronic copies  |
| All        | Management Reviews            | Review of the QMS to ensure its continuing suitability, adequacy, effectiveness, and alignment with the strategic direction. | Plant Mgr.  | Plant Staff personnel                     | Annually  | Operational review manual and electronic copies  |
| Logansport | Product Quote                 | Quoted contract  | Marketing   | Customer                                  | As needed | Documented quote   |
| Logansport | Request for Quote             | Request of Quote   | Supply Sourcing                                     | Supplier                                  | As needed | Documented RFQ   |
| ALL        | Quality Policy                | Communication of Quality Policy  | Quality   | Relevant Interested parties               | As needed | Bulletin boards, Business Policy Manual, Employee Meetings, Orientation                                |
| All        | Quality Objectives            | Communication of Quality Objectives  | Quality & Management                                | Relevant Interested party                 | As needed | Bulletin boards, Business Policy Manual, Employee Meetings, Orientation                                |
| All        | Nonconformance Reaction Plan  | Action steps required when suspect or nonconforming material is produced in manufacturing.                                   | Quality   | Production Employees                      | Daily     | Signs throughout manufacturing areas   |
| Logansport | Process (Engineering) Changes | Notification of engineering changes made to product or processing requirements   | Engineering   | Effected locations, per distribution list | As needed | Engineering Change Notice (ECN)  |
| All        | Interested parties            | Communication and status of relevant issues to the interested party.   | Organization (Various departments-topic dependent.) | Interested party                          | As needed | Communication may be done through various methods, including but not limited to, verbal and documented |