BACHMAN MACHINE COMPANY GENERAL INSTRUCTIONS		DATE: 03/14/11	PAGE 1 OF 2
	PREPARED BY: QUALITY MANAGER		
		REVISION: A	GI-M16
	APPROVED BY: PRESIDENT		
TITLE: Rework Cost Analysis			

1.0 PURPOSE

The purpose of this procedure is to collect and analyze the cost of rework. The intent is to use this method as a tool to understand our true cost and to continually improve.

2.0 SCOPE

This procedure is applicable to tracking rework cost associated with production jobs, specifically in the Stamping and NC Departments, determining the level of significance for each evaluated job, and to use the data to drive appropriate improvement measures.

3.0 RESPONSIBILITY

The Production Managers in the Stamping and NC Departments are responsible for following to this procedure and reacting to the data.

4.0 DEFINITIONS

N/A

5.0 REFERENCE DOCUMENTS

Job Cost Summary Report – (Generated through our "Syteline" ERP)
PQ-5 = Procedure for Corrective Action
CAR = Corrective Action Request

6.0 PROCEDURE

1. At the end of any given production job, the supervisor and/or manager should have a sense as to the success or outcome of the job. Some indicators may be in any awareness of scrap, rework or sorting activities. If there is any doubt of success, the following data mining, and subsequent actions must take place.

2. Make sure that all job transactions are properly posted, i.e. work hours are properly reported and entered into the ERP system. Also verify proper reporting of Rework and Sorting hours.

6.0   PROCEDURE …. Continued

3.   Log onto "Syteline" and run a "Job Cost Summary Report" with the following menu
        sequence.   **Bachman → Tool Room → Job Cost Summary Report**

4.   Analyze the Report and segregate the hours reported as rework hours (i.e. operation 8).

5.   Calculate the percentage of rework hours, per total hours reported.

6.   If the rework hours are significant, based on the Department Managers experience and
        knowledge of the job, he must notify the Quality Manager to initiate the Corrective
        Action Process (procedure PQ-5).