XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXX, Michigan

Compressed Air Best Practices

Vision and Mission Statement

SECTION 1:

1.1 It is the express mission and challenge from the Board of Directors to all company employees and associates to incorporate a new vision with respect to the use of compressed air throughout our company's many facilities.

1.2 It is recognized that compressed air is for the most part the single most expensive utility in all of our company's facilities and has a direct impact on product quality, quantity of throughput, and plant safety. With this in mind it is incumbent on all employees and associates to bring forward new and innovative ideas and procedures to help reduce the unnecessary or inappropriate use of compressed air which in turn reduces utility costs and increases the profitability of our operations.

1.3 This challenge applies equally across all of the business units within our company and throughout all areas of operations and administration.

1.4 It is the express intent and purpose of this new set of paradigms to encourage all associates to break free from the old methods of handling compressed air throughout manufacturing, chemical process, packaging, research and development, water and wastewater, and all areas of our facilities without exception.

We seek a better "Earth Sense" and sensitive green footprint and reduced reliance on carbon based utility sources.

1.5 Within 30 days of the publishing and distribution of this document, each facility shall submit a list of three Energy Champions within each facility who will form the nucleus of the new energy reduction initiative with respect to compressed air. This list will be submitted to the newly created Corporate Compressed Air Energy Team which has been constituted within the Health, Safety, and Environmental office at Corporate Headquarters.

1.6 The Compressed Air Energy Teams will meet quarterly on the company Internet website to share strategies and discuss challenges and goals for the ensuing quarter. All Compressed Air Energy Teams shall meet annually at Corporate headquarters. The schedules for these meetings shall be issued in the first month of the new year from Corporate offices and distributed annually.

1.7 The Compressed Air Energy Team shall be comprised of one individual from operations, one from engineering, and one from plant management. Additional members can be added at the discretion of each facility team.

SECTION 2:

2.1 All design criteria with respect to any project utilizing compressed air shall be in accordance with standard engineering practices and procedures, and will be governed by Document CA -2, incorporated herein by reference as a controlling procedural requirement.

2.2 The new operating paradigm consists of the following:

A. Stricter controls on the design, purchasing, installation, and operation of production machinery.

B. Stricter controls on the design, construction, and integration of new plant production areas.

C. Stricter controls on operational utilization of pneumatic components.

D. Stricter controls on maintenance and repair of pneumatically operated equipment as well as new standards for the purchasing of MRO required components.

E. A continuous long term effort to reduce compressed air consumption in terms of both quantity and pressure. We will seek an overall plant overhead transmission piping pressure of no more than 80 PSIG and velocities not to exceed 20 FPS with a goal of approaching 10 FPS where ever feasible in terms of cost/benefit analysis and life cycle cost analysis.

2.3 The integration of these concepts is the responsibility of all employees and associates, salaried or hourly, throughout the entire corporate hierarchy of this company.

2.4 There is hereby established a Suggestion and Awards Program that is open to all employees and associates. Any suggestion with respect to savings that can accrue from the operation of pneumatically controlled equipment from a standpoint of energy, reliability, productivity, or quality improvements shall be submitted to the plant Compressed Air Energy Team on form CA – 3, incorporated herein by reference as a controlling procedural requirement.

For the purposes of clarification employees are designated as full time employees. Associates are designated as part-time employees, contractors, co-op students, or any individual working in a company facility for a period in excess of 60 days.

The submittal will be reviewed within 14 days of submittal. The Compressed Air Energy Team will issue a report on their findings with respect to this submittal which will be immediately transmitted to the Corporate Compressed Air Energy team office.

The Corporate Compressed Air energy Team will review the plant submittal and set forth its findings within 14 days of receipt of the plant submittal. These findings shall be simultaneously transmitted to management, engineering, and purchasing.

If the suggestion is found to be of merit, the employee and/or associate will immediately receive an award of $100. At the end of a period of one year from the implementation of the suggestion, the employee and/or associate will receive an award equaling 25% of the verified savings over that time period.

If more than one employee and/or associate are co-signers on the suggestion form, each will receive $100 individually, and at the end of the one year time period, the net savings award will be equally split between them.

2.5 Purchasing at both corporate and plant level, will immediately integrate form CA – 4, Pneumatic Equipment Purchase Specification, as an integral part of any request for quotation for pneumatic equipment issued to any vendor source.

All bidders shall be required to complete that form and submit it with the appropriate signatures. A vendor not fulfilling this requirement will be listed as a non-responsive bidder.

2.6 Purchasing activities at both corporate and plant level will immediately integrate form CA – 5, Air Compressor Equipment Purchase Specification, incorporated herein by reference, as a controlling procedural requirement. Form CA-5 will be attached to and considered as an integral part of any request for quotation for pneumatic equipment issued to any vendor and or supply source.

All bidders shall be required to complete that form and submit it with the appropriate signatures.

A vendor who fails to fulfill this requirement will be listed as a **non-responsive bidder**.

2.7 No employee or associate shall at any time connect to or disconnect from a compressed air source without first completing form CA – 6, incorporated herein by reference as a controlling procedural requirement. This Policy and Form requirement is NOT discretionary. It is a MANDATORY requirement. The process for approval begins by an employee/associate completely filling out all the information shown on the document and submitting it to the supervisor of that particular area, and awaiting review and sign off by all pertinent staff level offices set forth thereon.

Violation of this Policy requirement can result in administrative action up to and including termination of employment.

All employees, whether legacy or new employees, shall be required to fill out and sign form CA -7, incorporated herein by reference as a controlling procedural requirement. acknowledging that they have read and fully understand these policies and the incorporation of this program. The

employee signature shall be witnessed by at least two individuals, one of whom shall be the plant safety officer. The form will then be filed and that individual's employment records jacket.

SECTION 3:

3.1 All new construction projects consisting of new facilities, plant expansions or modifications, or production line rebuilds shall fall under this program.

All engineering offices shall adopt the standards as set forth in Guidelines CA – 8, incorporated herein by reference as a controlling procedural requirement, and hold all design parameters within those guidelines.

3.2 All exceptions to guideline CA-8 shall be requested in writing and submitted for review and comment to plant management and corporate management as well as the pertinent compressed air energy teams. No exceptions shall be allowed without this review and sign off policy being followed in its entirety.

SECTION 4:

This and following sections are redacted at the request of my contact since they are company specific details that would identify the client's workplace.