

Title: Purchased Scrap Specification	Document ID: QP-06
Revision: 2	Effective Date: 10/6/2010
Process Owner: VP Technical Services	Prepared by: QHES Coordinator

1. **PURPOSE:** To define the specification for scrap Aluminum purchased by Alexin, LLC.
2. **SCOPE:** This specification applies to all scrap Aluminum and RSI purchased by Alexin, LLC.
3. **TERMS AND DEFINITIONS:** The following descriptions define the scrap material types purchased by Alexin, LLC. Any variation to these material types shall be agreed to prior to issuing the purchase order and will be noted on said purchase order.
 - 3.1. **1000 Series Sheet / Clip:** To consist of 1000 series alloys, to be free of paper, plastic, excessively inked sheets, and any other contaminants. Minimum size of 1" square, 0.050" minimum thickness.
 - 3.2. **E.C. (Electrical Conductor) Wire:** Shall consist of clean E.C. Aluminum wire to be baled, chopped, or shredded. To be free of screening, hair-wire, iron, copper, insulation and other non-metallic items. Must be free of minus 20 mesh material. Must contain 99.45% Aluminum content.
 - 3.3. **Bare Extrusion / Press Scrap:** Shall consist of one alloy. Material may contain "butt ends" from the extrusion process but must be free of any foreign contamination. Anodized material is acceptable.
 - 3.4. **Painted Extrusions:** Material to consist of new production and old/used 6063 painted extrusions. Must not contain other alloys of Aluminum. Material shall be free of zinc corners, iron attachments, felt, plastic, paper, cardboard, thermal break, and dirt and other contaminants.
 - 3.5. **6063 10/10:** Material to consist of new production and old/used 6063 extrusions that may contain up to (but not exceed) 10 percent painted extrusions and 10 percent 6061 alloy extrusions. Must not contain other alloys of Aluminum. Material shall be free of zinc corners, iron attachments, felt, plastic, paper, cardboard, thermal break, and dirt and other contaminants.
 - 3.6. **Dealer Package:** Shall consist of old extruded Aluminum of one alloy; typically 6063 or 6061. Material must be free of iron, thermal break, saw chips, zinc corners, dirt, paper, cardboard, and other foreign contamination. Percentages of paint or other alloys to be agreed upon by buyer and seller.
 - 3.7. **RSI (Remelt Secondary Ingot):** Shall consist of Aluminum scrap which has been sweated or melted into a form or shape such as an ingot, sow or slab for convenience in shipping; to be free from corrosion, dross or any non-Aluminum inclusions. Will be purchased subject to

sample or analysis. Alexin will receive only single-poor low-profile sows.

- 3.8. **Sheet / Plate / Clip:** Shall consist of clean, uncoated, and unpainted Aluminum scrap of one specified alloy (6022, 6061, or 5052) with a minimum thickness of 0.050". Material to be free of hair wire, wire screen, dirt and other non-metallic items. Oil and grease not to total more than 1%. Also free from punchings less than 1/2" in size.
- 3.9. **Wheels:** Shall consist of clean, single-piece, unplated Aluminum wheels of a single specified alloy (A356 or 6061), free of all inserts, steel, wheel weights, valve stems, tires, grease and oil, and other non-metallic items.

4. PROCEDURE

- 4.1. Blanket purchase orders will be issued monthly for each material type purchased. The material type, where applicable the alloy and volume shall be specified. The purchase order shall reference this document and compliance with this specification is required.
- 4.2. Fixed or spot buy purchase orders will not be issued for more than (3) separate items total.
- 4.3. All incoming loads are subject to inspection in regard to this specification, verification of material type and verification of chemical composition.
- 4.4. Shipments with multiple items / material types will be accepted subject to the following conditions:
 - 4.4.1. No more than (3) items per shipment will be accepted unless outlined in the PO.
 - 4.4.2. Items are to be physically separated within the trailer / container
 - 4.4.3. Each package, bale, or bundle must be clearly identified with the material type / alloy
- 4.5. Alexin's receiving hours are 7:00 am to 3:00 pm EST. Appointments are required for all deliveries of scrap. These must be made by calling the following number: 260-846-0784 or emailing lkeller@alexinllc.com. A purchase order number must be provided when scheduling a delivery appointment.
- 4.6. Alexin will accept the material type's listed in Section 3, Terms and Definitions, in the following forms as applicable:
 - 4.6.1. **Loose Scrap:** Loose scrap must be delivered in suitable trailers or roll-offs. Loose scrap shipments are dumped using a hydraulic lift and **Alexin will not be responsible for trailer damage** due to improper axle placement (sliding tandems), wooden trailer walls or flooring, etc. Bundled scrap included in loose loads must not exceed 8' in length. The max length for loose scrap receipts is 12'.
 - 4.6.2. **Package Loads:** Package loads consist of boxed, baled, or bundled material. Loads must be securely packaged and stacked to facilitate forklift unloading with adequate roof clearance to avoid trailer damage. Improperly secured or stacked loads may be rejected and **Alexin will not be responsible for trailer damage due to improper loading or**

inadequate unloading clearance.

- 4.6.2.1. The maximum weight per individual bale, box, or bundle is 7,500 lbs.
- 4.6.2.2. The maximum bundle length shall be 20' unless specified on the purchase order.
- 4.7. A Bill of Lading must accompany all incoming shipments. The following information must be included:
 - 4.7.1. Supplier
 - 4.7.2. Alexin's purchase order number
 - 4.7.3. Delivery appointment number
 - 4.7.4. Gross, net, and tare weight
 - 4.7.5. Description of the load to be received (as outlined on Alexin's purchase order) with each item / material type included on the shipment listed separately. A packing list may be substituted for the load description.
- 4.8. Alexin will weigh all loads upon receipt to ensure accurate receipt weight. Alexin's weight will govern for payment purposes. However, if Alexin's scales detect a deviation of 1.1% or more, the supplier will be contacted to resolve the deviation.
- 4.9. Incoming material that does not pass inspection in regard to material type or chemistry as specified on the purchase order, will be rejected or downgraded. Agreement with the supplier will be sought prior to downgrading a shipment. A reloading fee may be charged for any load that is rejected after unloading.
- 4.10. The following conditions may be cause for immediate rejection of an incoming shipment:
 - 4.10.1. Closed containers in the load
 - 4.10.2. Bundled scrap longer than 20' in length
 - 4.10.3. Loose scrap longer than 12' in length
 - 4.10.4. Crimped "both ends" pipe pieces in the load
 - 4.10.5. Fertilizers, salt, or other hygroscopic material in the load
 - 4.10.6. Detection of radioactive material in the load
 - 4.10.7. Lead or Beryllium bearing material in the load
 - 4.10.8. Excessive dirt, grease, gravel, or other foreign material or contamination
 - 4.10.9. Excessive saw fines
- 4.11. Alexin will take the following standard deductions:
 - 4.11.1. Gaylord boxes – 82 lbs per box and pallet plus an additional handling fee of \$10 per box
 - 4.11.2. Pallets – 50 lbs for each pallet
 - 4.11.3. Steel Wire banding – 2 lbs per bale or bundle

4.11.4. Saw Fines – Deducted weight will be estimated upon receipt. Alexin will contact suppliers prior to deductions in excess of 200 pounds. Any deductions over the standard require pictures to support the extra deduction.

4.11.5. Other non-Aluminum material – (cardboard, trash, steel or other metals, dirt, gloves, etc.) Deducted weight will be estimated upon receipt. Alexin will contact suppliers prior to deductions in excess of 300 pounds. Any deductions over the standard require pictures to support the extra deduction.

4.11.6. Water, Snow, Ice – Deducted weight will be estimated upon receipt. Alexin will contact suppliers prior to deductions in excess of 500 pounds. Any deductions over the standard require pictures to support the extra deduction.

4.11.7. If the vendor's shipping documents adequately and accurately describe tare weights, said weights may be used in lieu of the standard deductions. Use of said weights shall be at Alexin's discretion and should be noted on the PO prior to receiving.

4.12. All metal purchased by Alexin is Hedged. Alexin's expectation is that all purchase orders will be filled during the ordered month.

5. **REVISION HISTORY**

Rev. 1 – New

Rev. 2 – Revised by Scrap Purchasing Group.

6. **CONTROLLED COPY LOCATIONS**