

Document Number:	CPQ349.0821	Revision No:	1
Title:	CCG Project Collaboration Process	Effective Date:	August 2021
Distribution List:	Estimating, Sales, Project Managers, Directors	Prepared By:	D. Troutman
DLR:	March 2, 2022	Approved:	GM, MG, PF, DT

1.0 Purpose

The purpose of this is to document and communicate the methods used to properly assign responsibility, quote, and manage sales projects that require collaboration amongst the Creative Composite Group (CCG) companies.

2.0 Scope

This document describes the processes required for CCG project collaboration when selling goods and services that are supplied by multiple CCG companies.

This document addresses which organization should be the prime, the main contacts within each group and the responsibilities necessary to quote, design and manage projects.

This document directly applies to the following positions in each operating company: estimator, sales representative, technical representative, project manager and contract review. The document describes minimum margins and minimum charges across each business unit. In addition, this document describes the DOA requirements.

3.0 References

none

4.0 Definitions & Acronyms

- 4.1 **BOM** – Bill of Material.
- 4.2 **CCG** – Creative Composite Group
- 4.3 **Sales Representative** – Person responsible for commercial sale of the goods and or services.
- 4.4 **Project Manager** – A person responsible for managing the technical and manufacturing elements of the goods and or services being sold.
- 4.5 **Estimator** – A person responsible for reviewing the scope of work, liaising with the appropriate technical, sales, management and accounting staff as required to generate the response to the RFQ.

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- 4.6 **Technical Representative** – A person, usually an engineer, responsible for the structural calculations and code and specification validation for the goods and services being sold.
- 4.7 **Prime Company** –The CCG company that takes the sales and management lead on the project.
- 4.8 **RFQ** – Request for Quote
- 4.9 **DoA** – Delegation of Authority
- 4.10 **Production Schedulers** – The person or persons within each CCG responsible for scheduling production.
- 4.11 **CP** – Creative Pultrusions
- 4.12 **CA** – Composite Advantage
- 4.13 **KW** – Kenway Composites
- 4.14 **TT** – Tower Tech

5.0 Instruction

5.1 Prime CCG Company Selection

- 5.1.1 The Prime Company shall be selected based on the best chance of success in terms of product offering, product knowledge, project management, project execution, manpower, the monetary size of the opportunity, the representative agency responsible for the project and the group company involved in laying the foundation for the project for the prime.
 - 5.1.1.1 The prime shall ultimately be chosen by the Chairman/CEO of the CCG, if the prime assignment is not apparent.
- 5.1.2 **Project Manager Selection and Responsibilities** *If not clearly identified, reference the applicable org chart.*
 - 5.1.2.1 CA – Case-by-Case
 - 5.1.2.2 CP – Case-by-Case

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5.1.2.3 KW – Senior Project Engineer or Project Engineer.

5.1.2.4 TT – Inside Account Manager/Project Manager

5.2 Quote Process

5.2.1 The Sales Representative provides the job drawings, takeoffs, specifications, and special provisions to the estimating department, within the chosen prime company. The Sales Representative shall provide a budget if possible and commercial information about the job that may not be documented in the RFQ. Such information may include anticipated budgets, number of bidders, competition in terms of materials and companies playing a role in the project. The Sales Representative shall document clearly to Estimating the nature of the RFQ as being a budget quote or a hard sealed bid.

Sales Representative
Collaboration

Sales Representative *example*

5.2.1.1 Sales Representative is responsible for the quote compilation and or bid or generating the RFQ documents for bids going beyond standard pricing or cost models, the designated estimator at each company shall be engaged. The estimators at each company are:

CP - Sales Coordinator / Estimator / Inside Account Manager
Waterfront

CA - Senior Design Engineer

KW - Senior Project Engineer

5.2.1.2 The estimator, above within the prime, develops pricing and coordinates with other CCG estimators to provide prices for their supporting work.

5.2.1.3 The project manager works closely with the prime estimator and CCG engineering representatives to develop plans and generate calculations to the extent necessary to size members, develop drawings and a BOM necessary to provide an accurate quote.

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5.2.1.4 The project manager validates via each technical representative that the prime and other CCG participants can meet the specifications as written in the RFQ.

5.2.1.5 The project manager is responsible to address all technical issues and questions with the owner and or CCG’s technical contacts so that exceptions and clarifications can be documented at the time of quote. The Sales Representative shall be kept abreast of activities throughout the process and called upon to get details when appropriate.

5.2.1.6 Estimator shall consult with the Production Schedulers when determining the delivery date commitments.,Sales RepresentativeSales Representativeshould be provided

5.3 Acceptable Margins and Charge Outs

5.3.1 Labor Rates Across all Units @ \$80 per hour.

5.3.1.1 Intercompany Transfer Labor @ \$60 per hour (Used when the job is outsourced to a CCG when they are not the Prime).

5.3.1.2 Field Work Labor @ \$110 per hour.

5.3.1.3 Engineering Labor @ \$165 per hour.

Note: This is for specialty work of any Engineering Group within any Group Company. It is not for manufacturing engineering labor supporting production since that is an overhead coverage.

5.3.1.4 A 45% Mark-Up on Materials Converted During Manufacturing or Fabrication (0.55 divider).

5.3.1.5 A 30% Mark-Up on Straight Materials Pass Through (0.75 divider).

5.3.1.6 CCG companies can buy pultruded profiles for list less 60%.

5.3.1.7 Accounting to use \$32.50/hour for estimating purposes for labor cost across the board for DoA purposes. This accounts for direct labor cost plus benefits.

Note: Verify with CEO/Chairman on any questions when to apply.

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5.4 Freight Mark-Up Policy

5.4.1 The italicized bullet text (shown in 5.4.1.7 below), has been added to our Freight Policy relating to "freight quotes" and "prepay & add" shipments. This is being done to reduce our risk and our customer's risk when shipping our goods. The change should also help avoid or minimize the time & hassle involved with freight claims. As a rule, LTL insurance will cost an additional \$50 per \$5,000 worth of goods (1%) which is a small price to pay to eliminate the risk and minimize the freight claim hassle. Flatbed carriers already cover up to \$100k insurance, so this change should not affect our flatbed rates. Carrier shall have and provide proof of cargo insurance above the value of the freight.

5.4.1.1 **Domestic Shipments (truck, air, UPS, etc.)** => freight quote from carrier divided by **.80** margin factor or \$500 maximum mark up. Composite Advantage quotes Prepay plus 5% - 15% due to larger parts and increased freight costs.

5.4.1.2 **International Shipments (truck, container, air, UPS, etc.)** => freight quote from carrier divided by **.85** margin factor or \$500 maximum mark up.

5.4.1.3 Discontinue sending separate invoices for Prepay & Add shipments – invoice for freight on same invoice as the parts invoice.

5.4.1.4 Do NOT send copies of freight invoice from the "carrier" to the customer.

5.4.1.5 All customers will still have the option of making their own freight arrangements, freight collect shipments, or 3rd party bill shipments - no margin adder for CP in these cases.

5.4.1.6 Sales personnel **MUST** communicate any exceptions to the above margins to OE/Shipping to ensure we invoice correctly - we need to avoid freight credits!

5.4.1.7 *All outgoing shipments including LTL - Common Carrier, UPS, Flatbed, and International Air & Sea Shipments **MUST** be quoted with insurance for the FULL VALUE of the goods and the customer charged accordingly PLUS above margin factor. This applies when we are the party making transportation arrangements. If the customer makes their own transportation arrangements, we should encourage them to fully*

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insure the goods. However, they are responsible for the insurance coverage since they are handling the transportation arrangements.

5.4.1.8 All proposals shall reflect that freight quotes are ESTIMATES only. If a freight invoice comes in from a carrier that is higher than our quoted rate (with margin), our procedure will be to go back to the customer to request they pay for the extra charges - in these cases the actual invoice from our carrier can be shared if requested by the customer. However, will be at the mercy of the customer – as it is the customer’s choice as to whether they will pay the extra charges beyond what was quoted.

5.5 DoA Rules

Price Quotations / Proposals:

- a. All quotations \$100k - \$299k USD total value MUST have (Director of Sales / Business Unit President) authorization PRIOR to delivery of quotation/proposal.
- b. All quotations \geq \$300k USD total value MUST have CEO/Chairman’s authorization PRIOR to delivery of quotation/proposal.

5.5.1 Additional Notes:

- 5.5.1.a. The authorization involves review of cost/margin/selling price and the actual quotation/proposal being presented to the client. The sign off can be electronic or with ink/paper.
- 5.5.1.b. This policy applies only to FIRM quotations/proposals. It does not apply to estimates or ballpark pricing, provided we state “estimate” or “ballpark” on our correspondence.
- 5.5.1.c Include the applicable group companies standard Terms & Conditions of Sale as noted on each website (i.e. reference note below signature below).
- 5.5.1.d. Any quote below a 45% Gross Profit must be authorized by the CEO/Chairman PRIOR to delivery of quotation/proposal.

5.5.2 Gross Profit Guidelines to the above:

5.5.2.a.H&S Gross Profit Calculation: Sales Less Materials / Direct Costs (All

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Materials, waste, utilities, packaging, and manufacturing supplies), Freight & Direct Labor Equals Gross Profit.

5.5.2.b. Any quote that requires a 3rd party commission or rebate needs to be over and above the 40% GP requirement noted above and included in the quotation/proposal.

5.6 Receipt of Orders

5.6.1 Once orders are received the Sales Representative and/or project manager should make every attempt possible to have the customer enter separate purchase orders for the items that pertain to the group company for ease of invoicing.

6.0 Records

Type of Record	Responsibility	Location	Retention Time
Purchase Order	Accounting	Finance	Seven Years

7.0 Revisions

Revision	Description	Initials	Date	Training Required?
0	Initial Release	DT PF GM MG SW	11/23/21	Yes
1	Section 5.3.1- Revised Pricing from \$75 to \$80. Section 5.3.1.1- Revised Pricing from \$55 to \$60. Section 5.3.1.2- Revised Pricing from \$100 to \$110. Section 5.3.1.3- Revised Pricing from \$150 to \$165. Section 5.3.1.5- Revised from 25% to 30%. Section 5.3.1.7- Revised Pricing from \$30 to \$32.50. Added foot note regarding distribution confirmation.	DT PF GM MG SW TW	03/02/22	

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