

Metric – Quality

Measure: Quantity of parts logged into the MDR(Material Discrepancy Report) system versus the number of shipment received during a given time period. Metric to be published based on a three(3) month rolling tally of MDR and Shipments.

Goal: Promote a defect-free culture that pro-actively develops process controls that contains rejected materials, corrects process deviations immediately, and fosters a zero tolerance for mistakes.

Quality Performance:	Points
95% - 100%	35
90% - 94.9%	30
85% - 89.9%	20
80% - 84.9%	10
79.9 % or below	0

- Points are calculated based on rounding, using one(1) decimal point.
- Ratings calculated quarterly.
- Quality Review Board: Procurement team and Quality department.

Metric – On Time Delivery

Measure: Actual delivery date of a partial or complete line item quantity versus the PO Due Date. On time delivery is defined as a receipt that is delivered on the due date or up to 5 business days prior. Metric to be published based on a rolling three month tally.

Goal: Receive materials exactly on the PO date to accommodate production schedules and satisfy our customers delivery expectations.

Delivery Performance:	Points
100 % Deliveries On Time	35
98 % to 99.9 %	30
95 % to 97.9 %	20
90 % to 94.9 %	10
0 % to 89.9 %	0

- Points are calculated based on rounding, using one(1) decimal point.
- Ratings calculated quarterly.
- On Time Delivery Review Board: Procurement team and Logistics team.

Metric – Asset Management, Turns

Measure: The standard cost of all issues, by part number, during the last twelve(12) months divided by the standard cost of on hand quantity, by part number, of all assigned items. Turns detail is published by individual part number and by supplier total.

Goal: Reduce working capital investment and accelerate manufacturing velocity by increasing the turns of assigned items.

Asset Management-Turns:	Points
Total turns 7 or above	30
Total turns 5 to 6.9	25
Total turns 3 to 4.9	20
Total turns 1 to 2.9	15
Total turns .1 to .9	5

- Points are calculated based on rounding, using one(1) decimal point.
- Ratings calculated quarterly.
- Turns Review Board: Procurement team and Inventory control.

Metric – PPV, Purchased Price Variance

Measure: Price invoiced versus the standard cost established. PPV impact is published for a rolling three months tally, using the difference between invoice cost and standard cost times the quantity received.

Goal: To develop a favorable PPV, reflecting supplier efforts to lower costs through continuous improvements in manufacturing processes, purchasing practices, and business management.

PPV Performance:	Points
PPV (-3%) Favorable	30
PPV (-2%) to (-2.9%) Favorable	25
PPV (-1%) to (-1.9%) Favorable	20
PPV (0%) to (-.09%) Favorable	10
PPV Unfavorable	0

- Points are calculated based on rounding, using one(1) decimal point.
- Ratings calculated monthly, quarterly.
- PPV Review Board: Procurement team and Controller

Summary – All Metrics

Quality Performance:	Points
95% - 100%	35
90% - 94.9%	30
85% - 89.9%	20
80% - 84.9%	10
79.9 % or below	0
Delivery Performance:	Points
100 % Deliveries On Time	35
98 % to 99.9 %	30
95 % to 97.9 %	20
90 % to 94.9 %	10
0 % to 89.9 %	0
Asset Management-Turns:	Points
Total turns 7 or above	30
Total turns 5 to 6.9	25
Total turns 3 to 4.9	20
Total turns 1 to 2.9	15
Total turns .1 to .9	5
PPV Performance:	Points
PPV (-3%) Favorable	30
PPV (-2%) to (-2.9%) Favorable	25
PPV (-1%) to (-1.9%) Favorable	20
PPV (0%) to (-.09%) Favorable	10
PPV Unfavorable	0
Total Supplier Performance Rating:	Points
Preferred Supplier Rating	100
Recommended Supplier Rating	90 to 99.9
Active Supplier Rating	80 to 89.9
Inactivation Recommended	Less than 80