

Section 5

Supplier Rating Program

I. Application

- A. All LP Suppliers (direct material)
- B. Active only (at least one shipment per 6 months)

II. Scope

- A. 12 month period (Fiscal Year)
- B. By Fiscal Year (Apr-Mar)

III. Responsibility

- A. (ASTEMO)AM Purchasing is rating administrator
 - Calculates total score
 - Communicates to suppliers
 - Overall window between (ASTEMO)AM and supplier for problems, which cannot be resolved at the functional/operational level.

B. (ASTEMO)AM internal customers of LP suppliers for Quality (SQA) and Delivery (PC) matters evaluate in perspective areas (see Rating topic in these categories within this handbook).

C. LP Suppliers

- Should strive for perfect scoring
- Verify accuracy of rating and communicate discrepancies back to (ASTEMO)AM.
- Utilize the rating to benchmark current condition and utilize the evaluation for continuous improvement.

IV. Frequency

Formal fiscal year Apr-Mar rating for each eligible supplier.

V. Documentation (Exhibits are attached)

- A. Summary page listing scores by Department and Fiscal Year total
- B. CAMPAS Form
- C. Strategic Suitability Evaluation - supplier may receive this form depending on yearly purchased dollar amount.

VI. Performance Factors

- A. 70% total score is minimum threshold acceptable level
- B. Less than 70% score then supplier:
 - Is considered Probation
 - May be ineligible for new business opportunity
 - May be issued a SRCAR and if so, must submit a corrective action plan
 - May be ineligible for RFQ's (buyer's option)
 - May be subject to special countermeasures for chronic deficient scoring, including desourcing
 - ✓ Final desourcing according to (ASTEMO)AM Executive Committee (top management of Production, DE, QA & Purchasing).
- C. Greater than 70% scores:
 - Supplier is eligible for
 - ✓ Performance award and/or
 - ✓ Special achievement award for distinguished customer service.

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