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| Instruction:  **QP-115** | Pages: **4** |
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| Authorized By: **Production Control Manager** | |

**SUPPLIER PERFORMANCE AND MONITORING**

1. Purpose and Scope

**PURPOSE**

To define methods and practices for evaluation and Monitoring of Suppliers

**SCOPE**

This procedure applies to suppliers of:

a. materials

b. production parts

c. tooling

d. production services

e. calibration services

f. test services

The Production Control Manager may also include suppliers of indirect materials, maintenance and repair supplies and other services.

1. Definitions

**Corrective Action Plan**: Plan for correcting a process or part quality issue.

**Critical Suppliers**: Suppliers designated by management as having significant potential

impact on quality.

**IEC**: The International Electrotechnical Commission is an international standards organization that prepares and publishes International Standards for all electrical,

electronic and related technologies (“Electro technologies”).

1. Process Owners

**Production Control Manager**

**Process Designees: Project Engineer**

**Accounting Clerk**

**Service Supervisor**

**4. Procedures**

**4.1 Service Supervisor**

**Premium Freight Carriers**

The Production Control Manager will review premium carriers on an annual basis. (Carriers will be reviewed according to on-time delivery, damages and cost, etc.)

**4.2 Production Control Manager**

**Supplier/Freight Report**

The Production Control Manager will review the Vendor Analysis report, at least semi-annually, for delivery and quality performance for critical suppliers.

Delivery Performance Criteria

a. Preferred Supplier: >95% on time delivery

b. Acceptable: >94%, but >85% on time delivery

c. Probationary: <84% on time delivery

Probationary Status: Any Supplier at this level will be notified of the concerns and corrective actions will be required. Repeated performances gaps may result in separation with the supplier.

The Production Control Manager will review the Analysis report, at least semi-annually, for supplier performance of critical suppliers who provide parts or services other than raw material (including incidences of Non-conforming material).

Quality Performance

a. Preferred Supplier: No Rejections

b. Acceptable <5% rejections

c. Unacceptable >5% rejections.

Any unfavorable quality issues will result in a corrective action be completed by the supplier. A time period will be established in order for the supplier to make the necessary corrections. Repeated corrective actions may result in separation with the supplier.

**Supplier Contact Information**

The following is to be done yearly or as indicated:

1. Send out flow-down letter.

2. Send out In-plant (at vendor) audit letter or first PO for new vendor.

3. Send out Survey to Vendors every 24 months.

4. Update ISO/IATF/IEC Certification certificates within 3 months of expiration date.

5. Send out a copy of the Automotive Industry Action Group’s (AIAG) “Special Process: Heat Treat System Assessment” (CQI-9) and “Plating System Assessment” (CQI-11) on a yearly basis or as updates are released. This is to be completed by all vendors who provide these services.

6. Before Welder Recertification is due, verify that current lab is qualified by customer. If not, locate new lab that meets criteria for certification.

**Premium Freight**

When required, the supplier shall be contacted to request accelerated delivery. When a request for an accelerated delivery results in E.C.S. incurring premium freight charges, the Supplier must contact E.C.S. for an approval and the Purchase Order must be updated to reflect the premium charges.

**Conflict Materials**

E.C.S purchases only materials and services that comply with international laws and conventions. E.C.S. is committed to using only raw materials of legal and sustainable origin and does not knowingly purchase “conflict minerals” (as defined in the Dodd-Frank Act) that finance armed conflicts and human rights abuses. E.C.S. maintains due diligence processes annually with its suppliers to support compliance with this commitment and expects the relevant material suppliers to fully support its due diligence efforts.

**4.3 Project Engineer**

**Prepares Supplier Technical Support Report**

The Project Engineer prepares a report summarizing technical support and responsiveness for suppliers designated by the Purchasing Supervisor.

**4.4 Account Clerk**

**Reviews Raw Material Invoices**

The Account Clerk reviews invoices from material suppliers. When a freight charge appears to be excessive, the Purchasing Dept. will be contacted to investigate.

**5 References**

**5.1 Related Procedure**

Supplier Selection QP-114

Inspection and Testing QP-122

**5.2 Reference Documents**

None

**6. Records**

**7. Revisions of QP-115**

**Previous revisions to this current issue can be obtained from the Quality Systems Coordinator. All previous revisions are in Waypoint/Powerway Program.**

**Rev. 15:** removed last sentence from Sec. 4.2 “Supplier/Freight Report”; removed “limited use suppliers” and “this report shall..” sentences from Delivery performance criteria; removed “any rejections” and last sentence “which must be..” under Quality performance. Deleted “Requests a supplier corrective Action Plan” and the last sentence under “Premium Freight” in Sec. 4.2. Sec. 6 -deleted Vendor Analysis and Carrier premium freight Rating records. (Initiator: Kate Bouchard)