



Q8 Worldwide
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Title:
Supplier Qualification and Rating

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1

1. Purpose

To define a standard process to qualify existing and potential suppliers along with a rating system used to track and evaluate performance to qualify suppliers for the Approved Supplier List, ASL.

2. Scope

This procedure applies to all suppliers ("A" Most Critical & "B" Critical Suppliers) of products, components, raw materials and services supplied to Q8. As of January 2013 an Approved Supplier list was created grandfathering all suppliers with sourcing activity over the past 12 months. Q8 will audit these suppliers as needed along with rating overall performance based on quality & delivery. New suppliers will be required to submit Self-Audit Check List for review by quality prior to being considered or added to the ASL

3. Definitions

Existing Supplier - Suppliers having supplied material or services or issued a purchase order in the past 12 months

New Supplier - Suppliers of products or services with no history or no activity over the past 12 months.

4. Procedure

Existing Suppliers; Q8 will maintain audit information on all suppliers on the ASL. This will be reviewed annually, all active supplier to have self- audits on file by April 2014. On an interim basis Materials or Quality will issue Self Audit Check List's to any grandfathered supplier on the Approved Supplier when trending data indicates possible problems or issues arise with quality or delivery performance.

New Suppliers; Evaluation of new suppliers, a minimum Self-Audit Check List reviewed and approval by quality will be required prior to a supplier being added to the ASL or issue of any purchase orders. Based on the results of a self- audit review additional information including a site audit could be required prior to a supplier being added to the ASL.

Responsibilities

Q8 Purchasing and Quality are responsible for the evaluating and selecting suppliers. Prior to approval all new, Most Critical & Critical Suppliers will be evaluated based on the completion and review of a Self-Audit Check List. This audit is designed to determine a potential supplier's ability to meet contract and quality system requirements. Based on review by the Quality Manager additional information could be required, including a site audit.

Approved suppliers maintained on the Approved Supplier List will be reviewed on a regular basis in accordance with classification, Most Critical and Critical. Measurements to be included in this review will include quality and delivery performance.

Quality; Supplier quality performance will be tracked monthly with performance calculated quarterly. "Most Critical" Suppliers will then be rated Bi-annually based on the total number of DMR's generated against number of receipts. "Critical" Suppliers will be rated annually. Quality Assurance will input this rating into ASL database.

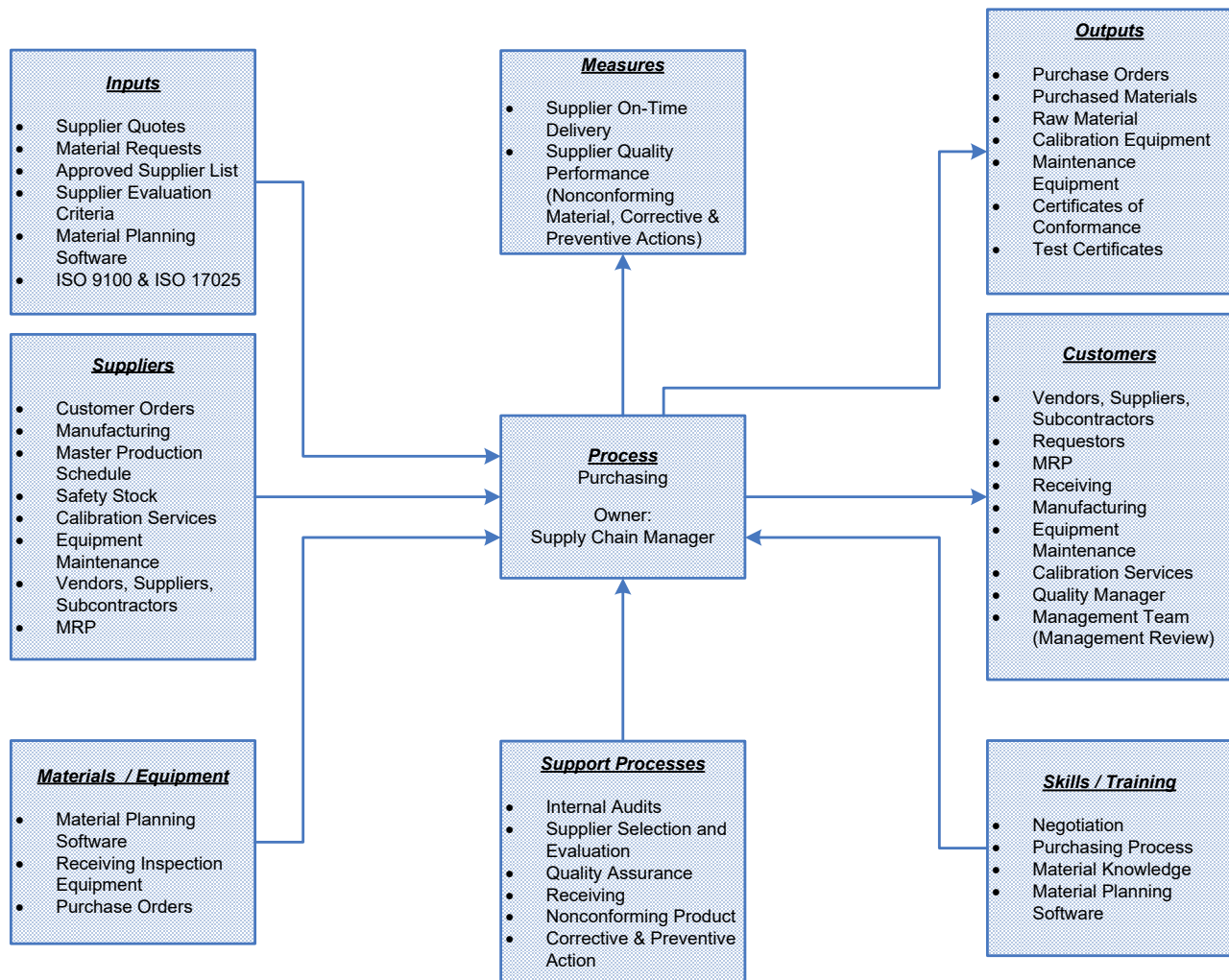
Delivery; Suppliers will be measured monthly on the basis of On Time Delivery and calculated quarterly. On Time Delivery defined as 4 days early and 1 day late to the acknowledged purchase order due date. "Most Critical" Suppliers will then be rated Bi-annually based on the total number of receipts against number of receipts On Time. "Critical" Suppliers will be rated annually. Purchasing will calculate the supplier rating and input that rating into the ASL database

Purchasing will be responsible for calculating performance and rating suppliers. Performance ratings will be an average of quality and delivery results. Based on overall performance supplier will be rated as follows.

Preferred Supplier	90 – 100
Approved Supplier	75 - 89
Provisional Supplier	60 - 74

Purchasing and Quality will review the ASL ratings to determine which suppliers are performing poorly. Depending on performance results the Quality Assurance Manager may choose any of the following actions to address poor performance.

- Request corrective action
- Perform On-site assessment
- Remove the supplier from the ASL



REVISION HISTORY

Rev	Date	By	Description of Change
1	3/14/18	GM	Original release