	Document Title	Owner	Rev Lev
	Supplier Ongoing Performance Monitoring Procedure	Corporate Purchasing Manager	L
Document not controlled if printed	Document Number	Approver	Effective Date
	SOP-00-8.4.2.4-01	Quality Systems Manager	23-Feb-2020

Purpose:

The purpose of this procedure is to outline the process used to monitor the performance of and to communicate the results to key suppliers.

Scope:

This procedure will be followed for key suppliers to Metal-Core Technologies. Key suppliers are defined as suppliers that have significant impact on the production process, that provide critical material or that have substantial performance issues (i.e. quality / delivery / premium freight impact / customer disruptions). The Purchasing Department will conduct an annual review to revise the list of suppliers included in this evaluation process. These suppliers will be tracked on the BOSR (F-00-9.3-01) and reviewed monthly.


Procedure:

Metal-Core Technologies evaluates suppliers on, a monthly basis, measuring suppliers' quality and delivery performance as well as the impact of premium freight and customer. The data for these items is compiled and reported in the Supplier Scorecard (F-00-8.4.2.4-02) and are shared with key suppliers, providing both actual performance data as well as goals. All suppliers are expected to maintain minimum monthly delivery and quality scores in, order to keep their active Approved Supplier status.

Delivery

The Delivery rating is calculated using the number of on time and early deliveries / total deliveries. On-time delivery is determined by comparing the supplier's promised delivery date to the actual date of receipt. A receipt is considered on time when received in the range of two days prior to through the communicated promised date. The calculated delivery percentage accounts for 50% of the supplier's overall rating.

It is the supplier's responsibility to inform Metal-Core Technologies of any potential difficulties in meeting the requested delivery date. When deemed appropriate, a Corrective Action may be requested in the case of delivery failure. Delivery scores are expected to maintain a minimum overall monthly score of 90%.

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The maximum score for the Delivery Metrics is 100; 40 points for customer disruptions, 20 points for premium freight and 40 points for on time delivery.

Quality

The Quality rating is calculated using parts rejected / parts received * 1,000,000. This result is classified in the PPM ranges by Commodity. The calculated quality percentage accounts for 50% of the supplier's overall rating. Quality scores are expected to maintain a minimum overall monthly score of 91%.


Ranges by Commodity.							
Forgings		Castings / Camshaft Supplier		Steel / Wire / OSS / Ferro Alloys		Purchased Components (Bushings, Bearings, Fasteners, Plastic, Rubber, Stampings, Springs)	
PPM (Min/Max)	Score	PPM (Min/Max)	Score	PPM (Min/Max)	Score	PPM (Min/Max)	Score
0	30	0	30	0	30	0	30
1-250	27	1-10,000	27	1-2000	27	1-10	27
251-500	24	10,001-20,000	24	2001-4000	24	11-25	24
501-1000	21	20,001-30,000	21	4001-6000	21	26-50	21
1001-2000	18	30,001-40,000	18	6001-8000	18	51-100	18
2001-3000	15	40,001-50,000	15	8001-10000	15	101-200	15
3001-4000	12	50,001-60,000	12	10001-12000	12	201-400	12
4001-5000	9	60,001-70,000	9	12001-14000	9	401-600	9
5001-6000	6	70,001-80,000	6	14001-16000	6	601-800	6
6001-7000	3	80,001-90,000	3	16001-18000	3	801-1000	3
7001+	0	90,000-100,000	0	18001+	0	1001+	0

*Minimum acceptable score: 21

The maximum score for the Quality Metrics is 100; 30 points for PPMs (range by commodity), 30 points for 8Ds and 40 points for customer claims.

If the supplier posts a score that is out of the acceptable range, Purchasing, with the guidance of Quality, will decide if a corrective action request (CAR) shall be issued. Whether a CAR is issued or not, Purchasing will closely monitor the performance of the underperforming supplier in the future months. If a CAR is to be issued, Metal-Core Technologies Purchasing Department will communicate the request to the supplier.

Top suppliers are evaluated on, a monthly basis, measuring suppliers' quality and delivery performance. The data for these items is compiled and reported on the supplier's scorecard. The scorecards will be shared with each vendor, providing both actual performance data as well as goals.

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Suppliers with three consecutive reports with unacceptable scores will be required to present a comprehensive corrective action plan (preferably on-site) and supplier will enter a Supplier Development Program. Metal-Core Technologies Purchasing and Quality shall require and will perform an on-site supplier evaluation focusing on the reasons for on-going supplier non-conformances. The Purchasing Department will use the information obtained in these meetings to decide whether to continue using that supplier.

In the event, the correction action plan is not acceptable or effective once implemented, Metal-Core Technologies will visit and audit supplier. Supplier will remain in Supplier Development until Metal-Core Technologies Quality approves supplier's performance and successful implementation of corrective action plan and release supplier from Supplier Development.


Additionally, Supplier Development Program may be required based on results from third-party audit or supplier assessment (risk analysis). Supplier shall implement actions necessary to resolve open (unsatisfactory) performance issues and pursue opportunities for continual improvement.

Reference Documents:

F-00-8.4.2.4-02 Supplier Scorecard
F-00-8.4.1.2-01 Supplier Assessment
F-00-9.3-01 BOSR

Revision Record:

Date	Rev	Description of Change
10/14/2011	B	Rewrite of the procedure.
08/27/2012	C	CAR handling
08/22/2014	D	Modified Scope and deleted under quality the number of scores provided to the supplier.
07/22/2015	E	Updated to include tracking in BOSR (F-00-5.6-01) and per annual review of procedure including premium freight & customer disruptions.
11/10/2015	F	Update to include minimum overall Quality Rating (98%)
06/12/2016	G	Inserted B. Bryer as author/owner of this document. Updated logo.

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01/27/2018	H	Updated to ISO9001:2015/IATF16949:2016 Standard
02/02/2018	I	Updates to Quality Section with regards to Corrective Actions and Supplier Development Program.
02/13/2018	J	Better defined the Supplier Development Program criteria and noted Supplier Assessment in reference documents.
06/19/2018	K	Added PPM ranges by commodity and update minimum Quality score.
17-Mar-2019	L	Changed owner to Jonathan Hernandez
23-Feb-2020	L	Changed Owner to Corporate Purchasing Manager. No Change to Content.