



Subject: Supplier Quality Rating System

## PURPOSE

The Supplier Quality Rating System is used to evaluate suppliers of production parts and raw materials on their quality performance.

## SCOPE

This procedure applies to all suppliers of parts and raw materials used as components of the final product. The Quality Assurance Department is responsible for the implementation and maintenance of this procedure.

## PROCEDURE

Production part and raw material suppliers will be rated on their quality performance each month. The Quality Rating System is based on a 100 point system with 75 points based on reject ratio and stratification required and 25 points based on quality service rating. A penalty will also be applied for each Quality Failure Notice issued as follows:

	Customer Claim/ Warranty Claim	High Rank	Medium Rank
First Occurrence	-20 points	-10 points	-2 points
Repeat Occurrence	-40 points	-20 points	-4 points

Additionally, late QFN Responses will receive 5-point deduction. This may be avoided by responding with a written report on the progress and timelines of the investigation/analysis completed, interim countermeasures taken, and permanent countermeasures being investigated.

A rating of zero will be given for any supplier related problem that places MACI on special status with our customers.



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**1. Reject rating guideline: (75 of 100 points)**

Parts (By Quantity)	
Reject Ratio	Points
0%	75
0.1%	55
0.2%	45
0.3%	40
0.4%	35
0.5%	30
0.6%	25
0.7%	20
0.8%	15
0.9%	10
1.0%	5
>1.0%	0

Die Cast Parts Porosity/Leak Defects (By Quantity)	
Reject Ratio	Points
<0.8%	75
0.8%	65
0.9%	62
1.0%	55
1.2%	50
1.4%	45
1.6%	40
1.8%	35
2.0%	30
2.2%	25
2.4%	20
2.6%	15
2.8%	10
3.0%	5
>3.0%	0

Raw Material (By Unit of Measure)	
Reject Ratio	Points
0%	75
0.5%	55
1.0%	45
1.5%	40
2.0%	35
2.5%	30
3.0%	25
3.5%	20
4.0%	15
4.5%	10
5.0%	5
>5.0%	0

Sorts at MACI (By Quantity)	
Sort Ratio	Penalty Points
0%	0
1%	5
2%	10
3%	15
4%	20
5%	25

- Product returned to supplier for sorting will be considered sorts at MACI.
- Penalty points for sorts at MACI will be doubled for shipments beyond those in transit.



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## 2. Service rating guideline: (25 of 100 points)

### A. Corrective Action (10 Points)

Conditions	Points
Supplier meets MACI requirements and has a history of excellent plan-do-check-action activity and implements mechanical countermeasures. Complete root cause analysis and prevention & detection countermeasures are implemented.	10
Root Cause Analysis is deficient. Mechanical countermeasures are not implemented.	5
Quality Failure Notice and Countermeasure Reports are not complete or defect recurrence occurs within five (5) shipment periods.	0

### B. Response to Defects (10 Points)

Conditions	Points
Consistently meets expectations. Containment actions are taken immediately and certified product is expedited.	10
Responds within 8 hours to requests for immediate actions (in-house sorting), but ineffective response at supplier results in additional problems (shipments arriving at MACI with defective products).	5
Fails to respond to requests. Strong follow up is required by MACI to get supplier to take corrective actions.	0



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C. Documentation and Communication (5 Points)

Conditions	Points
Consistently completes all documents by due date. Communicates all relevant information.	5
Meets minimal requests.	3
Fails to communicate with MACI. Documents and requests require strong follow up by MACI for completion. Initial Flow Control (II-9) procedure is not used	0

**3. Actions for Deficient Ratings**

When Supplier Quality Ratings fall below acceptable levels, actions taken will be outlined in MACI's Quality Assurance Department Annual Policy.