



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.


50 points are based on Quality Failure Notices and the severity of the quality problem. 25 points are based on whether component sorting or MACI finished good sorting is required for containment. 25 points are based on quality service ranking. Problems that severely affect our customers can result in a zero point condition.

Zero Point Conditions:

A rating of zero (0/100 points) will be given for any supplier related problem that places MACI on special status with our customers, causes a recall with our customers, or creates a customer disruption at their receiving plant, including yard holds and stop ships.

1. Quality Failure Notice Guideline: (50 of 100 points)

	<u>Customer Satisfaction</u>	<u>Risk Evaluation</u>	<u>Risk Evaluation</u>
	Dealer Returns Field Actions Warranty Returns/Claims Customer Claims	High Rank (defect could affect compressor function- cannot detect during MACI assembly process)	Medium Rank
First Occurrence	-40 points	-30 points	-10 points
Repeat Occurrence	-50 points	-50 points	-20 points

 Michigan Automotive Compressor, Inc. Quality Assurance Manual for Suppliers	Document Number:
	QA-SM-22
	Page 2 of 3
Subject: Supplier Quality Rating System	

2. Sorting/Containment Guideline: (25 of 100 points)

	Finished Goods Warehouse Sorting Required	Component Sorting Required
First Occurrence	-15 points	-10points
Repeat Occurrence	-25 points	-20 points

3. 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

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.

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	5

 Michigan Automotive Compressor, Inc. Quality Assurance Manual for Suppliers	Document Number:
	QA-SM-22
	Page 3 of 3
Subject: Supplier Quality Rating System	

results in additional problems (shipments arriving at MACI with defective products).	
Fails to respond to requests. Strong follow up is required by MACI to get supplier to take corrective actions.	0

C. Continuous Improvement (5 Points)

Conditions	Points
Strong ongoing effort to improve processes seen in countermeasures, crossline action and supplier read-across activity.	5
Some continuous improvement activity occurring	3

4. 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.