

TEXTRON Systems

TEXTRON SYSTEMS SUPPLIER RATING SYSTEM QA-SP48 Rev. F

Objective:

- Provide *Textron Systems* strategic supply base with formal feedback on their overall performance to our expectations.
- Identify and prioritize Supplier development and corrective action needs.
- Serve as a key element of *Textron Systems* strategic sourcing process.

Suppliers are rated for Product Quality and Delivery (if they provide products) and/or Services (if they provide services). Suppliers are encouraged to view their ratings on a monthly basis and submit any discrepancies for investigation by *Textron Systems* Supplier Quality and Procurement.

Product Quality Performance:

- The quality rating is a 12 month rolling average of the number of *shipments accepted* vs. the number of *shipments received* and is calculated as follows:

$$\left[\frac{\text{Shipments Received} - \text{Supplier Nonconformances}}{\text{Total Number of Shipments Received}} \right] \times 100$$

Product Delivery Performance:

- The delivery rating is a 12 month rolling average of the number of *shipments* on time vs. the total number of *shipments* and is calculated as follows:

$$\left[\frac{\text{Shipments Received} - \text{Late Shipments}}{\text{Total Number of Shipments Received}} \right] \times 100$$

On time performance is measured as follows:

“On Time” – Product is received not more than five (5) business days after the contracted delivery date.

“Late” – Product is received more than five (5) business days after the contracted delivery date.

Performance Level Definition for Product Quality:

- **“Green” Supplier:**

Rating of 98% and above.

Suppliers performing at this level will be given every opportunity to quote business opportunities that fall within their capabilities.

- **“Yellow” Supplier:**

Rating between 97.9% and 95%

Suppliers performing at this level need to demonstrate sustained improvement. Supplier may be contacted to discuss current performance. Growth opportunities may be limited based on the severity of the nonconformances.

- **“Red” Supplier:**

Rating below 95%

Suppliers performing at this level will require Supplier Quality Management approval prior to issuing any new purchase orders over \$30,000. Supplier may be contacted to discuss current performance. Visit to the Supplier may be required.

Removal from the *Textron Systems* Approved Supplier List is possible.

Performance Level Definition for Product Delivery:

- **“Green” Rated Supplier:**

Rating **95% and above**

Suppliers performing at this level will be given every opportunity to quote business opportunities that fall within their capabilities.

- **“Yellow” Supplier:**

Rating between **94.9% and 90%**

Suppliers performing at this level need to demonstrate sustained improvement. Supplier may be contacted to discuss current performance. Growth opportunities may be limited based on the severity of non-performance.

- **“Red” Supplier:**

Rating below **90%.**

Suppliers performing at this level due to late deliveries each month will be subject to a management review of all current business. Procurement/Subcontracts Manager must pre-approve all Purchase Order's issued to red rated suppliers over \$30,000. Supplier may be contacted to discuss current performance. Visit to the supplier may be required.

Removal from the **Textron Systems** Approved Supplier List is possible.

Service Performance:

- The service rating is a 12 month rolling average of survey results from **Textron Systems** end users and buyers. Surveys are sent to **Textron Systems** end users after receipt of services, including at the end of each contract period of performance. Service performance includes measures of service quality, on-time delivery, and customer service, and ranges from 1 (does not meet requirements) through 5 (exceeds requirements). The average of all ratings from all surveys for a given supplier is calculated as follows; this becomes the supplier's Service Performance rating.

$$\left(\frac{\text{Sum of Individual Scores}}{\text{Number of Ratings Received}} \right)$$

Performance Level Definition for Services:

Rating 3 or Above

Suppliers performing at this level will be given every opportunity to quote business opportunities that fall within their capabilities.

Rating below 3

Suppliers performing at this level will require Procurement Management approval prior to issuing any new purchase orders over \$30,000. Supplier may be contacted to discuss current performance. Visit to the Supplier may be required.

Change History			
Version	Date	Author	Description
C	04/20/2012	M. Nussbaum	Added Services ratings. Replaced "entered into Supplier CA database" with "documented". Added hardware quality notation.
D	7/27/12	M. Nussbaum	Adjusted product delivery and quality ratings
E	6/29/15	M. Nussbaum	Three-year review. No changes necessary.
F	10/22/18	J. Houk	Adjusted Quality and Delivery definitions to align with new vendor ratings in QlikView. Changed AAI references to Textron Systems.