

2020 AERONAUTICS SUPPLIER PERFORMANCE ENHANCEMENTS

Implementation Date: January 10, 2020

NEW QUALITY FORMULA



Program
Supplier
Rating

$$= \left[100 - \text{Critical Impact} - \text{Late SCAR Response} \right] - \left[\frac{\text{Defect QTY}}{12\text{mo}^* \text{Receipt QTY}} \times \frac{\text{Impact Factor}}{\text{Volume Factor}} \times 100 \right]$$

*12mo Receipt QTY accommodates for situations where defects occur in a month without receipts

Critical Impact

Deduction Based on Leadership Concern of Major Event/Impact of Deliverable Based on Quality

Late SCAR Response

Deduction When Supplier is Unresponsive to a Supplier Corrective Action Report (SCAR)

Impact Factor

Multiplier to Account for Impacts Felt Later in LM Production Sequence

Volume Factor

Multiplier on Supplier Receipt Quantity to Reduce Impact on Low Volume Receipts

Escalation Concern = 11pts
Severe Impact = 21pts

Each Late SCAR = 20pts



Deduction Present Each Month Until Issue Resolves

x2	Supplier Impact (SQARs/Variations)
x4	Source Rejections, Destination Acceptance & Swift Labs
x6	Manufacturing Floor Impact & Material Surveys
x8	Final Assembly/Shake & Flight Line Impact
x10	End User/Fleet/Sustainment Impact

QTY Range	Factor	QTY Range	Factor
1 - 9	3.35	10,000-99,999	0.008415
10 - 99	0.749972	100,000 - 999,999	0.001884
100 - 999	0.167898	1,000,000 - 999,999,999	0.000422
1,000 - 9,999	0.037588		