

**Supplier: REM****to the attention: Quality Manager – Sales Manager****Fax:****E-mail:****OBJECT: EVALUATION OF SUPPLIER PERFORMANCE****PERIOD: Year 2023**

**In relation to final data of the period above mentioned, we communicate you the state related to your supply quality performance.**

		Weight	Score achieved	Target 2023	Target 2024
Quality System Index (1)	ISQ	10	<b>100</b>	100	100
Deliveries Punctuality Index	IPC	30	<b>100</b>	95	95
Supply Quality Index	IQF	30	<b>100</b>	95	95
Reaction time to claim	TRF	10	<b>100</b>	100	100
Cost reduction	CR	10	<b>50</b>	100	100
Serius Discontinuity	DG	10	<b>100</b>	100	100

**Global Quality Index "IPG"**  
**Supplier Classification**  
**Supplier Evaluation**

**95****A****VERY RELIABLE**

**Premised that is objective of the Cogeme to use only Suppliers of Class "Á." (supplies with zero defects and zero delays), we consider necessary from the Supplier what follows:**

☒ **Maintenance or improvement the present performance.**

☐ **Notification corrective actions planned and/or carried out to reach planned target, within 10 working days to receive this communication.**

**Addition indications:**

☐ **Following the results You achieved, we inform You that if an immediate inversion of tendency will not be noticed. You will be suspended from the List of the Qualified Suppliers and accordingly penalized for supplies assignment.**

☐ **Is required within year 2024 Quality System Certificate ISO 9001.  
Present plan for obtaining such a requirement within the 31/03/2024**

☐ **\* Carry out a Process Audit within \_\_\_\_\_**

☐ **Supplier is invited at our plant to define necessary corrective actions.**

(\*) = By Cogeme

(1) = ISQ equal to 100 if Certified Quality System, otherwise equal to 0.

**Sure of Your collaboration, we at your disposal for further explanations. Best Regards**

**Note:****Quality Assurance****Purchasing****A. Crescenzi****C. Foglietta**

## EVALUATION OF SUPPLIER PERFORMANCE (proc.0601B0)

For the developing of a vendor rating and performance monitoring of the supplier, it is used the Global Performance Index which is calculated on the basis of the following:

### 1) Management System Certificate from accredited authorities (ISO).

It indicates the operation in the organizational structure of the provider of a management system conforming to ISO standards according to the assessment criteria set out in par. 4.1 recognized by an accredited institution.

The score is 100 if the supplier operates in the ISO system certified by accredited authorities; otherwise, it is equal to 0.

### 2) Timeliness of delivery (IPC)

It is the result of on-time delivery assessed according to the scheme and the formula given below. The data are acquired from the management system, and by 'summary delivery delays from suppliers' (see steps 0602I0).

If it is not possible to evaluate empirically the index (eg. existence of open orders), the score is assigned by the Head of the interface to the specific provider, in cooperation with the Manager acquired during special meetings.

$$IPC = \frac{\sum N^{\circ} \text{ Late Supplies} * 100}{\sum N^{\circ} \text{ Supplies}}$$

IPC minimum 0, maximum 100.

### 3) Supplies Quality (IQF)

It is the result of the supplies quality evaluated according to the data entry controls in accordance with the formula below. The score is influenced by the objections made to the manufacturer for defects and / or discrepancies found in the supply (in the absence of non-conformity score it is equal to 100). In case of derogation and/or rework / sorting at least 1 PPM will be considered

$$PPM = ( \text{number of pieces scrapped} / \text{number of pieces delivered} ) * 1000000$$

<i>IQF Score</i>	<i>Supplier for products / manufacture / treatment</i>	<i>Supplier of Raw material</i>	<i>Other supplier / service</i>
100	0÷25 PPM	2% Kg supplied	2% supply not conform
75	26÷50 PPM	3% ÷ 10% Kg supplied	3% ÷ 10% delivery not conform
50	51÷75 PPM	11% ÷ 20% Kg supplied	11% ÷ 20% delivery not conform
25	76÷100 PPM	21% ÷ 30% Kg supplied	21% ÷ 30% delivery not conform
1	> 100 PPM	> 30% Kg supplied	> 30% delivery not conform

### 4) Reaction time to claim (TRF)

Indicate the reaction time to claim with immediate action and ending action from supplier. This value consider the past time from the claim until the answer from supplier.

$$PUNT = 101 - \frac{\sum T0 * 1 + \sum T1 * 100}{\sum T}$$

PUNT = Score  
T = Total claims forwarded      T0 = Total answers in time  
T1 = Total answers in delay      Minimum score: 1    Maximum score : 100

### 5) Cost reduction (CR)

Indicate the supplier's skill to adopt Cogeme requests regarding cost reduction and Commercial Competitiveness alignment. The evaluation is based on analysis issued by Purchasing department on activity and results obtained from supplier considering the efficiency requests. The score will be assigned as follows: 100 if the supplier totally achieves the Cogeme's request; 50 if the supplier partially achieve the Cogeme's request; 1 if Cogeme's requests are not accepted.

### 6) Serious Discontinuity (DG)

Indicate the supplier's Quality and Logistic serious discontinuity situation, as for example: delay of delivery with line stoppage (internal or versus final Customer); serious Non Conformity detected by final Customer; scrap parts from field and recall

The score will be assigned as follows: 100 if the supplier not have any discontinuity; 0 if the supplier have one or more discontinuity.

The index of overall performance of the supply is calculated from the scores recorded for the three elements outlined above, suitably enhanced (weight) on the importance attributed to them, in the following format:

$IPG = \frac{\sum SQ*WEIGHT + IPC*WEIGHT + IQF*WEIGHT + TRF*WEIGHT + CR*WEIGHT}{100}$		
PARAMETERS	WEIGHT YEAR 2017	WEIGHT START FROM 2018
CERTIFIED MANAGEMENT SYSTEM "ISQ"	10	10
DELIVERY TIMELINESS INDEX "IPC"	35	30
SUPPLY QUALITY INDEX "IQF"	35	30
REACTION TIME TO CLAIM (TRF)	10	10
COST REDUCTION (CR)	10	10
SERIOUS DISCONTINUITY (DG)	-	10

According to the obtained score the supply category is defined as per the following table:

GLOBAL SCORE 'IPG'	CLASS	ASSESSMENT
$\geq 90 \leq 100$	A	VERY RELIABLE
$\geq 75 < 90$	B	RELIABLE
$\geq 60 < 75$	C	LITTLE RELIABLE
$< 60$	D	NOT RELIABLE

In case your score is less than 75/100 the Purchasing Manager shall perform the following actions:

- Obtain appropriate plan for the recovery of performance required.
- Organize meeting with the supplier in order to clarify and raise awareness of the inefficiencies.
- In serious cases, ask the Quality Environment and Safety Manager for the execution of an audit at the supplier, in order to re-evaluate the actual capacity and decide, based on the results, whether or not to maintain the carrier in the "List of qualified suppliers".