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<b>Date:</b> 10/29/2019	<b>Date:</b> 10/29/2019	<b>Date:</b> 10/29/2019

**Work Instructions:**

**1. Responsibilities**

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**2. Instructions:**

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**1.0 1.0 Evaluation Categories**

**Categories & Sub-Categories with the relative importance (weight):**

	<b>Rating</b>
<b>Quality</b>	<b>Total 25%</b>
• Daily Performance (NCR and RCCA speed)	50%
• APQP	35%
• Supplier Responsiveness	15 %

	<b>Rating</b>
<b>Delivery</b>	<b>25%</b>
• On Time Delivery	75%
• Flexibility	25%

	<b>Rating</b>
<b>Cost</b>	<b>12.5%</b>
• Productivity ( % / year)	100%

	<b>Rating</b>
<b>Cash</b>	<b>12.5%</b>
• Payment Terms	100%

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	<b>Rating</b>
<b>Technical Feedback</b>	<b>12.5%</b>
• Concurrent Engineering	25%
• Prototype	25%
• Product Launch (On time )	25%
• Cost (Valid for Tooling & Piece Cost)	25%

	<b>Rating</b>
<b>Ease of Business</b>	<b>12.5%</b>
• Organizational stability and capability	25%
• Financial stability	25%
• Supply Base Management	25%
• Capacity Management	25%

## 2. Quality

**Evaluation of this category will be performed by SQE and Supplier Quality Director.**

A Supplier Quality score will be calculated based on the following Criteria:

1. Daily performance
2. APQP
3. Supplier responsiveness

### 2.1 Daily Performance

This performance is calculated based on a 3-month rolling average.

#### **3 Score: Ideal Supplier**

- No NCR's over last 3 months **or**
- 3 or fewer NCR's over last 3 months and addressed issue with professional RCCA

#### **2 Score: Moderate Supplier**

- 4 or less NCR's over last 3 months and moderate response (weak RCCA – Slow to respond, etc.) **or**
- 10 or less NCR's over last 3 months; hard working with willingness to improve; document improvement

#### **1 Score: Poor Supplier**

- 11 or more NCR's over last 3 months **or**
- Less than 11 NCR's over last 3 months and slow to address RCCA **or**
- NCR's issued but supplier non-responsive and/or has had poor RCCA

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## **2.2 APQP**

A supplier's daily performance score can be reduced by their APQP score:

- A Grade: Supplier score remains unchanged
- B Grade: Supplier's score reduced by 1 point
- C Grade: Supplier's score reduced by 2 points

## **2.3 Supplier Responsiveness**

A supplier's daily performance score can be reduced by the SQE if prompting for feedback is required:

- Prompting required: Supplier's score reduced by 1 point
- Chronic prompting required: Supplier's score reduced by 2 points

## **3.0 Delivery**

Evaluation of this category will be performed by Materials Planner and Sr. Materials Manager.

### **3.1 On Time Delivery (Ability To Comply To Schedules)**

The performance is measured based on values from the last 12months:

#### **OTTD (On Time to Delivery Metric)**

We are considering the total number of parts supplied by a vendor for this analysis. And the supplier due date for the past 12 months is the analysis window

1. If receipt date is earlier than PO issue date + supplier LT in oracle system – Then the supplier is on time to delivery
2. If the need by date on PO is greater than PO issue date + supplier LT in oracle system. In that case we look at receipt date is earlier than need by date – Then the supplier is on time to delivery.

#### **Scoring criteria**

- **1 – delivery <80%**
- **2 – delivery 80 to 90%**
- **3 – delivery >90%**

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**3.2 Flexibility (Ability to Adapt to Schedule Changes)**

**OTTR(On time to Request Metric)**

We are considering the total number of parts supplied by a vendor for this analysis. And the supplier due date for the past 12 months is the analysis window

1. If the receipt date is earlier than the need by date on the PO, then we consider the supplier as being flexible to our requirement date even if the need date is lesser than the quoted lead time by the supplier

**Scoring criteria**

- **1 – delivery <80%**
- **2 – delivery 80 to 90%**
- **3 – delivery >90%**

**4.0 Cost**

**Commodity Manager / Commodity Buyer will perform evaluation of this category.**

**4.1 Productivity**

Scores will be based on pure piece price cost reduction obtained year over year for the latest 12 months of data.

<b>2.0</b>	<b>Cost Reduction %</b>
<b>3</b>	- 5% or greater
<b>2</b>	- 3-4%
<b>1</b>	- 0-2%

## 4.2 Cash

This assessment is based on the Supplier's agreed payment terms to Proterra. The objective is to improve cash flow to our business.

- 3 =>60 Days Net
- 2 45 Days Net
- 1 <=30 Days Net

## 5.0 Technical Feedback

New Product Introduction Manager will perform evaluation of this category with input from the Commodity Manager and Commodity Buyer

### 5.1 Concurrent Engineering

This assessment is based on the Supplier's ability & willingness to participate with Proterra in Concurrent Engineering projects. Supplier's participation to Drawing Reviews, Early Supplier Involvement, Innovation and Concurrent Engineering will be considered.

- 3 Concurrent Engineering i.e. 3D Model partly done by the Supplier (no development issues / failures in the past 3 months)
- 2 Early Supplier Involvement, Innovation and Successful Development (no development issues / failures in the past 3 months)
- 1 No Early Supplier Involvement activities. No Supplier participation to the development. No Innovation proposed.

### 5.2 Prototype

This assessment is based on the Supplier's ability & willingness to provide Proterra with Prototype Components & Assemblies.

- 3 - Prototypes are produced by serial production Supplier respecting cost, lead time and quality.
- 2 - Prototypes are sub-contracted by the serial production Supplier respecting cost, lead time and quality.
- 1 - No prototype delivered by serial production Supplier

**5.3 Product Launch (On time)**

This assessment is based on the Supplier meeting product launch schedule commitments over previous three-month period:

- 3.0 3 - 100% On time 1<sup>st</sup> order Delivery.
- 2 - 90% On time 1<sup>st</sup> order delivery. Due to shared root cause with Proterra.
- 1 - Late on time delivery.

**5.4 Cost (Valid for Tooling and Piece Cost)**

This assessment is based on the Supplier Meeting Costing commitments over previous three-month period:

- 4.0 3 - Piece Price and Tooling Cost at target
- 2 - Piece Price or Tooling Cost at target
- 1 - Piece Price and Tooling Cost not at target.

**6.0 Ease Of Doing Business**

**Commodity Manager / Commodity Buyer will perform evaluation of this category.**

**6.1 Organizational Stability and Capability**

- 3 - Supplier's Management is consistent, all issues are resolved.
- 2 - Supplier's Management resolves all issues but Management consistency needs improvement.
- 1 - Supplier's Management is inconsistent with constant changes and / or is dependent on one or two key people.

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**6.2 Financial Stability**

This sub-category can be evaluated based on financial strength for each supplier.

- 3** - Clear indication of strong financial records (supplier audit)
- 2** - Concerns about financial records but plan in place to demonstrate stability
- 1** - Financial audit requested

**6.3 Supply Base Management**

- 3** - Sub-tier Supplier Management in place and proactive
- 2** - Sub-tier Supplier Management in place but management consistency needs improvement
- 1** - Sub-tier Supplier Management does not exist

**6.4 Capacity Management**

- 3** - Supplier's Capacity Management in place, surge capacity available
- 2** - Supplier's Capacity Management exists but consistency needs improvement
- 1** - Supplier does not have any of the above

**7.0 Supplier Performance Measurement Scoring Summary Sheet**

Area	Category	Actual Points (A)	Available Points	Weight Factor (B)	Final Score
Quality (25%)	Daily Performance	1	3	8.33	
	APQP	1	3	8.33	
	Responsiveness	1	3	8.33	

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Cost (12.5%)	Productivity	1	3	12.5	
Cash (12.5%)	Payment Terms	1	3	12.5	
Delivery (25%)	Delivery	1	3	6.25	
	Flexibility	1	3	6.25	
Development (12.5%)	Concurrent Engineering	1	3	3.125	
	Prototype	1	3	3.125	
	Product Launch	1	3	3.125	
	Cost	1	3	3.125	
Management (12.5%)	Organizational Stability and Capability	1	3	3.125	
	Financial Stability	1	3	3.125	
	Supply Base Management	1	3	3.125	
	Capacity Management	1	3	3.125	

1.1.1.1.1.1.1.1 Final Score is calculated as:  
**(Column A/10) \* Column B**

Total	100	
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### 7.1 Supplier Strategy as a Result of Performance Assessment

**=>90%**      **5.0 Premier Supplier**

**70<89%**      **6.0 Preferred Supplier**

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**50<69**      **Probation Supplier**  
**%**  
**<50%**      **Problem Supplier**

## 7.2 Rating System

- **Premier Supplier:** a score of 90+ on the Supplier Scorecard and becomes part of the group of top choice suppliers. Premier suppliers will get first shot at long term agreements, quotes for new parts, and new product development projects.
- **Preferred Supplier:** a score of 70-89 is generally a good supplier but has struggles on some Supplier Scorecard dimension(s). Plans for improvement have been documented with clear objectives and goals.
- **Probation Supplier:** a score of 50-69 faces some significant challenges in meeting targets on their Supplier Scorecard. Although improvement plans have been documented as above, the supplier is definitely not a candidate for any new business opportunities with Proterra.
- **Problem Supplier:** a score of less than 50 and Proterra is actively looking for alternative sources for material.

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**3. References**

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**4. REVISION HISTORY**

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<b>Revision</b>	<b>Date</b>	<b>Created By:</b>	<b>Reason</b>
<b>10/29/19</b>	<b>10/29/19</b>	<b>Chris Glen</b>	<b>Initial Controlled Document</b>

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