



ROSEWOOD MACHINE AND TOOL CO.	QMSP-1004 Supplier Evaluation		
Not controlled in hard copy	Rev 3.0	Date: 04/14/2025	Page 1 of 7

Revision History			
Rev. #:	Changes	Rev. By:	Rev. Date:
2.0	E2 Changed to JobBoss	CRSharp	08/08/2023
2.1	Supplier Rating Chart was updated to only include the (D) rating requiring a 3-month follow up audit. Added additional notes regarding what to do if no activity is recorded for a supplier within the 3-month evaluation.	CRSharp	09/05/2023
3.0	Added Each supplier is reviewed by upper management prior to entering into JobBoss. All suppliers entered into JobBoss prior to this process change is considered to be grandfathered.	CRSharp	04/14/2025

Purpose

The purpose of this procedure is to ensure that the organization evaluates and selects suppliers based on their ability to supply product in accordance with the organization's requirements. Criteria for selection, evaluation, and re-evaluation have been established as on-time delivery, number of rejected shipments, and supplier communication. Documented information of the results of evaluations and any necessary actions arising from the evaluation are maintained in the JOBBOSS Shop System.

General

There is a master list of maintained of all suppliers. The list is maintained within the JOBBOSS Shop System. The list is accessed by selecting Tables from the JOBBOSS Shop System main window and then selecting Suppliers from the Tables drop down menu.

Each supplier is reviewed by upper management prior to entering into JobBoss. All suppliers entered into JobBoss prior to this process change is considered to be grandfathered.

Procedure for Supplier Evaluation: Part 1 Data Entry

The metrics used for supplier evaluation are on-time delivery, percentage of rejections, and communication. Within the JOBBOSS Shop System, on-time delivery is tracked and



ROSEWOOD MACHINE AND TOOL CO.	QMSP-1004 Supplier Evaluation		
Not controlled in hard copy	Rev 3.0	Date: 04/14/2025	Page 2 of 7

stored automatically. This is accomplished by entering a due date in the Purchase Order Detail window, Due Date field, when entering the Purchase Order.

The number of rejections are tracked using both Corrective Actions Reports and or JOBBOSS Shop System. In order for JOBBOSS Shop System to track rejection the information must be entered into the system as follows:

- Step 1. Enter the rejected shipment data into the JOBBOSS Shop System.*
- a. On the JOBBOSS Shop System main window, select Purchasing from the JOBBOSS Shop System main window and then select Supplier Returns from the Purchasing drop down menu.
 - b. Click on New in the Supplier Returns window.
 - c. This will bring you to the Add Supplier Return window.
 - d. Fill in all of the mandatory fields for the Detail Tab, Return Creation Tab, QC/ Inspection Tab and Shipping Tab.
 - e. Click on the OK button, this will add the Supplier Return record to the database with all of the other returns.

Procedure for Supplier Evaluation: Part2 Data Analysis

The actual Supplier Evaluation takes place at a minimum of once per year and will be reviewed at the Management Review Meeting. The evaluation is based on the data entered and collected in Step 1 of this procedure along with any supporting information. The data is analyzed, and a Supplier Rating is assigned to each supplier based on the on-time delivery statistics, percentage of rejected shipments, and supplier communication. Supplier ratings are defined as a letter grade A through F. The highest/best rating is A, and the lowest/worst rating is being an F. The rating is assigned based on the supplier's previous-year performance. This is illustrated in the table in Figure 1 below.

Note: All suppliers with a rating of F are subject to re-evaluation. This involves contacting the supplier formally, in writing, and making them aware that their performance is unacceptable. If the supplier's rating does not improve to at least a C within the next review period, the supplier may risk dismissal.



ROSEWOOD MACHINE AND TOOL CO.	QMSP-1004 Supplier Evaluation		
Not controlled in hard copy	Rev 3.0	Date: 04/14/2025	Page 3 of 7

Figure 1

Supplier Rating	% Total of all three areas
F	0% through 59%
D	60% through 69%
C	69% through 79%
B	80% through 89%
A	90% through 100%

Use the following procedure to determine the Supplier Rating

Supplier Rating / Evaluation

Each supplier will be scored in three (3) areas, communication, on time / late deliveries, and quality. Each area will be given points after each assessment. After completing each assessment all point will be added up for maximum of 24 point. The total number of points each supplier received in each of the three areas will then be divided by the maximum number of points multiplied by 100 to get the supplier % rating.

With the use of the following chart (*Supplier Rating Chart*) The supplier % rating will then be given a letter grade. This letter grade is used to determine if any action is needed to resolve the poor supplier rating.

Note: If no information has been recorded for an area, the supplier will automatically default to the max number of points for said area.

Use the following chart to determine if any action may be required to resolve the supplier's rating. Any and all action will be decided upon by Upper Management.



ROSEWOOD MACHINE AND TOOL CO.	QMSP-1004 Supplier Evaluation		
Not controlled in hard copy	Rev 3.0	Date: 04/14/2025	Page 4 of 7

Supplier Rating Chart		
Supplier % Rating	Letter Grade	Action Required
0% through 59%	F	Corrective Action Report Issued to supplier, possible removal from approved supplier list within JOBBOSS may be requested by upper management
60% through 69%	D	Supplier will be monitored for three (3) months for improvement. If no improvement is made within three (3) months any additional action will be determined during Management Review meeting. <i>If there is no activity within the (3) evaluation period the supplier rating will default to a [C] rating along with a note to review the supplier at the management review meeting. It will be determined during the meeting if the supplier will maintain the [C] rating or if additional action is needed.</i>
69% through 79%	C	No Action is needed
80% through 89%	B	
90% through 100%	A	



ROSEWOOD MACHINE AND TOOL CO.	QMSP-1004 Supplier Evaluation		
Not controlled in hard copy	Rev 3.0	Date: 04/14/2025	Page 5 of 7

1) **Communication** (20% of final Supplier rating)

- a. Each vender will be given a rating of one (1) through four (4), one (1) being poor and four (4) being excellent. Due to the subjective nature of the following rating, communication will only account for 10% of the final Supplier Score.
- b. The following is to aid in determining supplier communication rating.
 - i. **1 = Poor** – Supplier does not return calls / emails unless pressured by the buyer. Supplier does not inform buyer of any late services or products.
 - ii. **2 = Fair** – Supplier does not respond to calls / emails within a reasonable amount of time. Information regarding late services / products only becomes available upon request.
 - iii. **3 = Good** – Supplier returns phone calls / emails within a reasonable time frame. Supplier informs the buyer of any late services / products.
 - iv. **4 = Excellent** – Supplier returns phone calls / emails within 24Hrs. Buyer is constantly updated on the status of the service / product.

2) **On time / Late Delivery** (40% of final Supplier Rating)

- a. Delivery results are obtained through the use of JOBBOSS software through the use of the Receiving Summary under Purchasing.
- b. All early received products / services will be counted as on time.
- c. All products / services received within **ten (10) working days**, with the exception of rush, next day, or urgent, will be considered as on time.
- d. On time / Late Delivery are scored as a percentage of on time deliveries divided by total number of purchase orders multiplied by 100.
 - i. *(On-time deliveries / Total number of purchase orders * 100 = score %)*



ROSEWOOD MACHINE AND TOOL CO.	QMSP-1004 Supplier Evaluation		
Not controlled in hard copy	Rev 3.0	Date: 04/14/2025	Page 6 of 7

- e. Using the On Time% determine the On Time / Later Delivery rating using the information below.
 - i. 0% through 9% = 1
 - ii. 10% through 19% = 2
 - iii. 20% through 29% = 3
 - iv. 30% through 39% = 4
 - v. 40% through 49% = 5
 - vi. 50% through 59% = 6
 - vii. 60% through 69% = 7
 - viii. 70% through 79% = 8
 - ix. 80% through 89% = 9
 - x. 90% through 100% = 10

Exp. Five purchase orders were released to a supplier. Out of the five orders, one was received in two or more days early, three were received in within 10 days of the scheduled due date, and one was late by more than ten day of the scheduled due date.

Vender ABC Co.			
<i>PO#</i>	<i>Days Early / Late</i>	<i>Early / Late Correction</i>	<i>Is the product / service Ontime or Late</i>
PO123456A	-5	0	Ontime
PO123456B	12	1	Late
PO123456C	0	0	Ontime
PO123456D	4	0	Ontime
PO123456E	8	0	Ontime

*Number or Ontime / total number of PO's * 100 = Score%*

*4 On-time / 5 total number of PO's * 100 = 80%*

80% = Score of 9



ROSEWOOD MACHINE AND TOOL CO.	QMSP-1004 Supplier Evaluation		
Not controlled in hard copy	Rev 3.0	Date: 04/14/2025	Page 7 of 7

3) **Quality** (40% of final Supplier Rating)

- a. Each supplier will be given a score based on number of rejections and total number of purchase orders.
- b. This score is used to determine the number of points given to each supplier.
 - i. There is a maximum of ten (10) point that can be awarded for quality.
- c. Use the following calculation to determine the score for each supplier.
 $(\text{Number of rejection} / \text{Total Number of Purchase Order}) - 1 = \text{Quality Score\%}$
- d. Using the Quality Score% determine the Quality Rating using the information below.
 - i. 0% through 9% = 1
 - ii. 10% through 19% = 2
 - iii. 20% through 29% = 3
 - iv. 30% through 39% = 4
 - v. 40% through 49% = 5
 - vi. 50% through 59% = 6
 - vii. 60% through 69% = 7
 - viii. 70% through 79% = 8
 - ix. 80% through 89% = 9
 - 90% through 100% = 10