



Aerospace Testing Alliance

*A Joint Venture of Jacobs, CSC, and GP*

---

## ATA VENDOR RATING SYSTEM

---

### **Purpose**

The ATA Vendor Rating System (VRS) is used to monitor our vendor's adherence to delivery and quality requirements, and to provide feedback to vendors on their performance in these areas. The VRS will be used to identify both superior and poor performers and will enable ATA Buyers to use the performance data in their selection of appropriate sources of supply. The continued and/or expanded use of each ATA vendor will be directly affected by the vendor performance as reported by the VRS. ATA Purchasing will also use this information in identifying and selecting vendors for long-term strategic alliances and, when necessary, eliminating chronically deficient vendors from the approved vendor source base.

### **Measurements**

The VRS combines the delivery and quality performance measurements into one primary measurement, a Composite Performance Rating, with delivery and quality performance given equal weight. Delivery and quality performance are measured as follows:

(1) **On-Time Delivery Performance** - The percentage of purchase order line items fully received on or before the specified purchase order promise date. Calculated by dividing the total number of items fully received during the reporting period on or before the specified purchase order promise date by the total number of items fully received for the report period.

(2) **Quality Compliance Performance** - The percentage of applicable quality attributes met by each material delivery against purchase order line items fully received during the period. Calculated by dividing the total points obtained by the total possible points from the shipment attributes (See Attachment A).

Both areas are measured against a scale of 100%. The measures for each area are then averaged to determine the Composite Performance Rating. The Composite Performance Rating is the measure by which all vendors are evaluated.

### **Frequency**

Vendor performance will be measured and reported on a quarterly basis. All material shipments delivered during the reporting quarter will be included in the performance data.

### **Performance Standards**

Vendors will be considered deficient if they have at least 10 receipts per quarter and have a Composite Performance Rating less than 90%. Vendors will be considered compliant or acceptable if their Composite Performance Rating is between 90% and 98%. Vendors will be considered superior or exceptional if their Composite Performance Rating is greater than 98%.

Vendors whose performance falls below the required Composite Performance rating of 90% will be notified in writing with a report detailing their performance. The report will include the On-Time Delivery percentage for the period, the Quality Compliance Percentage for the period, the Composite Performance Rating for the period, and supporting detail on late deliveries and quality problems. Corrective actions, including potential suspension, for vendors with recurring problems are outlined in Attachment B – Vendor Rating System Corrective Action Guidelines.

Vendors whose performance is 90% or above will not be formally notified of their performance during the period but may obtain information on their performance by contacting ATA Purchasing. A listing of vendors with a Composite Performance Rating greater than 98% will be distributed to all ATA Buyers and will be posted in the ATA Purchasing office area. Buyers will utilize this information in selecting sources for purchased items.

Multi-Step Receiving		Shipment Attributes	
PO No		Delivery ID	Date
Stock Code		Description	
Shipment Quality Attribute	Point Value	Comments	
APPROVED MANUFACTURER	10		
*BUY AMERICAN ACT	10		
*CERTIFICATIONS	10		
CLEANLINESS	5		
DAMAGE	10		
DIMENSIONAL VERIFICATION	10		
*MARKINGS	10		
MISCELLANEOUS	10		
NO P.O.	10		
P.O. COMPLIANCE	10		
PACKAGING	5		
SHELF LIFE EXPIRED	10		
TRIR INSPECTIONS	10		
Shipment Total			
NCM Initiation Date	NCM Completion Date	NCM Disposition	

**\* Noncompliance to this attribute is reviewed on a case-by-case basis and may be cause for immediate subcontractor suspension. Deliberate material substitution or falsified test reports / certifications are considered cause for immediate suspension and will require an on-site quality audit before the subcontractor can be reinstated.**

**VENDOR RATING SYSTEM  
CORRECTIVE ACTION GUIDELINES**

<b>Vendor Average Percentage of Compliance less than AEDC Required Average Percentage of Compliance</b>	<b>Action</b>
First occurrence within any 5-quarter period.	First warning letter sent to advise vendor of deficiencies.
Second occurrence within any 5-quarter period.	Second warning letter sent to advise vendor of deficiencies and potential suspension if problems persist.
Third occurrence within 5-quarter period.	Vendor is suspended. Letter issued to vendor advising that recurring deficiencies resulted in suspension.

<b>Noncompliance to Critical Receiving Inspection Attributes (See Attachment A)</b>	<b>Action</b>
Each occurrence.	Suspension recommended. A joint review by Purchasing and Quality Assurance of the vendor's performance is conducted to determine if suspension is warranted. Show-cause letter issued to vendor requesting explanation and advising vendor of potential suspension.

<b>First Suspension</b>	<b>Second Suspension</b>	<b>Third Suspension</b>
Minimum of six months.	Minimum of one year.	Indefinite period. Minimum of two years. Reinstatement unlikely.
<p><u>Reinstatement</u>: After suspension period, vendor must submit evidence of actions taken to prevent previous problems encountered. If actions are determined to be adequate, vendor may be reinstated.</p>		