

<b><i>RHOSS</i></b>	<b>PROCEDURE PQ 06B</b> <b>SUPPLIER EVALUATION</b>
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<b>PRINCIPLE MODIFICATIONS OF THE PREVIOUS REVISION:</b>	
0	<i>First issue</i>
1	<i>Mod.13.01 "Non-conformity Report" - eliminated.</i>
2	<i>New management of supplier monitoring and re-evaluation</i>
3	<i>Outsourcing supplier qualification</i>
4	<i>Modification of supplier management at computer level</i>
5	<i>Addition of Cr and Gm Indexes and modification of supplier qualification code</i>
6	<i>Modification of qualified suppliers re-qualification</i>
7	<i>Modification of monitoring and re-qualification of qualified suppliers</i>
8	<i>Updating of persons responsible</i>

<b>Issued by Department Manager</b>	<b>Approved by Quality Manager</b>
<i>Romanet Luca</i>  _____	<i>Zearo Erika</i>  _____

**1. SCOPE**

The scope of this procedure is to describe the methods adopted for the evaluation and re-evaluation of the suppliers of purchased products/services that affect the Quality of the product/service provided by the Company.

**2. FIELD OF APPLICATION**

The description provided in the following PQ is applied to suppliers of materials, parts, and services purchased by RHOSS S.p.A., such as:

1. those purchased on the basis of drawings or technical specifications (raw materials, parts, work by third parties) and that affect the quality of the finished product;
2. those purchased by catalog and that affect the quality of the finished product;
3. outsourcing suppliers.

**3. REFERENCES**

[UNI EN ISO 9001:2008](#)

Quality Management Systems

[UNI EN ISO 9001:2008](#)

7.4 Purchasing

**4. RESPONSIBILITY**

The operative responsibility for the management and application of the contents of this PQ is the Purchasing Manager, who is granted the power to delegate such activities to Purchasing Office staff members.

**5. SUPPLIER QUALIFICATION PROCESS****5.1 Regular Suppliers**

From the moment that the Quality Assurance System becomes operative at Rhoss S.p.A., all suppliers (regular) who have worked regularly in a relationship of reciprocal satisfaction with the Company are justifiably added to the list of suppliers authorized to serve it.

**5.2 New Suppliers**

The Purchasing Manager or any other authorized purchaser starts the qualification process required for a new supplier before issuing the purchase order.

The Purchasing Manager or delegate gathers all the information required for the evaluation of technical-economic, quality assurance, and compliance with the European Union Directives applicable aspects of the supplier under examination, sending the Supplier Evaluation Questionnaire (Mod. 06.06) to the supplier or filling it out under his or her own responsibility.

After receiving the Questionnaire, the supplier can either provide answers to the questions regarding its activity, production and/or commercial procedures or return it to Rhoss accompanied by a fact sheet that provides general information and specific information on aspects of the management of its own company quality assurance process.

In the case of a new supplier certified by [UNI-EN-ISO 9001:2008](#), the Purchasing Manager or the person delegated by the same proceeds as with a new supplier, and for such reason requests the supplier to both fill in the first informative part of the Questionnaire and to send a copy of such certificate.

### 5.3 Supplier evaluation

The qualification of suppliers is recorded in the respective qualification chart attached to the Questionnaire (Mod. 06.06A) which is not sent to the supplier. This chart documents the status of the supplier's qualification with any additional notes required.

This chart is kept on file on top of the respective Questionnaire at the Purchasing Offices.

As regards qualification status:

- Qualified suppliers are defined "reliable" whenever they obtain a score higher than the values below in the Supplier Evaluation Questionnaire (Mod.06.06):
  - 25, for trading companies,
  - 39, per production companies
- Suppliers defined as "acceptable" must be considered "under control" and therefore subject to monitoring. All new suppliers who have obtained scores in the Evaluation Questionnaire in the range of:
  - 20 – 24 for trading companies,
  - 28 – 38 for production companies;

are defined "acceptable".

Supplies from these suppliers are kept constantly under control through the collection and evaluation of Control Reports (Mod. 13.04C) for the purpose of permitting their periodical re-evaluation and subsequent re-qualification.

- Suppliers who have not passed evaluation because they obtained a score < 20 for trading companies and < 28 for production companies are considered "non-qualified".

In such case, it is possible to acquire materials from such suppliers only if the supplier is not replaceable by means of a reinforcement of the checks on incoming materials as specified in IOP 09S "Incoming Materials and Services Quality Control".

Whenever the data collected during the initial evaluation phase do not completely satisfy Rhoss quality needs, the Purchasing Manager or any other authorized purchaser evaluate together with Quality Assurance the need to conduct an inspection at the supplier's premises for the purpose of obtaining greater detail and/or clarifying any abnormal or particular aspects that may have emerged during the pre-analysis phase.

### 5.4 Outsourcing supplier evaluation

Whenever Rhoss decides to outsource processes that affect the conformity of products to requisites (*outsourcing*), including specifications regarding product and personalization, the complete control of such processes must be ensured. In this case, during the phase of definition of the supply relationship, an inspection of the supplier's premises is conducted in order to verify the quality management system and the control operations performed on the product and the process. After such inspection, the respective inspection report is drafted (Mod. 06.05) and then evaluated by the AQ and filed at the ACQ.

Only after the inspection has a positive outcome can the outsourcing suppliers be declared qualified and added to the list of authorized suppliers.

### 5.5 Computerized Supplier Management

All suppliers are coded in the computer system, where their qualification is indicated using the Z201 Purchasing Organization code for parts and raw materials and Z200 for service components and non-coded materials. Suppliers eliminated by the ACQ for economic reasons or because they are no longer qualified or because they are new and not yet qualified are

labeled S=suspended status in the computer system; in this case, the system does not permit the issue of purchase orders.

## **6. MONITORING AND RE-QUALIFICATION OF QUALIFIED SUPPLIERS**

### **6.1 K Index**

After acquiring qualification, suppliers are monitored three times every year (January – April, May – August, September – December) by means of a computerized polling system that permits the ACQ to see which suppliers are not qualified in any moment whatsoever.

The AQ, with the collaboration of the ACQ, keeps the quality of the performance of suppliers under control through an analysis of:

- the Control Reports, evaluated and filed by the AQ in the computer system,
- the Inspection Reports for inspections conducted at supplier premises,
- the Service Index

The evaluation of the Control Reports by the AQ is based on the calculation 3 times a year of the **K** Index defined by the ratio between the number of NC units and the total number of NC delivered by each supplier.

The calculation of this K Index permits the re-evaluation of all suppliers subjected to monitoring.

The status of re-evaluation specifies that a supplier:

- continues to be considered “reliable” whenever its K Index is equal to or lower than the threshold value defined during the Review by the Management (3%)
- is “declassified” whenever its K Index is higher than the value defined (3%).

In this latter case, the supplier is requested to open a corrective action for the purpose of eliminating the non-conformities observed. Whenever deemed necessary, the Purchasing Codes of the supplier in question are either added to the “Critical Materials List” and managed as specified in IOP 09S or the respective checks on incoming materials are reinforced, whenever they are already subject to control operations by the CQ.

### **6.2 Punctuality index**

All suppliers already qualified of RHOSS SPA are monitored weekly on their respect of the confirmed delivery dates by means of an indicator known as the Punctuality Index, which has a minimum acceptability level of 90%.

The Punctuality Index is measured in percentage points on the basis of the ratio between the following two dates: the confirmed date of delivery and the actual date of reception.

Whenever the actual date of reception occurs later than the confirmed date of delivery, the system measures the percentage of delay; if the actual date of delivery is equal to or less than the confirmed date of delivery, the Punctuality Index is 100%, and therefore OK, and for such reason is not placed against the name of the respective supplier.

The Punctuality Index of suppliers who made more than 3 deliveries during the period in question is extrapolated every 4 months.

Whenever their Punctuality Index is lower than 90%, the suppliers in question will be informed in order to enable them to implement all the practical corrective actions necessary for the improvement of the management process and the solution of the problems that occurred in the punctuality of delivery.

**7. REQUESTS FROM CLIENTS FOR MATERIAL FROM UNQUALIFIED SUPPLIERS**

Whenever clients specifically request the use of parts supplied by suppliers who are not listed in our list of authorized suppliers, the material in question is used as an exception without setting the supplier qualification process in motion.