

SUMCO Phoenix Corporation

Scoring Requirements

1) TOTAL COST

A) Cost Containment

No price increases proposed or realized.	8
Price increases realized up to 4%	5
Price increases realized up to 9%	3
Price increases realized 10% or more	0

Bonus

Average price reductions realized up to 4%	3
Average price reductions realized of 5% or more	5

B) Pricing Competitiveness

Almost always competitive for purchased products	6
Some products competitive for purchased products	4
Seldom competitive or inconsistent pricing	2
Usually non-competitive, but may be in supply base to support a specific objective.	0

C) Freight

Fuel Surcharge

No fuel surcharges added to base price or invoice	2
Fuel surcharges added	0

Global considerations

Domestic or International order where vendor pays all freight and import costs.	2
Domestic order where SUMCO directly pays freight or International order where SUMCO directly pays for freight from US warehouse only.	0
International shipment where SUMCO directly pays for freight and import costs.	-1

Premium Freight

No Premium Freight routings required due to supplier delivery or quality problems.	1
One or more Premium Freight occurrences recorded.	0

Additional Costs

No additional freight, surcharge or handling fees added.	1
Invoices include more than product purchase price.	0

D) Product Life Competitiveness

At least 90% of product meets minimum life expectancy	5
At least 75% of product meets minimum life expectancy	3
At least 50% of product meets minimum life expectancy	1
Product does not meet minimum life expectancy on a regular basis.	0
Element not scored for commodities where product life is not determined by manufacturer.	n/a

E) Product Life Continuous Improvement

1) Plan implemented for continuous improvement <i>and</i> 2) evidence of increased life time recorded	3
Plan implemented for continuous improvement, but results are unknown or incomplete	2
No change recorded and no plan exists for improvement	0
Product life decreased	-2
Element not scored for commodities where product life is not determined by manufacturer.	n/a

2) QUALITY

A) Incoming Quality

Percent of product received that passed incoming inspection, had all required documentation upon receipt and in-line inspection prior to installation.	(quantity passed / quantity received) * 8
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B) Corrective Actions

Corrective Actions include quality issued corrective actions for non-conforming product, audit results, quarterly reports or annual development plans.

Number Issued	Response On-Time	Completeness	Points
0	n/a	n/a	6
1	Yes	1 st response complete	6
1	Yes	Incomplete 1 st response	5
1	No	1 st response complete	5
1	No	Incomplete 1 st response	4
2-3	Yes	1 st responses complete	4
2-3	Yes	Incomplete 1 st responses	3
2-3	No	1 st responses complete	3
2-3	No	Incomplete 1 st responses	1
4 or more	Yes	1 st responses complete	2
4 or more	Yes	Incomplete 1 st responses	1

4 or more	No	1 st responses complete	1
4 or more	No	Incomplete 1 st responses	0

C) Quality System

If the “supplier” being rated is a distributor, the quality system of the manufacturer is to be evaluated. Third-party certification includes valid registration and on-going surveillance to TS16949, ISO9001 and ISO 14000 standards.

Third-party certification completed of quality and environmental systems, with current copy on file with SUMCO.	5
Third-party certification completed of quality and environmental system, but expired copy on file with SUMCO.	4
Third-party certification completed of quality system, with current copy on file with SUMCO.	4
Third-party certification completed of quality system, but expired copy on file with SUMCO.	3
Third-party certification completed of environmental system, with current copy on file with SUMCO.	3
Third-party certification completed of environmental system, but expired copy on file with SUMCO.	2
Third-party registration planned for following year.	1
No plan for third-party certification within the next year.	0

D) Audit Results

MCAT audit performed. Score exceeded 600	20
MCAT audit performed. Score less than 600	$(\text{score}/600) * 20$
ISO audit performed (based upon 100 total points)	$(\text{score}/100) * 20$
No SUMCO audit performed during the year.	n/a

E) Specification Trend Data

Summary of SPC data for key or control parameters sent electronically at least quarterly; CofC or CofA sent with each shipment, in English.	4
Summary of SPC data for key or control parameters sent at least once during the past year and CofC or CofA sent with each shipment, in English	2
No product quality documentation provided on a consistent basis.	0

F) Variability within Specification

Variability between products is regularly within a tighter range than required on the specification.	4
Plan implemented to reduce variation, but results are unknown.	3
Parts are always within specification, but use full range of spec.	2

Specification limits are pushed regularly or written specifications are vague.	0
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G) Change Horizon Forecasts

Change Horizon forecast received during the year	2
No Change Horizon forecast received	0

3) DELIVERY

A) On-Time Delivery

On-time is defined as 1 week early, 1 day late from the agreed upon dock dates listed on the confirming purchase orders.

Percent of product received on-time.	$(\text{on-time} / \text{total receipts}) * 10$
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B) Lead-Time

Lead-time is defined as the number of calendar days ARO to SUMCO dock.

Standard quoted lead-times meet the commodity standard 99% of the time; deliveries and confirmations are always within the quoted lead-time.	5
Standard quoted lead-times meet the commodity standard 65% of the time; deliveries and confirmations are always within the quoted lead-time.	4
Standard quoted lead-times do not meet the commodity standard most of the time; but deliveries and confirmations are always within the quoted lead-time.	3
Standard quoted lead-times do not meet the commodity standard most of the time; and deliveries and confirmations tend to fall outside the quoted lead-time.	0
Lead-times have increased beyond the commodity standard since last year.	-2

C) Capacity

No bottlenecks exist at primary facilities; additional capacity is available to perform additional future work, if required. Back up production (qualified) or warehouse facilities exist to protect SUMCO from unforeseen disruption in supply.	5
No <u>significant</u> bottlenecks exist at primary facilities; additional capacity is available to perform additional future work, if required. Back up production (qualified) or warehouse facilities exist to protect SUMCO from unforeseen disruption in supply.	4
No bottlenecks exist at primary facilities; additional capacity is able to perform additional future work, if required. No communicated or viable back-up production qualified or warehouse facility exists to	3

protect SUMCO from unforeseen disruption in supply..	
No <u>significant</u> bottlenecks exist at primary facilities; additional capacity is able to perform additional future work, if required. No communicated or viable back-up production qualified or warehouse facility exists to protect SUMCO from unforeseen disruption in supply.	2
Significant bottlenecks exist at primary facilities or supplier is at full capacity. No communicated or viable back-up production qualified or warehouse facility exists to protect SUMCO from unforeseen disruption in supply.	0

D) Business Continuity Plans

As indicated on Risk Analysis or provided documentation:

Business Continuity plan exists	2
No Business Continuity plan exists	0

4) SERVICE

A) Responsiveness

General

Supplier consistently displays <u>cooperation</u> and <u>timeliness</u> to all requests. Supplier is able to forecast necessary actions and <u>proactively</u> communicates for resolution of issues before they become problems. Supplier help promote an <u>open</u> and <u>positive</u> working relationship.	6
Supplier is cooperative and timely with responses. Necessary actions take place in a timely manner through open communication.	4.5
Occasional delays in response to communication or actions. Visibility of potential issues is minimal.	3
Multiple follow-ups are routinely required. Visibility of potential issues is minimal and is often not provided until risks to delivery or quality are high or already known.	1.5
Significant opportunities exist for improvement in communication and responsiveness. Root causes are often over looked. Multiple follow-ups are required to confirm orders or close out requests. Communication is rough. Supplier does not initiate notifications of delivery risk. Notification of quality concerns is only provided when failure is certain.	0

Risk Management Assessment

Risk Management Assessment received on-time	2
Risk Management Assessment received, but late	1
No Change Horizon forecast received	0

NDA

NDA signed and on-file	1
No NDA on-file	0

B) Inventory Management

Consignment or other formal inventory management system in effect.	4
Additional raw material or work-in-process maintained at supplier's facility in order to minimize potential delays or unforeseen requirements.	2
No inventory management system in effect.	0

C) Flexibility

The supplier makes every effort to change delivery when requested and is successful in meeting those requests 90% of the time.	3
The supplier makes every effort to change delivery when requested and is successful in meeting those requests 75% of the time.	2
The supplier makes every effort to change delivery when requested and is successful in meeting those requests 50% of the time.	1
The supplier is typically unwilling or unable to modify delivery times, as requested by SUMCO.	0

5) TECHNOLOGY

A) General

1) Supplier is considered by SUMCO to be a leader in their industry 2) Technological advantages exist and supplier is focused on continuous improvement 3) Numerous opportunities for open technological and operational synergy with SUMCO exist	3
Two of the statements above apply.	2
One of the statements above applies.	1
Current technology meets requirements, but none of the statements apply.	0

B) Technology Roadmap

Technology Roadmap received during the year	2
No Technology Roadmap received	0

Bonus

Supplier has developed a product or technology that helps SUMCO achieve new business or significantly improves SUMCO performance on existing business within the year.	5
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