APPROVED BY:

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REFERENCED FORMS, DOCUMENTS, AND RECORDS:

604562	Vendor Selection Procedure
606842	Intermec Corrective Action and Preventive Procedure
606879	Retention of Quality Records
610961	Corrective Action Response Template
637111	3PL Scorecard Process Training
637112	Freight Scorecard Process Training

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1.0 PURPOSE

The purpose of the Vendor Performance Rating and Review Procedure is to define the process for monitoring vendors who impact the quality of products delivered to customers .

2.0 SCOPE

This procedure applies to all vendors who impact the quality of products delivered to customers.

3.0 GENERAL REQUIREMENTS

3.1 All vendors providing materials are measured as to on time delivery and level of quality

3.2 Strategic Supplier Accounts are monitored and evaluated against performance parameters as defined in the Supplier Business Review Procedure 632313.

3.3 Third party logistics suppliers (3PL) and strategic carriers are monitored and evaluated by Supply Chain per procedures 637111 and 637112

4.0 PROCEDURE

4.1 Vendor Performance Review

4.1.1 On-Time Delivery

Vendor on-time delivery performance is a measurement of parts which arrive within a defined parameter expressed as a percent. Zero days late and seven calendar days before the dock date required by the purchase order is acceptable on time delivery.

4.1.2 Vendor Quality

Vendor quality is the defect rate expressed as defects per million (DPM). The number of parts where the supplier is at fault for the rejection divided by the total number of parts received, times a million.

4.2 Vendor Performance Reports

4.2.1 The performance summary report for the monitored vendors is reviewed with the appropriate stakeholders and published on the Supply Chain Share Point site.

4.3 Vendor Performance Improvement Process

4.3.1 Vendors not meeting expected performance levels may be issued an ICAP and are monitored under the ICAP procedure.

4.3.1 The Vendor Performance Improvement Process follows the four step Corrective Action Response Template [610961] documented in the Intermec Corrective Action Procedure [606842].

4.4 Criteria For Disqualification

4.4.1 Failure of the vendor to implement the corrective action as defined in the Corrective Action Template (610961) will result in the vendor being removed as an Approved vendor.

5.0 RECORD RETENTION

5.1 On time delivery and Quality records are maintained in SAP

5.2 Meeting minutes and any follow up records for the monitored vendors shall be kept on the Supply Chain Share Point site or in the Purchasing Central File.

5.3 Records of vendors escalated for formal corrective action (ICAP) are electronic and are retained in the corrective action data base for a minimum of three years.

6.0 GLOSSARY

Term	**Definition**
Strategic Supplier Account	Top Suppliers, based on 90% of total direct spend, that are designated to be monitored by the Strategic Supplier Account Team within Supply Chain Management.
ICAP	Intermec Corrective Action Procedure

REVISION HISTORY

Revision	Purpose Of Change	Document Date	Author
G	Section 3, Monitoring Guidelines, Overall SRI from 90% to 96.5 Quality SRI from 90% to 98% Delivery SRI from 90% to 95%	10/24/97	Dennis Williams
H	Revised Para 5.1.2, Acceptable On-Time Delivery (0 Days Late 5 Days Early)	03/19/98	Peggy Larsen
J	Update to effect process and SAP Implementation	05/24/99	Peggy Larsen
K	Paragraph 3.1.1 & 3.1.2 revised due to SAP and add on software Implementation; Revised paragraph 5.1.1 On time delivery from 5 days early to infinite day early; Revised paragraph numbering & format	06/26/00	Peggy Larsen
L	Updated format, Changed the owner of the document to Purchasing. Revised paragraphs: 3.1.1 removed reported, 3.1.2 removed paragraph, 5.1.1 removed infinite days early, 5.1.2 changed quality measurement to PPM's, 6.1.1 changed to Purchasing	6/15/01	Ron Benhart
M	Update procedure, change owner of document to Purchasing (reference ICAP 2510). 3.1.1 added information, 3.1.2 added new information, 5.2.1 changed to product assurance, 5.3.1 added information, 5.4.1 added information, 5.4.2 added procedure number, 5.5.1 added procedure number, 6.1.1 added new information , 6.2 added paragraph	7-25-02	Dave Jones
N	Update procedure, change Purchasing to Procurement, corrected the OTD performance criteria, corrected Vendor Quality criteria, corrected titles Cover page, Para. 3.1.2, 5.2.1, 5.3.1, 5.4.2, 6.1	1/26/06	Diane Jasper
P	Update criteria for disqualification, section 5.5; updated names and titles of approvers	6/0106	Sandy Ripley
R	Revised VIP team members and Chair in 3.1.2. Revised acceptance rate to defect rate under 5.1.2. Defined monitored vendors criteria in 5.2.1. Updated based on SAP 6.0 changes	10/2/08	Sandy Ripley
T	Major update to incorporate changes to Supply Chain business procedures	02/17/2012	Sandy Ripley