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Level 3 - Work Instructions CWI-00012 / G **Corporate**

Supplier Evaluation and Rating (DAS SOP-7-4)

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Document Status and Ownership			
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Release and Audit Schedule	
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Audit Schedule	12 Month(s)
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☑ **Update Completed Trainee Records**	

1.0 Purpose

Establish the process to evaluate, approve, control and develop suppliers within the supply chain.

2.0 Scope

Applicable to suppliers used by Ducommun Baan ERP facilities for the procurement of materials, parts, processes or services delivered as, used with, or incorporated into customer end items.

3.0 Responsibilities

3.1 Supply Chain Management personnel implement and maintain the supplier program.

3.2 Quality Management personnel assist with related quality aspects of the supplier program.

4.0 Definitions

4.1 Approved Suppliers
Suppliers determined to be within acceptable risk limits by Supply Chain and/or Quality Management, with quality systems compliant to applicable industry standards (i.e. ISO9001, ISO13485, AS9100, AS9120, etc.) as appropriate, and controls in place to ensure consistent acceptable performance.

4.2 Approved Supplier List (ASL)
Identifies all suppliers, the scope of product or services they are authorized to provide and their associated status and limitations, when applicable.

4.3 Customer Directed/Sole Source
Suppliers specified by the Customer as a required supplier to use for the applicable product or process.

4.4 Key Suppliers
- Top 10 by direct spend (as a minimum)
- Other suppliers at the discretion of Supply Chain Management

4.5 Quality Management
Management personnel at any level of the organization within the Quality Department.

4.6 Supply Chain Management
Management personnel at any level of the organization within the Supply Chain Department.

4.7 Special Process
A processes critical to the manufacture of the product, or difficult to verify without destroying the product, such as Heat Treat, NDT, Chem Milling, Welding, Forming, etc.

5.0 Steps or Attachment

5.1 GENERAL REQUIREMENTS

5.1.1 Suppliers approved for use at Baan ERP facilities are listed in Baan ASL per Baan Desktop Procedure SOP-QA-09: Baan Approved Supplier List.

5.1.1.1 Supply Chain Management has the authority to disapprove any supplier at any time due to poor delivery performance.

5.1.1.2 Quality Management has the authority to disapprove any supplier at any time due to poor quality performance.

5.1.1.3 Additional control may be imposed, at the discretion of Quality or Supply Chain Management, or when mandated by customer requirements or as defined elsewhere in this work instruction.

5.1.2 If a nonconformance in a supplier's processes or products is identified, a Corrective Action Request may be issued when necessary.

5.1.3 Supplier records are maintained by Supply Chain and/or Quality Management.

5.1.3.1 Approval status shall be maintained in Baan per Baan Desktop Procedure SOP-QA-09.

5.1.3.2 Other records may be attached to the Supplier Profile in CompliantPro.

5.2 NEW SUPPLIERS

5.2.1 Potential new suppliers may be requested by personnel outside of Supply Chain Management by notifying Supply Chain Management personnel in writing of the need for and justification of adding the requested supplier, which shall include applicable contact information, or may be initiated by Supply Chain Management personnel.

5.2.2 Supply Chain Management personnel shall send the new supplier Corporate form CF- 00001 or equivalent: Supplier Data Sheet, along with all additional documents required. Reference form CF-00028 for a list of recommended additional documents.

5.2.2.1 Supply Chain personnel shall ensure the Supplier Data Sheet contains all relevant requirements the supplier will need to be capable of prior to sending forms to them.

5.2.2.2 Once returned, the Supplier Data Sheet, along with any capability data provided by other departments, shall be reviewed by Supply Chain and Quality for initial evaluation of capability to supply product and control their processes, including analysis of the CF-00002 as required: Supplier Risk Assessment in accordance with (IAW) section 5.5 for direct or critical material suppliers or as may otherwise be deemed necessary by Supply Chain or Quality Management.

Note 1: If the supplier has a standard template with similar data to CF-00001: Supplier Data sheet, it is acceptable to use their template instead.

Note 2: If the new supplier is for purchases of Manufacturing, Repair and Operations (MRO) or non-product related services only, Supply Chain approval alone is sufficient.

Note 3: Perform on-site Supplier Audit IAW 5.6 if triggered IAW Section 5.5, Risk Analysis.

5.2.2.3 If the new supplier is found to be acceptable, Supply Chain shall forward the completed forms to Finance for the creation of a Business Partner Number (BPN) in Baan.

5.2.2.4 If the new supplier is found to be unacceptable, the requestor is notified of the decision in writing along with the justification for the decision.

5.2.3 Once the supplier BPN has been added to the Baan ASL per Baan Desktop

Procedure SOP-QA-09: Baan Approved Supplier List, Supply Chain Management shall verify the ASL flag in Baan is set appropriately, removing the check in the 'ASL Control' box if ASL controls are not required for the supplier, and checking the 'DPD/MBD Controls Required' box if digital data is shared.

5.2.4 New suppliers that do not hold a recognized third-party Quality System certification shall have an on-site audit performed by qualified Ducommun personnel as required. This requirement may be waived for MRO suppliers defined in Section 5.2.2.2 Note 2.

5.3 SUPPLIER PERFORMANCE

5.3.1 Supply Chain Management tracks the performance of the supply base overall and specific results for each supplier based on the number of pieces rejected and total pieces delivered for each of the past 12 months and a 12 month rolling average.

5.3.2 Supply Chain Management will send CF-00027: Supplier Scorecard with individual ratings to the Key Suppliers for that site.

5.3.2.1 A Supplier Rating of "Bronze" (below a score of 80) or "Red"(below a score of 70) requires a review by SC and/or QA management to determine if a formal corrective action needs to be issued to reverse the performance deficiencies from the supplier. If a SCAR (supplier corrective action) is not issued, the rationale of the decision shall be documented as part of the supplier's performance record.
Ref CWI-00015: Corrective and Preventive Action.

5.3.2.2 A Supplier Rating of "Red" (below a score of 70) requires a risk analysis to be performed per section 5.5.

5.3.2.3 An On-Site audit may be scheduled with the supplier if performance does not improve by the conclusion of an executed corrective action plan or as may be required per the results of a risk analysis per section 5.5.

5.3.2.4 If performance or risk warrants transfer of work scope, transition consideration of the scope of work from the underperforming supplier shall be executed IAW CP-00001: Transition Management.

5.4 PERIODIC EVALUATION

5.4.1 Supply Chain and Quality will review ASL-controlled suppliers to ensure the following is performed and records are up to date:

5.4.1.1 Review the supplier's performance metrics for the past 12 months.

a) If the supplier has a gold or silver scorecard rating the supplier may be reapproved per paragraph 5.4.2.

b) If the supplier has a bronze or red scorecard rating, a risk analysis may be performed per section 5.5 and Supply Chain shall ensure that appropriate steps have been taken to rectify and may suggest additional steps desired, as applicable.

5.4.1.2 If an audit has been performed during the review period, the results shall be appraised.

5.4.1.3 Suppliers flagged in Baan for Digital Product Definition/Model Based Definition (DPD/MBD) controls shall be required to submit evidence of current approval by a Prime, or shall complete a DPD/MBD survey (site specific document), or shall be audited per section 5.6.

5.4.1.4 Suppliers deemed to be acceptable shall have their audit status updated on the ASL with appropriate data attached with the next evaluation scheduled per paragraph 5.4.2.

5.4.1.5 Suppliers deemed to be unacceptable shall be presented to management to determine the action plan needed to either bring the supplier up to an acceptable level, or remove them from the ASL, if possible.

5.4.2 The evaluation cycle shall be established according to the following criteria:

5.4.2.1 Suppliers that qualified per paragraph 5.4.1.1 a) will be set to an evaluation cycle coinciding with their earliest expiring certification on file (e.g., AS/ISO/Nadcap).

5.4.2.2 Suppliers that do not qualify per paragraph 5.4.1.1 a) but hold third party certification will be evaluated on the soonest of: a one year cycle or coinciding with their earliest expiring certification on file (e.g. AS/ISO/Nadcap).

5.4.2.3 Suppliers that do not hold third party certification will be evaluated on a one year cycle for OTD and quality performance, as their evaluation documentation.

5.4.2.4 MRO Suppliers will be evaluated according to the following:

a) MRO suppliers that provide calibration will have the 'ASL Control' box checked in Baan and will be set to an evaluation cycle coinciding with their earliest expiring certification on file (e.g. AS/ISO/Nadcap)

b) MRO suppliers that hold no certifications shall only evaluated if 1) they have a change in terms or location, or 2) Supply Chain deems them to be unfit and require removal from the ASL.

5.5 RISK ANALYSIS

5.5.1 A risk analysis is performed by Supply Chain, Quality Management, and other appropriate subject matter experts (e.g. Program Management, Engineering,

etc...), as deemed necessary, using form CF-00002: Supplier Risk Assessment and is required based on the parameters established in the sections 5.2, 5.3, 5.4 and/or in the event of sub-tier notification, as required in CWI-00013: Supplier Requirements, of any potentially adverse change(s) which shall trigger a risk analysis to determine the need for further control or surveillance.

5.5.2 The level of risk associated with that supplier is used to determine the minimum level of control applied to the supplier for the following evaluation period.

5.5.2.1 Minimal Risk

No further action required until the next evaluation.

5.5.2.2 Low Risk

An improvement plan may be required from the supplier to reduce their risk.

5.5.2.3 Medium Risk

An improvement plan may be required from the supplier to reduce their risk, and an on-site audit may be conducted in the first six (6) months of the evaluation period.

5.5.2.4 High Risk

An improvement plan will be required from the supplier to reduce their risk, and an on-site audit shall be scheduled as soon as practical but no later than within the latter of 30 days of risk analysis or next order commitment. Subsequent to that, quarterly on-site audits shall be conducted until the next evaluation or until the risk has been sufficiently reduced.

5.5.3 Required audits shall be performed per section 5.6.

5.5.4 Periodically, review of risk level criteria and parameters for scoring in CF-00002 shall be reassessed for revision consideration to further enable ongoing continuous improvement

5.5.5 Improvement plan(s), and/or Corrective/Preventive Action Plans shall be captured and managed in the “SCM Next Steps Action Item Log” of CF-00002: Supplier Risk Assessment.

5.6 SUPPLIER AUDITS

5.6.1 On-site audits are required to be performed by Supply Chain, Quality Management, and other appropriate subject matter experts (i.e. Program Management, Engineering, etc...) as deemed necessary, based on the parameters established in Sections 5.2, 5.3 and 5.5 or as otherwise determined by Supply Chain or Quality Management.

5.6.1.1 Audits performed shall use CF-00013: Supplier Assessment and/or the applicable Assessment Checklist in CompliantPro.

5.6.1.2 DPD/MBD audits, when required, shall be performed using Audit Checklist IACHK-00010: DPD/MBD Control Process.

5.6.1.3 Any score of a '1' or '2' for any category question or summary score for any category requires a Preventive/Corrective action to be logged and tracked in the 'SCM Next Steps' worksheet tab. Any score of 3 or higher will be at the discretion of the audit team.

5.6.2 The auditor shall document the results of all on-site audits in CompliantPro per CWI-00007: Supplier Information Process or in the Baan Maintain Approved Supplier List session.

Michelle Stein Email Approval

Associated Items

Document Control Documents

- Quality Level 1 - Manual M-00001 : Ducommun AeroStructures Management System Manual
- Level 2 - Procedures CP-00001 : Transition Management
- Quality Level 3 - Work Instructions CWI-00007 : CompliantPro Supplier Information Module
- Level 3 - Work Instructions CWI-00013 : Supplier Requirements (DAS SOP-7-17)
- Quality Level 3 - Work Instructions CWI-00015 : Corrective and Preventive Action (DAS SOP-8-6)
- Quality Level 4 - Forms CF-00001 : Supplier Data Sheet
- Quality Level 4 - Forms CF-00002 : Supplier Risk Assessment
- Level 4 - Forms CF-00013 : Supplier Assessment
- Level 4 - Forms CF-00027 : Supplier Scorecard
- Level 4 - Forms CF-00028 : New Business Partner Requirements

Reason for Change

Date of Change October 25, 2013 **Version** A
Section Changed All
Change Made Rolled from WI-00013 Rev A allow the system to visually differentiate between site and corporate org documents, with the following technical changes made:

4.1 Changed verbiage from '...ISO 9001/ISO 13485/AS 9100...' to '...applicable industry standards (i.e. ISO 9001, ISO 13485, AS 9100, AS 9120, etc.)...' to remove any limitation in using other industry management system standards and to specifically identify AS9120.

Date of Change July 9, 2014 **Version** B
Section Changed 5.0
Change Made 5.4.2 (removed): Moved entire section to CF-00002 and renumbered remainder of the section.
5.4.2 (was 5.4.3): Moved form plotting instructions to CF-00002.

Date of Change August 14, 2014 **Version** C
Section Changed Multiple
Change Made All: Changed AeroStructures and DAS to Structural Systems Group and SSG throughout the document.
5.2.2.2: Added Note identifying supplier formats are acceptable.
5.3.1.2: Changed to reflect review of prior supplier data per 5.2.2.2 and update as necessary, and removed reference to CF-00001.

Date of Change April 20, 2015 **Version** D
Section Changed All
Change Made Complete rewrite of document to enhance process flow.

Date of Change March 13, 2018 **Version** E
Section Changed Multiple Changes
Change Made Multiple changes made to the procedure to align with current practice.

Date of Change July 5, 2018 **Version** F
Section Changed 5.3.2.1
Change Made 5.3.2.1
Updated section to reflect current practice.

	Issuance of SCAR is now discretionary.	
Date of Change	June 11, 2019	**Version** G
Section Changed	5	
Change Made	5.1.2: Removed the reference to CWI-00015 5.1.3.2: removed reference to CWI-00007 5.2.2: added "or Equivalent" and added new sentence about form CF-00028. 5.2.3: added info about checking the DPD/MBD box. 5.3.1: Removed "monthly" since this is a real time system. 5.4.1: Removed Annually and Quarterly. 5.4.1.1: rewrote 'a' and 'b' to align with gold/silver/bronze/red scorecard levels, deleted 'c.' 5.4.1.3: added option to use a survey for DPD/MBD. 5.4.2: rewrote all subparagraphs to clarify and define requirements in each case. Added CF-00028 as associated item.	

Notification List

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Approval Status Table

Approver Source **Approvers - QMS** **Parallel-Everybody** Segment

Approver	Action	Date	Comment
Mazza, John 020881	Approve	June 10, 2019 4:36 PM GMT-4	
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