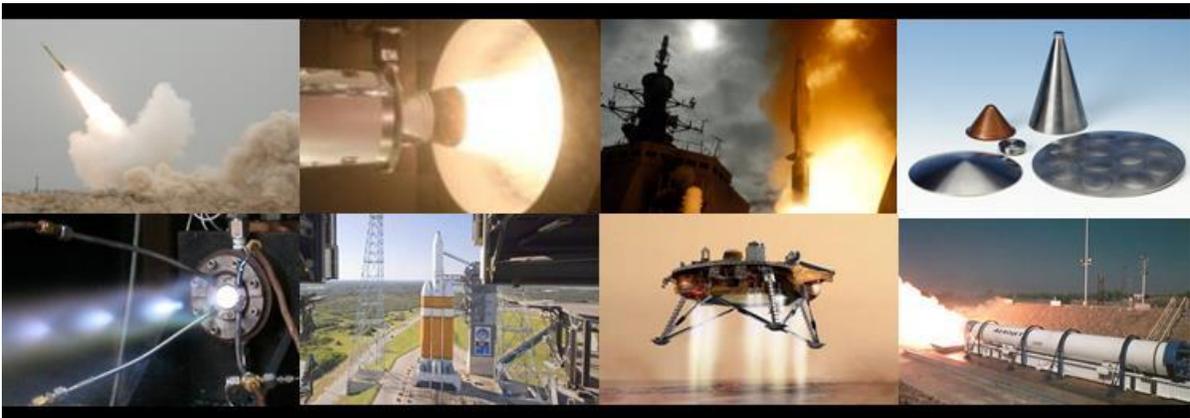


Supplier Rating System (SRS)



Aerojet Rocketdyne
March 2017



Supplier Rating System

As a supplier to Aerojet Rocketdyne, you should know and understand our supplier rating system. Aerojet Rocketdyne uses the supplier rating of our suppliers to make current and future sourcing decisions. To provide you with a better understanding of the system, we have prepared this pamphlet to answer many frequently asked questions about the system.

Suppliers may access their Supplier Performance from the Aerojet Rocketdyne Supplier [Portal Gateway](#) monthly and view their 12 months of history for Quality and Delivery Performance. Sufficient back up information shall be provided to allow suppliers to review their ratings.



What data makes up the Supplier Quality Rating (SQR)?

The calculation includes only inspected items and contains a weighting factor based on the severity of the rejection depending upon when in the Supply Chain process it is detected. To be included in the calculation, the event must have occurred during the 12 month window being assessed.

How is the (SQR) calculated? (weighted factor as follows):

- Rejections found by the supplier before shipment of product - Suppliers requests for Nonconformance (Supplier Submittal (SS) or Supplier Nonconformance Request Datasheet (SNRD) (.1) factor
- Rejections found during Source / Receiving Inspection (.2) factor
- Rejections found during Electronic Certificate of Conformance Review (Ecofc) (.2) factor
- Major audit findings from audit performed either by Accredited Registrar or Aerojet Rocketdyne (.4 factor)
- Line rejections found post-receipt at Aerojet Rocketdyne (.4) factor
- Customer Escapes found after delivery to a customer (1.0) factor regardless of timeframe when found

Formula:

$$100 \left[1 - \frac{\#SS/ Rejections \times .1 + \# of Src/Rec/Ecofc/ Rejections \times .2 + \# of Major Audit Findings \times .4 + \# of Line Rejections \times .4 + \# Cust. Escapes \times 1}{\# of Receipts} \right]$$

The Timeframe is 12 months for example: March 2016 – February 2017 (Available in March 2017)

Example:

Supplier A	Events					Sum Total
	Supplier Submittals	Source or Electr. C of C or Rec. Rejects	Line Rejects	Major Audit Findings	Customer Escapes	
# of Supplier Responsible Events	3	7	1	1	1	
Factor	(*x .1)	(*x .2)	(*x .4)	(*x .4)	(*x 1)	
Formula	3 *.1= 0.3	7 *.2 = 1.4	1 *.4 =.4	1 *.4 =.4	1 * 1= 1	
Sum Total	0.3 +	1.4+	.4+	.4+	1	3.5

of Receipts= 8
Sum Total 3.5 Divided by Receipts= 0.44
1- the Sum Total = Supplier Quality Rating= 56%



How does the Rejection Data Process work for the Supplier Quality Rating?

Supplier Quality Ratings are derived from inspection data for inspected hardware purchase orders line items. Nonconformances from Supplier Submittals, Source Inspection, Electronic Certificate of Conformance Review, Receiving Inspection, or from latent defects found on the Line or from customer escapes begin a process where responsibility is determined and data is collected by the Supplier Rating System.

Rejection Liability Coding:

These are the rejection liability coding listing for determining responsibility for rejections:

Supplier Responsibility		Not Supplier Responsibility	
C:	Electronic Certificate of Conformance	R:	Aerojet Rocketdyne
I:	Supplier initiated Supplier Submittal	M:	Aerojet Rocketdyne Line Rejection
L:	Line Rejection		
O:	Line Rejection (product received outside 12 month window) for trending purposes		
S:	Supplier responsibility		
X:	Customer Escape		

Liability Determination

The determination of responsibility for rejection is made by the product acceptance inspection process. Only nonconformances attributed as supplier responsibility will be part of the formula and adversely affect the supplier quality rating. Line Rejections found outside of the 12 month window (Rejection Liability Code "O") will not be included in the Supplier Quality Rating calculation. In addition, those rejections that are Aerojet Rocketdyne responsibility will not adversely affect a supplier's quality rating.

Liability Reversal

Suppliers may seek a liability reversal through the Aerojet Rocketdyne buyer for the affected purchase order. Suppliers may dispute a rejection liability by submitting documentation to the Buyer within one year from the original rejection liability. When this information is presented to the Aerojet Rocketdyne Quality Assurance analyst, a review will be performed and the database corrected accordingly, if required. If the dispute request is not granted, the request for reversal of liability may be presented to Supplier Quality management for review. Reversals are reviewed and analyzed regularly to determine if Aerojet Rocketdyne corrective action is required.



Corrective Action

All nonconformances are assessed to determine the need for supplier corrective action. Corrective action requirements are processed in separate correspondences.

Management Review

Disagreement about liability responsibility is resolved by the Site Supplier Quality Manager who is also available to answer any questions or comments about the SQR.

What data makes up the Supplier Delivery Rating (SDR)?

Product or deliverables that are either inspected or non-inspected, excluding overhead items.

How is the (SDR) calculated?

The supplier delivery rating (SDR) is obtained from this formula:

$$\text{Number of scheduled items on Time} / \text{Number of Scheduled Items Due} = \text{SDR}$$

Items are categorized as either on time, behind or late. There is no penalty in the SRS formula for early delivery. Late delivery is considered late when the item is received 7 calendar days past the scheduled due date. Behind schedule is identified when the item is not received when due.

How does the Schedule Review Process work?

Data will be collected monthly for each supplier.

Data Verification

At the beginning of each month, the supplier rating system is refreshed which will show for each scheduled delivery during the 12 month window, the actual receipt or non-receipt of the item. It will also show any additional receipts during the month and the actual schedule for that receipt. It will also reflect how many days late or how early a given delivery is. This information will be visible through the secure Aerojet Rocketdyne Supplier Portal.

Suppliers will have one week after the first of the month to review the information and inform the buyer if any problems are discovered. If there are instances in which schedule relief should have been granted, the buyer shall institute a change notice. If agreement on schedule relief cannot be reached, the buyer shall refer the information to the buying



manager or upper management for resolution. Suppliers will be notified of the final disposition of their request.

Management Review

Disagreements or questions about late deliveries or issues related to the purchase order schedule will be resolved with the buyer, with the final authority being Designated Supply Chain and Material Management at each site.