



**TEXTRON** Systems

*INNOVATION THAT WORKS.®*

**AAI CORPORATION TEXTRON SYSTEMS  
SUPPLIER RATING SYSTEM  
QA-SP48 Rev. B**



**Objective:**

- Provide AAI's strategic supply base with formal feedback on their overall performance to our expectations.
- Identify and prioritize Supplier development and corrective action needs.
- Serve as a key element of AAI's strategic sourcing process.

The Supplier is rated in two separate categories, Quality and Delivery. Suppliers are encouraged to view their rating on a monthly basis and submit any discrepancies for investigation by AAI Supplier Quality and Procurement.

**Quality Performance:**

- The quality rating is a six month rolling average of the number of parts accepted vs. the number of parts rejected and is calculated as follows:

$$\left[ \frac{\text{Quantity of Parts Accepted}}{\text{Total Number of Parts Received}} \right] \times 100$$

**Delivery Performance:**

- The delivery rating is a six month rolling average of the number of parts received on time vs. the total number of parts received and is calculated as follows:

$$\left[ \frac{\text{Quantity of Parts Received on Time}}{\text{Total Number of Parts Received}} \right] \times 100$$

**On time performance is measured as follows:**

**“On Time”** – Product is received between thirty (30) business days prior to, and five (5) business days after the contracted delivery date.

**“Late”** – Product is received more than five (5) business days after the contracted delivery date.

**“Early”** - Product is received more than (30) business days prior to the contracted delivery date.



## ***Performance Level Definition for Quality:***

- **AAI “Green” Supplier:**

**Rating of 98% and above.**

Suppliers performing at this level will be given every opportunity to quote business opportunities that fall within their capabilities.

- **AAI “Yellow” Supplier:**

**Rating between 97.9% and 95%**

Suppliers performing at this level need to demonstrate sustained improvement. Supplier Quality Engineering review of supplier performance required. Supplier may be contacted to discuss current performance. Investigation results must be entered into the Supplier Corrective Action Data Base. Growth opportunities may be limited based on the severity of the nonconformance's.

- **AAI “Red” Supplier:**

**Rating below 95%**

Suppliers performing at this level will require Supplier Quality Management approval prior to issuing any new purchase orders over \$30,000. Supplier Quality Engineering review of all rejects is required. Supplier may be contacted to discuss current performance. Visit to the Supplier may be required. Investigation results must be entered into the Supplier Corrective Action Data Base.

Removal from the AAI Approved Supplier base is possible.

**Performance Level Definition for Delivery:**

- **AAI “Green” Rated Supplier:**

**Rating above 80%**

Suppliers performing at this level will be given every opportunity to quote business opportunities that fall within their capabilities.

- **AAI “Yellow” Supplier:**

**Rating between 79.9% and 70%**

Suppliers performing at this level need to demonstrate sustained improvement. Buyer/SBM/Strategic Sourcing review of supplier performance may be required. Supplier may be contacted to discuss current performance. Investigation results must be entered into the supplier Corrective Action Data Base. Growth opportunities may be limited based on the severity of nonperformance

- **AAI “Red” Supplier:**

**Rating below 70%.**

Suppliers performing at this level due to late deliveries each month will be subject to a management review of all current business. Procurement/Subcontracts Manager must pre-approve all Purchase Order’s issued to red rated suppliers over \$30,000. Supplier may be contacted to discuss current performance. Visit to the supplier may be required. Investigation results must be entered into the Supplier Corrective Action Data Base.

Removal from the AAI Approved Supplier base is possible.

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**Revision History:**

2/4/2011: Removed “Blue” Supplier performance level. Updated percentages.