

QUALITY REQUIREMENTS SERVICES SUPPLIERS

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1. INTRODUCTION AND TARGET

Integrated in a high competitive market is **MCG** intention to consolidate its position as a strong and reliable partner. Therefore, the continuous improvement is the basis of our management system.

The relationship with suppliers is the key for success; this success will depend on the effectiveness of the communication between both parties in order to guarantee and exceed customer expectations.

This document establishes the necessary quality requirements to assure an effective and profitable business relationship between **MCG**, and its Services Suppliers. Its application is mandatory and any deviation must be waived by **MCG** prior to implementation.

Changes from last revision are identified in light blue.

MCG expects suppliers to establish processes and designs with the goal of achieving zero defects, 100% on time delivery, and annual score A. Suppliers are also expected to strive for continuous improvement in quality, innovation, delivery, service and competitiveness.

2. GENERAL REQUIREMENTS

The implementation of a Quality Management System that meets customer requirements and fulfils the supplier needs is the basis of a profitable relationship between companies.

MCG purchasing policy is to acquire services from suppliers that are 3rd party certified, ISO 9001 (latest standard version), unless otherwise specified by customer. Supplier shall demonstrate conformity to ISO 9001:2015 by maintaining a third-party certification issued by a certification body bearing the accreditation mark of a recognized IAF MLA (International Accreditation Forum Multilateral Recognition Arrangement) member and where the accreditation body's main scope includes management system certification to ISO/IEC 17021.

MCG reserves the right to conduct audits at suppliers' location or request self-assessments to suppliers even when 3rd party certified.

MCG is committed to conduct business with integrity and in compliance with all applicable laws and regulations. We encourage all business partners and suppliers, to take the Code of Conduct into account in their own company policies.

3. TREATMENT OF NON-CONFORMITIES

The supplier is responsible for the quality of delivered services at any time. Supplier responsibility does not end after delivery of services to **MCG**; any customer concerns, rejections or recalls related with supplier services will be supplier's responsibility (does not include damages created by **MCG**).

For each claim issued 100 € of administrative costs will be charged to the supplier.

4. CONTINGENCY PLANS

The supplier shall prepare contingency plans to satisfy **MCG** requirements in the event of emergency such as utility interruptions, labor shortages, key equipment failure and field returns.

5. SUPPLIER RATING

To improve the communication and suppliers performance **MCG** has developed a system of suppliers evaluation.

The supplier shall issue an action plan whenever deviations from target occur.

Supplier evaluation is based in the following criteria's:

- ✓ Service performed as requested
- ✓ Accomplish the deadlines defined
- ✓ No conformitie(s) resulting from the service(s) provided(s)
- ✓ Gap from the cost of the services (Reals vs PO)
- ✓ License or permiton for the service
- ✓ Certification status
- ✓ Communication

6. EVALUATION CRITERIA

This criteria is calculated based on the amount of accomplished with the request versus the total number of orders during a period of time. The score is given in accordance with table

	Item	Evaluation	Criterion	%
QUALITY & LOGISTIC	Service performed as requested	Accomplished with the request / number of orders	Yes	100
			No	1
	Accomplish the deadlines defined	Quantity of services on time/ number of orders	On time	100
			Delay	1
No conformitie(s) resulting from the service(s) provided(s)	Problems due to the services / number of orders	Yes	100	
		No	1	
Gap from the cost of the services (Reals vs PO)	Increased percentage	0%	100	
		>0% e < 20%	50	
		> 20%	1	
SYSTEM MANAGEMENT	License or permission for the service	Up to date	Yes	100
			No	1
SYSTEM MANAGEMENT	Certification	ISO 9001	Yes	100
			No	1
PURCHASING	Communication	Cooperation and support	Meets expectations	100
Needs improvements			50	
Out of ES expectations			1	

7. SCORECARD

The scorecard is determined by the following formula:

$$(0,6 \cdot \text{Quality\&Logistic}) + (\text{System Management} \cdot M28) + (\text{Purchasing} \cdot M34)$$

8. FINAL SCORE

Four levels are defined based on the final score:

SCORE	Level A - Preferred supplier	> 85%
	Level B - Needs improvements	$60\% \leq \text{grade} < 85\%$
	Level C - Unsatisfactory	$40\% \leq \text{grade} < 60\%$
	Level D - Suspended supplier	< 40%

CHANGES CONTROL

<i>Rev</i>	<i>Date</i>	Changes
0	November 2018	First Edition
1	June 2019	Change MGCA to MCG, in order to include MCG Stamping
2	November 2019	Clarified the minimum acceptable level for the supplier QMS

I hereby declare, that I have taken knowledge of the contents of the **QUALITY REQUIREMENTS FOR SERVICES SUPPLIERS** and that I agree with the contents.

Agreement from both parties,

Supplier name
Date and place
Print name and signature
Function

MCG
Date and place
Print name and signature
Function