

# User Guide: Supplier Scorecard Guidelines

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## 2.0 Scope and Purpose

This document has been generated for both distribution to PCB’s Supplier base and use internally to assist in the interpretation and review of distributed Supplier Scorecards. This document provides guidance on how supplier performance is calculated and how to interpret PCB’s supplier performance grading system.

## 3.0 General Information

PCB’s scorecard system is a tool used to facilitate open communication and joint problem solving between PCB and our Suppliers. The system is used as a tool to assist in the daily management of our purchased components and is an essential part of our supplier selection and approval process. Suppliers scorecard are used as an assessment tool in source selection decisions and supplier approval status.

The system is comprised of a quarterly scorecard of quality and delivery performance metrics measured in the 12 month period preceding each quarter. Scorecards are generated for all production suppliers, but are distributed only to those suppliers who are classified as a Prime Supplier to PCB. Prime suppliers are calculated as those suppliers who make up 80% of the total spend in the 12 month period preceding each quarter. Scorecards may be provided to additional suppliers at the discretion of PCB’s Purchasing Department.

Supplier’s performance is reviewed against prior quarters and assessed as improving, flat, or declining. Suppliers are assessed as a Green, Yellow, or Red supplier based on the blended grade in the quarter. PCB’s Purchasing Department will review performance on a quarterly basis to identify and address any potential issues on a timely basis with Suppliers, and if necessary determine corrective action steps based on the Supplier’s blended quarterly grade and grade trend.

## 4.0 Frequency and Communication

Supplier scorecards will be generated at the end of each quarter for the preceding 12 month period. After internal review, scorecards will be emailed to Prime Suppliers.

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Scorecard Quarter Period	Months in Quarter	Data – Rolling 12 month period	Receipt of Scorecard
Quarter 1 (Q1)	January – March	April 1 <sup>st</sup> – March 31 <sup>st</sup>	Quarter 2 (Q2)
Quarter 2 (Q2)	April – June	July 1 <sup>st</sup> – June 30 <sup>th</sup>	Quarter 3 (Q3)
Quarter 3 (Q3)	July – September	October 1 <sup>st</sup> – September 30 <sup>th</sup>	Quarter 4 (Q4)
Quarter 4 (Q4)	October – December	January 1 <sup>st</sup> – December 31 <sup>st</sup>	Quarter 1 (Q1)

A Supplier may request their scorecard at any time by emailing [SDE@pcb.com](mailto:SDE@pcb.com).

### 5.0 Performance Categories

Suppliers are measured based on their performance against 4 sub-categories focused on delivery and quality.

#### On Time Delivery

On time delivery comprises 45% of the supplier’s overall weighted average. On time delivery is calculated as a percentage, by dividing the number of deliveries received 3 days after the promise date by the number of total receipts with the in preceding 12 month period.

The % on time delivery is the on time score.

#### Accepted Material

Accepted material comprises 25% of the supplier’s overall weighted average. Accepted material is calculated as a percentage, by dividing the number of accepted pieces (*applicable UOM*) received by the number of total pieces (*applicable UOM*) with the in preceding 12 month period.

The % accepted is then assigned a score.

#### Corrective Action (CARs)

The CAR grade comprises 25% of the supplier’s overall weighted average. The CARs grade is comprised of the number of Corrective Actions (CARs) assigned per 100 receipts of material. This is calculated by dividing the number of CARs assigned in the preceding 12 month period by the number of receipts divided by 100.

The CAR grade is then assigned a score.

#### Corrective Action (CAR) Responsiveness

Corrective Action (CAR) Responsiveness comprises 5% of the supplier’s overall weighted average. CAR Responsiveness is calculated as the number of days between when the CAR was initiated to when the CAR corrective action was completed. This measure is calculated for any CARs **that were closed within the rolling 12 month period and then an average is calculated of the days for the period. The average days to close is CAR Responsiveness grade.**

The CAR Responsiveness grade is then assigned a score.

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### 6.0 Grading

Each supplier will be given a blended score. This score is calculated based on the score of each category multiplied by the weight assigned to the category.

The following shows the scoring rubric for each category.

Delivery Performance On Time Delivery	
= Receipts on Time / Total Receipts (On Time = Received within +3 days from Promise Date on Order)	
<b>% On Time</b>	<b>Percent Score</b>
% On Time	% On Time
<b>Weight</b>	45%

Quality Performance Accepted Material	
# of pieces accepted / total # of pieces received	
<b>% Accepted</b>	<b>Percent Score</b>
100	100%
>98 to <100	98%
>95 to <=98	95%
>90 to <=95	90%
>80 to <=90	80%
<80	50%
<b>Weight</b>	25%

Quality Performance CARS	
CARS per 100 Lots Received '=(#of CARS/# of receipts/100))	
<b>CAR Grade</b>	<b>Percent Score</b>
0 to <=.5	100%
>.5 to <=2	90%
>2 to <=5	80%
>5 to <=10	70%
>10	0%
<b>Weight</b>	25%

Quality Performance CAR Responsiveness	
# of days between CAR initiated to CAR <b>corrective action received</b>	
<b>CAR Response</b>	<b>Percent Score</b>
0 to <=7	100%
>7 to <=20	90%
>21 to <=30	85%
>31 to <=33	80%
>33	0
<b>Weight</b>	5%

Figure 2: Scoring Rubric

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The following shows the weight given to each category of the blended rating.

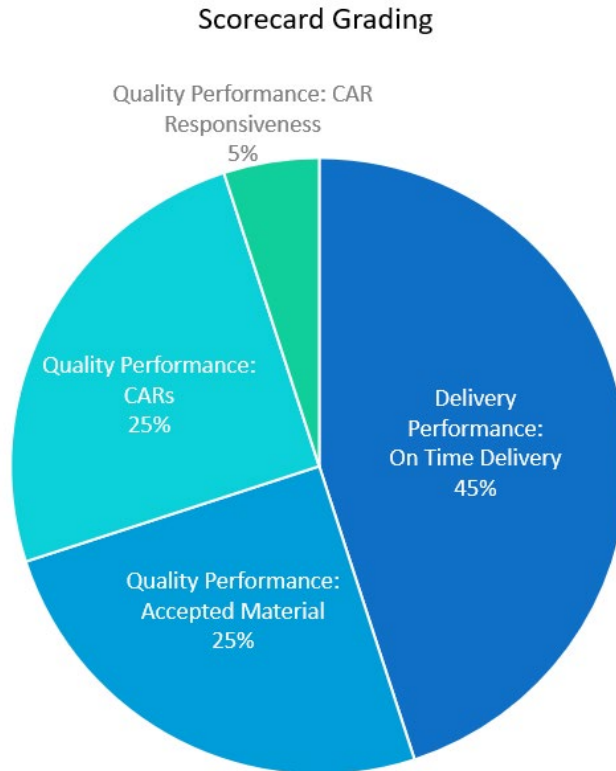


Figure 1: Scorecard Grading

### 7.0 Supplier Rating

Suppliers blended rating will be assessed as follows:

Supplier Blended Score	Supplier Rating	Assessment
>=90 to 100	GREEN	Meets PCB's performance expectations
>=80 to < 90	YELLOW	Needs improvement, no formal action required
0 to <80	RED	Poor performer, requires remediation or exit strategy

**At a minimum**, Suppliers whose blended performance rating is below 80% will be formally reviewed each quarter by Purchasing and Quality, along with the supplier's performance trend, to determine whether or not a formal CAR will be issued for substandard performance. **At the discretion of the Purchasing and Quality team, Suppliers whose performance rating is Green or Yellow may also be reviewed for corrective action.**



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### 8.0 Scorecard

The Scorecard will be in an excel file format. The scorecard will be comprised of a Summary Tab and then 4 additional tabs that include supporting data.

Summary Tab:

This is the primary scorecard. A suppliers vendor ID, name, address, payment terms, and rolling 12 month PO Receipt value are listed at the top, along with the period of performance being measured. It includes the blended rating at the top, as well as the individual scores below. A graphic of the monthly ontime delivery, accepted material and PO receipt value is shown at the bottom of the scorecard.

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**Supplier Scorecard**

Scorecard Period: **7/1/22 - 6/30/23**

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**1234 - Example Scorecard**

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1234 Scorecard Ave

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Scorecard, USA  
12345

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Payment Terms: **N60**

**Blended Rating: 92.5%**

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**12 Month PO Receipt Value: \$500,000**

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**Delivery Performance**

<b>Delivery: 83.33%</b>	<b>Late Receipts: 2</b>	<b>Total Receipts: 12</b>
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**Quality Performance**

<b>Accepted Material Grade:</b>	<b>Percentage Accepted: 100%</b>	<b>Pieces Rejected: 0</b>	<b>Pieces Received: 2,300</b>
<b>CAR Grade: 100%</b>	<b>CARs: 0</b>	<b>MRRs: 1</b>	
<b>CAR Response Grade: 100%</b>		<b>Average Days to Close: No Closed Cars</b>	



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Vendor Summary Tab:

This provides a table of the data on the summary tab.

Receipt Detail Tab:

This provides a table of the PO Receipts in the period of performance.

MRR Detail Tab:

This provides a table of open MRR's or any closed within the period of performance.

MRR's are not counted towards the scorecard grades but details are provided for reference.

CAR Detail Tab:

This provides a table of open CAR's or any closed within the period of performance.

### 9.0 Questions or Concerns

Any questions or concerns with the supplier scorecards or data within may be directed to [SDE@pcb.com](mailto:SDE@pcb.com)