

IMPORTER ASSESSMENT PROGRAM FOR FOREIGN VENDORS

PURPOSE:

The purpose of the **XYZ Corporation Foreign Vendor Assessment Program** is to objectively evaluate overseas suppliers, identifying areas of improvement or requirements for being a supplier to XYZ.

CONTENTS:

The **XYZ Supplier Foreign Vendor** consists of the following four sections:

- Section 1 - Supplier Business Survey
- Section 2 - Supplier Quality Self Assessment
- Section 3 – Factory Security Questionnaire
- Section 4 - On-Site Audit Survey

ROLES/RESPONSIBILITIES:

Vendor: The Vendor is responsible for completing the first three sections: Vendor Business Survey, Vendor Quality Self-Assessment and the Factory Security Questionnaire.

XYZ: XYZ Corporation is responsible for completing Section 4, the On-Site Audit Survey, and arriving at a Vendor Assessment Score.

VENDOR ASSESSMENT SCORING:

Based on the weighted matrix shown below, which reflects the relative importance of each area to XYZ Corporation, the company will arrive at an overall Vendor assessment score. Areas needing improvement and reasons for less than 100% scoring will be provided by XYZ in the comments sections of the Vendor Assessment report.

SCORING MATRIX:

	Weight	Score	Weighted Score	Comments
Supplier Business Survey	6%			
Business Administration/Org	2%			
Operations	2%			
Materials Management	2%			
Supplier Self Assessment	8%			
Quality System	2%			
Customer Interaction	1%			
Supplier Interaction	1%			
Product Design	1%			
Process Management	2%			
Workforce Management	1%			
On-site Audit Survey	76%			
Organization & Admin.	2%			
Total Cost	10%			
Capacity	10%			
Customer Support	4%			
Supply Management	10%			
Materials Control	5%			
Safety & Housekeeping	5%			
Delivery & Shipping	10%			
Quality Controls	20%			
Factory Security	10%			
Overall Score				

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SCORING MATRIX EXAMPLE:

ABC Company is being assessed. After ABC Company completed and submitted the Vendor Quality Self-Assessment, the Vendor Business Survey and the Factory Security Questionnaire, XYZ reviewed and scored the submission. Comments were provided for every score less than 100%. In addition, XYZ conducted an on-site audit and filled out the On-Site Audit Survey, providing scoring and comments for sections receiving a score less than 100%

	Weight	Score	Weighted Score	Comments
Supplier Business Survey	6%		5.6	
Business Administration/Org	2%	100	2.0	
Operations	2%	90	1.8	Comments
Materials Management	2%	90	1.8	Comments
Supplier Self Assessment	8%		7.5	
Quality System	2%	95	1.9	Comments
Customer Interaction	1%	90	0.9	Comments
Supplier Interaction	1%	100	1.0	
Product Design	1%	100	1.0	
Process Management	2%	90	1.8	Comments
Workforce Management	1%	85	0.9	Comments
On-site Audit Survey	76%		73.1	
Organization & Admin.	2%	100	2.0	
Total Cost	10%	95	9.5	Comments
Capacity	10%	100	10.0	
Customer Support	4%	90	3.6	Comments
Supply Management	10%	100	10.0	
Materials Control	5%	100	5.0	
Safety & Housekeeping	5%	90	4.5	Comments
Delivery & Shipping	10%	95	9.5	Comments
Quality Controls	20%	95	19.0	Comments
Factory Security	10%	90	9.0	Comments
		Overall Score	95.2	

XYZ may make follow-up assessments as needed or in an effort to assist the Vendor.

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SECTION I: SUPPLIER BUSINESS SURVEY

Company Name: _____

Company Representatives(s): _____

Address : _____

Telephone : _____

Fax: _____

E-Mail: _____

Date: _____

Survey Performed By and Title: _____

A. KEY PERSONNEL

President / CEO: _____

Owner: _____

Manufacturing: _____

Title: _____

Quality: _____

Title: _____

Sales/Marketing: _____

Title: _____

B. BUSINESS ADMINISTRATION / ORGANIZATION

1. Is your company privately or publicly held? Private: Public:
2. How long in business?
3. What is your primary business?
4. What percentage is this of your overall business?
5. Do you require your customers to sign a non-disclosure agreement?
6. Do you have an Emergency Business Plan in place?
If no, are you planning on implementing one?
7. Please provide a copy of your most recent financial statement / annual report.
8. Do you have an organizational chart? If so, please attach a copy.
9. Does your company have subsidiaries?

If so, please list them and their primary business.

10. Is your company a subsidiary of a larger firm?

If so, please provide the name of the parent company.

11. Please provide forecasted sales information. Last Year: _____ This Year: _____

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12. Please provide actual sales information. Last Year: This Year:

13. Have you done business with XYZ Corporation?

If yes, please indicate when and what products or services were provided.

14. Are you a distributor for the materials being considered by XYZ Corporation?

If yes, who is / are the manufacturer(s)?

15. If you are a distributor:

- a) Do you also distribute for other manufacturers of the same or like materials?
 - b) If yes, who are they?
 - c) What percentage of the manufacturer's capacity of the materials being considered by XYZ Corporation do you purchase and or distribute?

16. If you are the manufacturer, do you have distributors for your products?

If yes, do you require your customers to purchase your products through the distributor?

If yes, who are the distributors and where are they located?

Distributors Locations

17. Who are your five largest customers for products like those being considered by XYZ Corporation?

Customers & Contacts Phone Numbers

18. Do you hold any certifications? (i.e. ISO, QS, QAS)

If yes, please attach.

C. OPERATIONS

1. What is the square footage of:

Facility area? **Production area?** **Warehouse area?** **Office area?**

2. How many employees at this facility? Total for company?

How many shifts are operated at this facility? Number of days per week?

3. How many years has the company been at this facility?

4. Does the company own this facility or rent?

5. Does the company / plant comply with regulatory agencies? If so, who are they?

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6. Do you educate and train employees on safety and good housekeeping practices?
7. Is your plant unionized?
If yes, what is the name of the union? When does the contract expire?
What is the strike history, if any?
8. For those products being considered by XYZ Corporation, would they be manufactured?
9. Is there a local representative of your company near XYZ's headquarters?
If yes, please provide their name?
10. Do you provide technical support for new and existing products?
11. Do you share cost data with your customers and examine historical, actual, and projected costs?
12. When have price increases occurred?
What was the justification?
13. Do you actively work on cost reductions and waste elimination?
If so, what savings have you realized?
14. Do you enter into long term contracts and extend cost reductions to your customers?
15. What is your standard quoted turn around time?
16. At what stage can orders be changed?
17. What is your percentage of on-time delivery?
18. Do you manufacture and ship on a just-in-time basis?
19. How do you handle customers' complaints?
20. What is your return policy?
21. Can you accommodate special packaging requirements?
22. Do you use a computerized system such as MRP to plan and order materials?
23. How often are inventory records updated and orders placed?
24. Please describe the planning and purchasing system that you are currently using.
25. Do you currently use or are you planning to use EDI with your suppliers?
26. Do your buyers routinely obtain competitive bids?
27. What are the criteria for selecting suppliers?
28. What percentage of your suppliers are sole sources?
29. Do you require that purchased materials be procured from approved suppliers?

D. MATERIALS AND SUPPLY MANAGEMENT

1. How do you control the storage areas for materials?
2. How often do you verify inventory? By what method?
3. What system do you use to determine available capacity to accept purchase order dates?

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SECTION II: VENDOR QUALITY SELF ASSESSMENT

Company Name: _____

Company Representatives(s): _____

Address: _____

Telephone : _____ Fax: _____ E-Mail: _____

Date: _____ Survey Performed By and Title: _____

Ratings: 1=Never or strongly disagree 2=Seldom or somewhat disagree 3=Sometimes or neither agree or disagree

4= Most of the time or agree 5=Always or strong agree

Please place an "X" in the column which best describes your company.

A. QUALITY SYSTEM	1	2	3	4	5
1. Our quality system is fully documented.					
2. Quality system requirements are communicated to and understood by all employees.					
3. We perform internal quality audits on a regular basis to ensure the adequacy and effectiveness of our quality system.					
B. CUSTOMER INTERACTION	1	2	3	4	5
1. We frequently are in close contact with our customers.					
2. Customers often visit our plant.					
3. Our customers give us feedback on quality and delivery performance.					
4. Our customers buy from us just-in-time to meet their needs.					
5. We have a low incidence of customer complaints, compared with our industry.					
6. We investigate and resolve customer complaints in a timely manner.					
7. Customer contracts or orders are reviewed prior to acceptance to determine capability and capacity to meet all specified requirements.					
8. We participate in "certified supplier" or "ship to stock" programs with the majority of our customers.					
C. VENDOR INTERACTION	1	2	3	4	5
1. We strive to establish long term relationships with suppliers.					
2. Our suppliers are actively involved in our new product development process.					
3. Quality is our #1 criterion in selecting suppliers.					
4. We rely on a small number of high quality suppliers.					
5. We evaluate supplier performance on a regular basis.					
6. Our suppliers do not have problems with our definition of product requirements.					
7. We have an active "Certified Supplier" or ship to stock program.					
8. We use source inspection and receiving inspection to verify supplier's products.					

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D. PRODUCT DESIGN	1	2	3	4	5
1. New product designs are thoroughly reviewed before the product is produced and sold.					
2. Customer requirements are thoroughly analyzed in the new product design process.					
3. Direct labor employees are involved to a great extent before introducing new products or product changes.					
4. Manufacturing engineers and quality assurance are involved to a great extent before the introduction of new products and product changes.					
E. PROCESS MANAGEMENT	1	2	3	4	5
1. Our plant is kept clean at all times.					
2. Employees don't have trouble finding the tools they need.					
3. Equipment operators are in charge of their own routine maintenance.					
4. We have a low rate of down time for repairs compared with our industry.					
5. We have an adequate preventive maintenance program.					
6. We dedicate a portion of every day solely to preventive maintenance..					
7. Processes are designed to be "fool proof".					
8. All equipment or processes on the shop floor are currently under statistical control.					
9. Special causes of variation are investigated when out of control conditions are detected.					
10. Process capabilities are established and documented for all processes.					
11. Employees are provided standardized written process instructions to perform critical operations.					
12. Employees are trained to inspect their work.					
13. Our inspection and testing capabilities are "state of the art" compared with our industry.					
14. All inspection, measuring, and test equipment are on a periodic calibration recall system.					
15. Nonconforming materials are segregated or identified to preclude inadvertent use.					
16. Corrective actions taken as a result of nonconformance include investigation of the root cause, elimination of the root cause and a follow-up verification plan.					
17. We have a high first pass yield compared with our industry.					
18. We maintain accurate batch/lot traceability throughout our manufacturing process.					
19. Material handling practices are adequate to prevent damage during processing.					
20. Products and materials are stored adequately to preclude adverse environmental conditions.					
21. All records demonstrating product and process compliance are maintained and readily retrievable.					
22. We consistently provide accurate test certifications or certifications of conformity to our customers.					

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F. WORKFORCE MANAGEMENT	1	2	3	4	5
1. Our plant forms teams to solve problems.					
2. In the past 3 years, many problems have been solved through small group sessions.					
3. Direct labor undergoes training to perform multiple tasks in the production process.					
4. Our plant has a high skill level compared with our industry.					
5. We use knowledge, skill level, and ability to work in a team when selecting new employees.					

LIST ALL CERTIFICATIONS, ACCREDITATIONS, CUSTOMER APPROVALS, AND AWARDS

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SECTION III: FACTORY SECURITY QUESTIONNAIRE

Company Name: _____ Date: _____
Completed by: _____
Title: _____

GENERAL

1. Does the company use open trucks when delivering product?
 2. Are containers inspected for damage and contamination before loading?
 3. Are delivery trucks and containers monitored during loading?
 4. Are delivery trucks monitored during unloading?
 5. Are closed trucks locked after loading is complete?
 6. Does the company record and keep records of the seal and container number?
 7. Does the company control the issuing of keys?
 8. Are keys recovered when employees resign or terminate?
 9. Are locks changed when employees with keys resign or terminate?
 10. Does the company use If an electronic alarm system?
 11. Are alarm codes reset when employees resign or terminate?
 12. Does the company do background checks for security guards?
 13. Does the company inspect employees entering the building?
 14. Does the company restrict what employees are allowed to bring into the company?
 15. Are visitors screened before entering the company?
 16. Does an authorized employee escort visitors while they are in the company? (This includes vendors and contractors)
 17. Do security guards work 24 hours per day, 7 days per week?
 18. Does the company have a monitored alarm system?
 19. Are there quarterly maintenance inspections on all electronic security devices? NOTE: Must have a maintenance log.

OUTSIDE.

1. Does the company have adequate exterior lighting?
 2. Does the company have a wall or fence 6 feet or higher, or an adequate electronic alarm system monitored 24 hours per day, 7 days per week?
 3. Are the main entrance(s) secured?
 4. Is there separate parking for employees/ visitors and delivery trucks/containers?
 5. Is there a communication system for guards?

INSIDE

1. Does the company have adequate locking devices on all outside doors?
 2. Are the doors and doorframes adequate to prevent unauthorized entry?
 3. Are windows and window frames secure and with a locking device installed?

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Comments:

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SECTION IV: ON SITE AUDIT SURVEY

Company Name:

Company Representatives(s):

Address:

Telephone :

Fax:

E-Mail:

Date:

Survey Performed By and Title:

A. ORGANIZATION AND ADMINISTRATION

- | | Yes | No |
|--|-------|-------|
| 1. Is management receptive to new ideas and changes in order to ensure continuous improvement? | _____ | _____ |
| 2. Does management support a partnership relationship with customers and suppliers? | _____ | _____ |
| 3. Is the supplier's organizational structure documented? | _____ | _____ |
| 4. Does the supplier have an effective program for reducing cycle times? | _____ | _____ |
| 5. Does the supplier have an effective employee involvement program in place? | _____ | _____ |
| 6. Does the supplier notify customers of potential non-conformances or late deliveries in advance of the scheduled due date? | _____ | _____ |
| 7. Are administrative and product/service quality systems given equal weight? | _____ | _____ |
| 8. Does the supplier's mission statement reflect the customers' requirements? | _____ | _____ |
| 9. Does management actively look for new and appropriate technologies? | _____ | _____ |
-
-
-

B. TOTAL COST

- | | Yes | No |
|---|-------|-------|
| 1. Is the supplier open to share cost data with the customer and to examine historical, actual and projected costs? | _____ | _____ |
| 2. Is the supplier willing to enter into long term contracts and extend cost reductions to its customers? | _____ | _____ |
| 3. Does the supplier actively work on cost reductions and waste elimination? | _____ | _____ |
| 4. Does the supplier have adequate control over its inventory? | _____ | _____ |
| 5. Does the supplier have adequate cash flow? | _____ | _____ |
| 6. Does the supplier have a trend of continuous sales and profitability over the last five years? | _____ | _____ |
| 7. Does the supplier have a history of frequent price increases? | _____ | _____ |
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C. CAPACITY

- | | Yes | No |
|--|-------|-------|
| 1. Does the supplier have the appropriate diversification of equipment to produce our planned products? | _____ | _____ |
| 2. Does the supplier have an effective set-up or queue reduction program in place? | _____ | _____ |
| 3. Does the supplier have an effective capacity planning/tracking system in place? | _____ | _____ |
| 4. Does the supplier use this system to determine availability of capacity to accept purchase orders delivery dates? | _____ | _____ |

D. CUSTOMER SUPPORT

- | | Yes | No |
|---|-------|-------|
| 1. Are employees courteous and knowledgeable? | _____ | _____ |
| 2. Does the supplier respond to inquiries in less than 24 hours? | _____ | _____ |
| 3. Does the supplier handle claims objectively and promptly? | _____ | _____ |
| 4. Does the supplier provide technical and commercial assistance for new and existing products? | _____ | _____ |
| 5. Does the supplier have a continuous customer service improvement plan? | _____ | _____ |
| 6. Does the supplier have an adequate procedure for handling customer complaints? | _____ | _____ |
| 7. Does the supplier have adequate field support? | _____ | _____ |
-
-
-

E. SUPPLY MANAGEMENT

- | | Yes | No |
|--|-------|-------|
| 1. Does the supplier base its method for selecting its own suppliers on process control, quality and delivery? | _____ | _____ |
| 2. Does the supplier have an effective Supplier Certification program for its own suppliers? | _____ | _____ |
| 3. Does the supplier have a rating system and do they inform their suppliers of their performance? | _____ | _____ |
| 4. Does the supplier audit its suppliers on a regular basis? | _____ | _____ |
| 5. Does the supplier have an adequate written procedure for receiving materials? | _____ | _____ |
| 6. Does the supplier protect incoming materials from the environment? | _____ | _____ |
| 7. Does the supplier verify that incoming material conforms to the purchase order specifications? | _____ | _____ |
| 8. Is there an effective corrective action system for non-conforming materials? | _____ | _____ |
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F. MATERIAL CONTROLS

	Yes	No
1. Are storage areas adequately controlled and supervised?	_____	_____
2. Are materials segregated and identified by part number/customer/other?	_____	_____
3. Is lot/batch traceability maintained throughout the manufacturing process when required?	_____	_____
4. Does the supplier have a fast and effective procedure for tracing and responding to customer inquiries?	_____	_____
5. Does the supplier use physical inventories or cycle counts to ensure inventory accuracy?	_____	_____
6. Are internal material handling practices adequate to prevent damage during processing?	_____	_____

G. SAFETY AND HOUSEKEEPING

	Yes	No
1. Is the facility kept clean and free of nonessential items?	_____	_____
2. Are manufacturing work areas safe (proper ventilation, lighting, safe noise levels, safety glasses)?	_____	_____
3. Does the plant comply with regulatory agencies (OSHA and EPA)?	_____	_____
4. Is there an adequate preventative maintenance program in place for the equipment and facility?	_____	_____
5. Is there an adequate education and training program for the employees to learn safety and good housekeeping practices?	_____	_____
6. Is the facility and equipment kept in good working order?	_____	_____

H. DELIVERY AND SHIPPING

	Yes	No
1. Is there same day pull of orders?	_____	_____
2. Do they ship open orders within one day?	_____	_____
3. Does the supplier monitor on-time delivery performance?	_____	_____
4. Are there adequate written procedures for packaging products?	_____	_____
5. Does the supplier have bar coding capability?	_____	_____
6. Does the supplier notify customers of potential non-conformances or late deliveries in advance of the scheduled due date?	_____	_____
7. Does the supplier have agreements with freight carriers that ensure on-time deliveries?	_____	_____
8. Does the supplier have agreements with transport companies for the return of goods?	_____	_____
9. Does the supplier regularly review freight costs?	_____	_____
10. Can the supplier accommodate and attach customers' codes and labels to each shipment?	_____	_____
11. Can the supplier accommodate customer-packaging requirements?	_____	_____
12. Do the packaging materials conform to environmental regulations?	_____	_____
13. Will they accept and return packing material/containers?	_____	_____
14. Can the supplier deliver just-in-time and to the production floor?	_____	_____

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I. QUALITY CONTROLS

	Yes	No
1. Are internal quality audits performed on a regular basis?		
2. Are customer complaints investigated and resolved in a timely manner?		
3. Are product designs (specifications) and changes adequately documented and controlled?		
4. Are customers notified of specification or manufacturing process changes when required?		
5. Are specifications/process changes adequately communicated internally?		
6. Are process capabilities established and reviewed on a regular basis?		
7. Is there an adequate program in place to reduce process variability?		
8. Are "out of control" conditions investigated and resolved in a timely manner?		
9. Are the operators given adequate written procedures to prevent the process from moving out of control?		
10. Is there an adequate calibration system for inspection, measurements, and test equipment?		
11. Are "significant" out of tolerance conditions detected during calibration handled adequately to ensure all products previously inspected or tested are not suspected?		
12. Is nonconforming material adequately identified to prevent inadvertent use?		
13. Are non-conformances documented and are adequate corrective actions taken?		
14. Is there a follow-up system to verify that corrective actions are implemented and effective?		
15. Are lots kept in tact and traceable throughout the process?		
16. Are test certifications and certifications of conformance adequately verified to ensure accuracy prior to shipment of product?		
17. Are certifications and test results forwarded to distributors when required?		
18. Are there effective employee training programs established to ensure technical and quality requirements are met?		

RATINGS

Totals

	Yes	No
A. Organization and Administration		
B. Total Cost		
C. Capacity		
D. Customer Support		
E. Supply Management		
F. Material Controls		
G. Safety and Housekeeping		
H. Delivery and Shipping		
I. Quality Controls		

TOTAL RATINGS: _____