**FQM LIMITED**

**Supplier Management & Purchasing**

1. **PURPOSE**
	1. To define the procedure by which [COMPANY NAME] and associated Companies carry out its

 purchasing Process including Supplier Management and verification of purchased products

1. **SCOPE**
	1. This procedure describes the process for the evaluation, selection and monitoring of suppliers and the processes and controls for the purchase and verification of goods and services.
2. **RESPONSIBILITIES**
	1. The Quality Representative is responsible for the maintenance of the Approved Suppliers List (ASL) and associated documents including issuing questionnaires to new suppliers.
	2. The Managers & Storeman are responsible for ensuring the implementation of this procedure including maintenance of relevant purchasing records.
3. **PROCEDURE**
	1. **Evaluation and selection of suppliers**
		1. Suppliers are selected on their ability to provide quality goods and services, that conform to all relevant legislation and which are delivered on time and at the right price.
		2. Key product and material suppliers are listed on an Approved Suppliers List (ASL) which is maintained within the quality management system. Key suppliers are monitored on the basis of historic and current performance and the list of suppliers maintained accordingly. New suppliers whose performance may affect service integrity are sent a Supplier Questionnaire, in advance of, or in conjunction with an initial order.
		3. The Quality Representative will evaluate suppliers based on their ability to supply services in accordance with company requirements acceptable suppliers will be recorded on a company supplier spreadsheet. Criteria for selection will be as follows:
			* 1. Perceived experience, recognition and standing in the marketplace.
				2. Previous satisfactory supply of services to the company.
				3. Holding registration to a recognised quality standard.
				4. Passing a quality audit performed by the company or a third party on behalf of the company.
				5. Working towards holding a recognised standard
		4. Initial evaluation will be based on a review of information available on the supplier this may be sourced directly from the supplier, through a third party, by electronic means e.g. Website or by previous knowledge of supply to the company. Where registration to a recognised standard is claimed a copy of a current registration certificate will be held on file for initial evaluation purposes.
	2. **Purchasing process and purchasing information**
		1. Purchases are made from the ASL except where the Operations Department authorises a new supplier or specifies a supplier to satisfy particular requirements, the supplier is then requested to complete a Supplier Questionnaire and any other information deemed necessary to enable supplier evaluation at the time of ordering.
		2. Appropriate information is provided to the supplier to enable a request to be costed. This may be derived from a site visit or through the provision of reports, drawings or job specifications. For goods/materials, final supplier selection is from the approved list and is nominally based on best price.
		3. Managers, (i.e. General, Operations and Contracts), will raise Internal Stores Requisitions, (XX-F-024), to order goods and/or services directly from the Suppliers. These will reference the Job No. and description in every case. The ISR are then passed to the Senior Storeman who raises a Purchase Order (XX-F-016) in confirmation. The P.O. number is recorded on the ISR, one copy of which is retained by the Senior Storeman, a copy is returned to relevant department.
		4. For critical items receipt; confirmation of an order is always recorded or requested from the supplier and is stored electronically under the relevant reference. A copy of the PO is held as an open PO on the system to await receipt of a signed delivery / job acceptance note and supplier invoice.
		5. Charge-hands/Tradesmen complete the Daily Stores Sheet (XX-F-025), referencing the job number, to withdraw materials from stores to a Job. The Storeman updates these daily sheets which are then inputted to update the material costs to the job on the computerised data file.
		6. The stock levels assessments are made by the Storeman who will raise Orders for stock as required. For major stock items or requirements the General or Operations Manager discusses stock availability with the Storeman who will order for stock as necessary for a particular requirement.
		7. Purchasing information will be detailed on the Purchase order (XX-F-016) and the supplier fully informed of all technical and quality requirements. The Purchase Order shall clearly reference as appropriate the Job No. together with a description of requirements and quantities.
		8. Such purchasing information shall describe the product/service to be purchased including where appropriate-
4. Requirements for approval of product, procedures, processes and equipment
5. Requirements for qualification of personnel
6. Quality management system requirements

* 1. **Verification of Purchased Product**

4.3.1 When goods/services are received from the supplier they will be checked and inspected for conformance to the specified requirements. When checked the P.O. and Delivery note numbers are recorded against or attached to the order. Any Letter of Conformity, (LOC) is filed separately.

4.3.2 Any non-conforming goods will be recorded in the Supplier Non Conformity Tracker and reference control of non-conforming output QA Manual XX-D-01) Section 8.17 as well as Goods inward procedure (XX-P-06).

4.3.3 ALL steel, (plate, flat bars etc.) is on receipt noted in the Material Receipt book, (MRC). The MRC sequentially numbers to establish material identity. Immediately after receipt this MRC number is marked on the material. The number is transferred to each piece when cut or issued against the job. The certificates received are filed separately under the MRC number so that Documentation Packs can be compiled for the customer at the required quality level for the job.

4.3.4 Where the company or its customer intends to perform verification at the supplier’s premises, the company shall state the intended verification and method of product release in the purchase order.

4.3.5 Sub-contractors are approved by the Operations Manager and are subject to evaluation as per suppliers (see 4.1 above). Subcontract services are inspected on completion by the Foreman or delegate and Client/Class where appropriate; where applicable the subcontractor’s job acceptance paperwork/timesheet is then signed with a copy being retained by the Company along with the initial PO or final invoice. Where the subcontractor does not operate a satisfactory sign-off process, where applicable, DMS permit to work process is used as evidence indicating that the task has been satisfactorily completed.

4.3.6 If the quality of the work is not acceptable then the paperwork is annotated accordingly and appropriate corrective action is initiated by the QA representative or delegate as per section 8.17 & 10.2 of QA-D-01.