

			<h2>Supply Chain Management</h2>
QMS PQ14	Rev A	Date 09-20-17	<b>Procedure Authority: Materials Manager</b>

**Purpose:** The purpose of this procedure is to describe and direct activities associated with supply chain management.

**Scope:** This procedure applies to all new and current suppliers and includes the selection criteria of potential suppliers, their inclusion onto the Approved Vendor List, evaluation of supplier performance and disposition criteria.

**Responsibility:** The Materials Manager is responsible administering this procedure.

**Definitions:** NA

**Reference Documents:** NA

**Procedure:**

1. The Materials Manager, with a multidisciplinary team as appropriate, will search, review and select suppliers with the ability to effectively supply a product or service as needed.
2. The selection process will include an analysis of the supplier's risk to product conformity, supply interruptions, relevant quality and delivery performance and an evaluation of the supplier's quality management system (see bullet point #3).
3. All automotive suppliers will be ISO 9001 Certified\* unless otherwise approved by the customer. An ultimate goal for automotive suppliers will be eventual certification to the Automotive QMS Standard (IATF 16949).

*\* Note: Contingent suppliers are used in very rare occasions. Equipment, capabilities and scheduling are primary concerns, therefore ISO 9001 certification may not apply.*

4. Potential suppliers must demonstrate financial stability by way of credit references, financial statements and D&B, or Dun & Bradstreet reports.
5. Pricing must be competitive for like materials and/or services.
6. The Materials Manager will consider their ability to meet delivery schedules regarding quantity and timing.
7. If all criteria are met, this new supplier will be placed on the "Approved Vendor List".
8. When BMC receives a customer P.O. requiring raw material, outside services or finishing, the Materials group will select an appropriate supplier from the Approved Vendor List and place an order.

**Procedure Continued:**

- 9. All relevant requirements, including statutory and regulatory as expressed by our customer, will be appropriately flowed down to the selected supplier.
- 10. As orders are filled, delivered and consumed, the following areas will be evaluated to track supplier performance.
  - a. Quality of product (including product conformity and customer disruptions)
  - b. On-time delivery (including incidents of premium freight)
  - c. Service / \$\$
- 11. Each category will be given a grade by the Purchasing Manager.

Quality:	Acceptable	80 – 100%
	Needs Improvement	79% or Below
On-Time delivery:	Acceptable	80 – 100% Rating:
	Needs Improvement	79% or Below
Service / \$\$:	Acceptable	A
	Needs Improvement	N

- 12. The total will be categorized as follows and should not be lower than 75%.

Excellent:	90 - 100
Very good:	80 - 89
Needs Improvement Plan:	79 and Below

- 13. Suppliers with a 79 or below must improve within 90 days. If no improvement is displayed within 90 days, the supplier is notified that they may be removed from our Approved Vendor List.
- 14. The Approved Vendor List will be reviewed a minimum of once per year.
- 15. In addition to the above mentioned criteria and at the discretion of the Materials Manager, a second party audit may be used to monitor the supplier, assess supplier risk, and to develop the supplier’s QMS. (See internal audit procedure PQ3).

***Note: Customer approved suppliers and contingent suppliers are not necessarily governed by this procedure.***

***AMENDMENT RECORD***

Revision	Date	Details	Authority
A	09-20-17	Originated	Mike McKenzie