

			Selection and Evaluation of Sub-Contractors
QMS GI-P3	Rev D	Date 06-07-12	Procedure Authority: Materials Manager

Purpose: The purpose of this procedure is to describe the method used to select and evaluate sub-contractors or suppliers.

Scope: This procedure applies to all new and current suppliers. Its scope 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 for the administering this procedure.

Definitions: NA

Reference Documents: Approved Vendor List

Procedure – Investigating a new supplier:

1. The Materials Manager searches for suppliers with the ability to perform work.
2. All suppliers will be ISO 9001 Certified* unless approved by the customer.

** Note: Contingent suppliers are used in very rare occasions. Equipment, capabilities and scheduling are primary concerns, therefore ISO 9001 certification may not apply.*
3. Potential suppliers must demonstrate financial stability by way of credit references, financial statements and D&B, or Dun & Bradstreet reports.
4. Pricing must be competitive for like materials and/or services.
5. The Materials Manager will consider their ability to meet delivery schedules regarding quantity and timing.
6. If all criteria are met, this new supplier will be placed on the “Approved Vendor List”.

Procedure – Purchasing & Evaluation:

7. When PMC 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.
8. As orders are filled, delivered, and consumed, the following areas will be evaluated to track supplier performance.
 - a. Quality of product
 - b. On-time delivery (including incidents of premium freight)
 - c. Service / \$\$

9. Each category will be given a grade by the Purchasing Manager.

Quality: 0 – 40

On-Time delivery: 0 – 40

Price & Customer Support: 0 - 20

10. The total of all categories should not be lower than 75.

Outstanding: 90 - 100

Meets Requirement: 75 - 89

Needs Improvement: 65 - 74

11. Suppliers with a 73 or below must improve within 90 days.
12. If no improvement is displayed within 90 days, the supplier is notified that they may be removed from our Approved Vendor List.
13. Suppliers with an average rating will be encouraged to improve to a minimum of very good.
14. The Approved Vendor List will be reviewed a minimum of once per year.
15. Customer approved suppliers and contingent suppliers are not governed by this procedure.