

QSI 715 PURCHASING AND OUTSOURCING

715.1 Purpose

1.1 To establish a system for the control of purchased materials to ensure compliance with the requirements of the customers and of *YOUR COMPANY*.

1.2 To establish a system for the selection and control of the providers of outsourced services to ensure compliance with both the customer and *YOUR COMPANY* requirements.

1.3 To apply this procedure only to purchased materials and services directly used in the products and services delivered to the customers.

715.2 Scope and definitions

2.1 This instruction applies to the purchasing activities where the acceptable suppliers incorporate environmental considerations.

2.2 At the company the majority of purchased products required for the customer orders are standard and general in nature.

2.3 *Sources for purchases of supplies, materials and services are in the categories of:*

- *Vendors who deliver general-standard-catalogue items,*
- *Suppliers who deliver materials and components to the company requirements,*
- *Customers who supply products for further processing into assemblies, and installations operations. Customer supplied product are covered in customer property instruction (QSI 755).*
- *Providers who deliver out-sourced services.*

2.4 *To meet special customer requirements, the company may contract out by outsourcing / subcontracting / engaging suppliers to provide outsourced processes and unique services, such as auditing, and special fabrications.*

2.4 *To increase production flexibility, the London division may engage the Toronto branch to provide outsourced production operations. In a support to manufacturing role, the Toronto location is considered to be a supplier to London.*

2.5 A purchase order is a document issued to confirm a commitment to purchase products or services from a supplier.

2.6 *A production order docket issued to the Toronto branch is considered a purchasing document.*

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2.7 *To demonstrate the planning, operation and control of the procurement process, the activities for purchasing are presented in flow chart #715-5, outsourcing is included in the supplier network and in flow chart #715-10.*

715.3 Responsibility

3.1 The *Materials manager* provides the overall leadership and has the prime responsibility for purchasing and outsourcing.

3.2 The supporting roles and responsibilities of personnel involved in the purchasing processes are further detailed in this instruction and in reference instructions listed at par 8.

715.4 Instruction - Assessment of Suppliers

4.1 The Materials Manager determines what objective evidence is needed to evaluate the suppliers overall capabilities relative to the criteria of providing quality products on time and at a competitive price. Objective evidence includes consideration to items such as:

- standard-catalogue type products
- reputation of suppliers
- ISO registered suppliers
- other

When necessary, to supplement the quality capability assessment, suppliers are requested to complete and return a Supplier Quality Control Survey on form #715-2.

4.2 The Materials Manager in conjunction with the ISO EMS Rep determines what objective evidence is needed to evaluate the suppliers overall capabilities relative to environmental requirements. Objective evidence includes consideration to items such as:

- type of products
- reputation of suppliers
- ISO registered suppliers
- *Satisfactory completion of the product environmental checklist where suppliers are required to complete and return to the company a Product Environmental checklist on form #715-6, prior to being added to the acceptable supplier list.*

4.3 The Materials Manager maintains a list of acceptable suppliers for material or services required for the operation of the factory. Form #715-1 is used to list the acceptable suppliers, and makes use of the computer database to provide records of the supplier status.

4.4 *Purchase orders are placed only with the acceptable suppliers, except for:*

- * *1st time purchases*
- (P) *Provisional purchases*
- (X) *Designates unacceptable suppliers removed from the acceptable supplier list.*

4.5 The List of Acceptable Suppliers indicates that the evaluation of capabilities with performance relative to quality, delivery, and price has been satisfactorily addressed.

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