

	<i>Document Title, Revision No.</i> <b>Purchasing Procedure, Rev. 001</b>
	<i>Approved by:</i>
	<i>Approval date:</i>

**1.0 Purpose:** To ensure that vendor relationships are initiated and managed such that business and quality objectives are met in purchasing practices.

**2.0 Scope:** This procedure applies to purchases of materials or services relating to products from suppliers, contractors, and consultants. It does not include office supplies, break room supplies, employee recognition awards, or other purchases that do not directly affect product quality.

**3.0 Procedure:**

**3.1 Vendor Approval –** Vendors must go through evaluation by management as a part of business relationship development.

**3.1.1 Vendor Evaluation Form –** Information is collected through management contact with prospective vendors and recorded on a Vendor Evaluation Form. All completed forms are maintained in a purchasing file by management.

**3.1.2 Approved Vendor List Form –** All vendors who are evaluated and determined to meet required criteria are added to the record maintained on the Approved Vendor List Form. The list is maintained by management and available for reference to personnel authorized to make purchases.

**3.2 Vendor Management –** Vendor relationships are actively monitored by management to ensure that vendors continue to be capable and are willing to meet documented business requirements.

**3.2.1 Product or Service Quality –** On the occasion that vendors are not delivering products or service conforming to documented requirements, management will document the problem on a **Corrective and Preventive Action Form** and process the problem in accordance with the **Corrective and Preventive Action Procedure**.

**3.2.1.1 Vendor Notification -** The vendor is notified in writing that the product or service is not in accordance with documented requirements, and provided with a copy of the initiated Corrective and Preventive Action Form. The vendor is asked to respond with a corrective action plan within 30 days of notification.

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**3.2.1.2 Corrective Action Follow Up** – Unless notified by the vendor, management will perform follow up to determine if the vendor has implemented corrective action. At the time corrective action is implemented and found to be satisfactory to the company, management will document that the request for corrective action is closed as per the Corrective and Preventive Action Procedure.

**3.2.1.3 Non- Conforming Vendors** – In the event that a vendor is determined to be unable or unwilling to meet documented requirements, that vendor will forfeit approved vendor status.

**3.2.2 Periodic Vendor Review** - All vendors' requirements and performance are reviewed as a part of the internal audit process (see the ***Internal Audit Procedure***) at least annually.

**3.3 Vendor Discontinuation** – Vendors are removed from the Approved Vendor List form by a single line strike through by management. The strike through must allow the discontinued vendor information to remain legible, and be initialed by management.

**3.3.1 Reasons for Vendor Discontinuation** - Vendors are removed from the Approved Vendor List Form for one or more of the following reasons:

**3.3.1.1** Inability or unwillingness of the vendor to fulfill the requirements documented on the Vendor Evaluation Form.

**3.3.1.2** Changes become necessary in the business relationship on behalf of the company or the vendor that cannot be agreed upon.

**3.3.1.3** Purchase of the product or service is no longer necessary.

#### **4.0 Records:**

**4.1 Vendor Evaluation Form**

**4.2 Approved Vendor List Form**

**4.3 Corrective and Preventive Action Form**

**4.4 Corrective and Preventive Action Log Form**