



## QUALITY MANAGEMENT SYSTEM PROCEDURE MANUAL

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Rev. No. : 04

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Date : 01/10/ 2009

### SELECTION OF SUPPLIERS

#### 1.0 PURPOSE

To establish system for selection & performance monitoring of Suppliers

#### 2.0 SCOPE

Applicable to all Suppliers of Raw Materials, Process, Consumable, & essential spares.

#### 3.0 DEFINITIONS

- HOD (MM) - Head of department (Material Management).
- O.E.M. - Original Equipment Manufacturer.
- S.Q.R. - Supplier Quality Rating.
- S / I - Section In-charge

#### 4.0 RESPONSIBILITIES

- 4.1 HOD (MM) is overall responsible for the implementation of this procedure.
- 4.2 SI (Purchase) & S/I (RM- Purchase) are responsible for the execution of activities related to performance monitoring of Suppliers.
- 4.3 Individual responsibilities related to specific activities are given below under description.

#### 5.0 PROCESS INPUTS

SL. NO.	DESCRIPTION	SOURCE	REF. DOC.
5.1	Potential supplier information	1. Supplier approaches the company. 2. Competitors information. 3. Business Journals. 4. Recommend by Higher Up. 5. Internet. 6. Recommendation from O. E. M.	

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SL. NO.	DESCRIPTION	SOURCES	REF. DOC.
5.2	Supplier details	From Supplier.	
5.3	Sample	From Supplier.	
5.4	Acceptance of report	Operation / User department.	

### 6.0 PROCESS DISCRIPTION AND INTERFACES

SL. NO.	ACTIVITY	RESPONSIBILITY	REF. DOC.
6.1	Identify the Supplier to be selected either for replacing the existing Supplier whose performance has been deteriorated or new Suppliers to be inducted for additional sources of procurement. Following sources are generally used: - Supplier approaches the company - Competitors Information - Business Journals - Recommendation from Principal	SI (Purchase) / S/I (RM-Purchase)	
6.2.	Evaluate the details sent by the Suppliers.	-Do-	
6.3	If required, arrange for samples from the Supplier.	-Do-	
6.4	Get the samples analyzed from the QC / user Depts. And receive feedback on the samples.	-Do-	

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SL. NO.	ACTIVITY	RESPONSIBILITY	REF. DOC.
6.4.1	Based on analytical and inspection report decide about the approval of the Supplier and if it is as per the requirement, we shall give trial order and do the vender registration as per credentials available	HOD (MM)	PUR / F 03
6.5	If necessary, place a trial order on the Supplier.	-Do-	
6.5.1	The Supplier has been included in Approved List, however evaluation can be made after trail	-Do-	PUR / F 06
6.6	<b>MONITORING OF PERFORMANCE</b>	S I (Purchase) / S/I (RM-Purchase)	
6.6.1	Review the performance of each Supplier against the orders placed on him.	-Do-	
6.6.2	Calculate Supplier Quality Rating (SQR) for each Supplier.	-Do-	PUR / F 01
6.6.3	Consider the quantity ordered, status of Supplier, whether Monopoly supplier or Trader.	-Do-	
6.6.4	Review the SQR of each Supplier once in a year.	-Do-	
6.6.5	Based on SQR decide about, 1) For continuance on approved list if SQR>70%. 2) For retaining on the list with a letter of Warning if, SQR>50 but <70%. 3) For removal from the list if SQR<50%. 4) Except Monopoly or O. E. M. / Mines Owner.	-Do-	

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### SELECTION OF SUPPLIERS

#### 7.0 PROCESS OUTPUTS

SL. NO.	DESCRIPTION	TO	REF. DOC.
7.1	Trial Order	Supplier	
7.2	New approved supplier	-	PUR / F - 06

#### 8.0 PROCESS MONITORING

SL. NO.	PARAMETER	ACCEPTANCE CRITERIA	RESPONSIBILITY	FREQUENCY	REF.DOC.
8.1	Performance of Suppliers	As per the set Criteria	HOD ( MM)	Yearly	PUR / F 01

#### 9.0 QUALITY RECORD

- 9.1 PUR / F 01 : Supplier Quality Rating ( S.Q.R.).
- 9.2 PUR / F 03 : Supplier Registration Form / System.
- 9.3 PUR / F 06 : List of Approved Suppliers / System.

#### 10.0 REFERENCES

NIL

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