

PROCEDURE: SUPPLIER/SUB-CONTRACTOR ASSESSMENT

1.0 OBJECTIVE

To ensure that supplies of goods and services to the company are of the requested quality and standard necessary to satisfy company needs and customer requirements, including specific customer requirements e.g. safety or business critical assurances.

2.0 SCOPE

Applies to provision by suppliers and contractors/sub-contractors.

3.0 REFERENCES

- 3.1 Approved Suppliers List – including business/safety critical suppliers.
- 3.2 Purchase Order Requisition
- 3.3 Purchase Order
- 3.4 QA05.3 - SC Supplier Questionnaire
- 3.5 QA05.5 - Supplier Appraisal form
- 3.6 QA05.1 – SC Sub-Contractor Labour Supply Questionnaire
- 3.7 QA05.2 – SC Designer Competence Questionnaire

4.0 RESPONSIBILITIES

The responsibilities for this procedure lie principally with the Buying Department and QS team plus department director's/site managers with authority to purchase.

5.0 REQUIREMENTS OF PROCEDURE

5.1 EVALUATION

Suppliers and sub-contractors are evaluated and selected against some of the following criteria:

- a) Completion of a specific questionnaire (PQQ) for suppliers or sub-contractors, which includes information on experience, scope of activity, accreditations, trade body memberships, insurance cover, warranty agreements and safety history.
- b) Accreditations – where the supplier has certification to ISO 9001, environmental credentials eg ISO 14001, main safety certification eg OHSAS 18001 and safety accreditations eg Achilles, Chas, Link-up etc
- c) By visit to the supplier to gain further information and/or audit their systems to gain appropriate assurance of their quality performance and consistency as a supplier, including Health and Safety provision and system and Environmental performance as necessary.
- d) Where specifically selected and nominated by the client or client's representative.
- e) Being a sole supplier of the goods or service.
- f) Previous Quality, H&S and Environmental performance – whereby the supplier's ability to supply and the performance of service is evaluated over a given time period – usually 6-months.

g) A condition of sub-contract work is that it may not be sub-subcontracted. A penultimate clause in the PQQ makes this clear.

- 5.1.1 The Buyer will award an 'approved' status to satisfactory suppliers or await a trial period as in e) above before approval. Hierarchy coding is given as A, B,C,D, or T (trial). See Appendix to this Procedure. The Senior Buyer or deputy will update the coding monthly via the HSQE Administrator.
- 5.1.2 Three current lists are maintained on computer, of those approved for provision of material, equipment and services, those for Sub-Contract services and those for the supply of labour only.
- 5.1.3 Suppliers and sub-contractors that have traded satisfactorily with the company are given an approval rating utilising the electronic database.
- 5.1.4 New suppliers/sub-contractors will be monitored for the satisfactory execution of their first placed orders for products or services.
- 5.1.5 The Buyer and other seniors/managers with authority to purchase, will determine the type and extent of control to be exercised over suppliers and subcontractors, which shall be dependent on the type of product and the impact of that product on the project or contract.
- 5.1.6 The QS on a project will determine the type and level of insurance required, after the PQQ has been reviewed and posted on the T drive/HSQE by the HSQE Administrator. The Administrator will check Insurance validity on the database monthly.

5.2 BUSINESS & SAFETY CRITICAL SUPPLIERS

- 5.2.1 A business-critical supplier is one whose product or service is crucial to the continued supply of product or service to the client. A safety critical product or service is a product, equipment or service which has the potential to cause a risk to the property, employees, public or other contractors/sub-contractors on the client's site.
- 5.2.2 Where a supplier is termed business or safety critical, specific to a client's brief, those suppliers will be referenced as BC or SC in a column on the Approved Suppliers list.
- 5.2.3 A list of the basic safety critical supplier scopes is included in an appendix to this Procedure.
- 5.2.4 Where Galldris is appointing a Self-Lay Provider for Water Mains and Service Laying they will be required to supply a copy of their current, valid WIRS registration certificate and a copy of their most recent WIRS audit report. In addition, appointment will be subject to satisfactory pre-construction audit carried out by the appointed WIRS technical assessor and reviewed on an annual basis.

5.2.5 Where Galldris is appointing a Utilities Installation Provider for Gas Mains and Service Laying and design they will be required to supply a copy of their current, valid GIRS registration certificate and a copy of their most recent GIRS audit report. In addition, appointment will be subject to satisfactory pre-construction audit carried out by the appointed GIRS technical assessor and reviewed on an annual basis.

5.2.6 Where Galldris is appointing a designer for temporary or permanent works, the designer will be required to complete the additional designer competency questionnaire addendum to the PQQ. Approval of a designer does not constitute appointment. Appointment of the designer must be made in writing by the Contracts Manager/Director. See Temporary Works and Design Control procedures for further information.

5.3 MAINTENANCE OF THE SYSTEM

5.3.1 Supplier Approval Status is monitored dynamically, as opposed to annually, with those on the list being automatically monitored through the life of a contract. Status will be reviewed at the 'end of project' briefing or post-contract review by management or at the Weekly Construction Meeting or Monthly Management Review Meeting if there is more immediate concern over a given supplier's performance record.

5.3.2 The Approved Supplier List is amended on the basis of the decisions by the Buyer, in conjunction with Contracts Managers/Project Managers/Surveyors, on any serious nonconformity reports or other issues affecting quality.

5.3.3 At the completion of a Project, the Contracts Manager will meet with the Project Managers, Surveyors and other Directors as necessary (possibly at the post-contract review) and complete a *Supplier Appraisal form* to assess the performance of the supplier following completion of works. The appraisal will be submitted to the Safety and Buying Departments.

5.3.4 The Approved List will automatically be discussed at the next Management Review meeting, including reference to any applicable Supplier Appraisal form.

5.3.5 The sub-contractors list will be maintained by the Health and Safety administrator.

5.3.6 Insurance details are monitored by the H & S Administrator (5.1.7) and in-date certificates requested before the old ones expire.

6.0 RELATED PROCEDURES

QMS 03 – Management Review
QMS 12 – Procurement
QMS 07 – Resource Management

APPENDIX

LIST OF SAFETY CRITICAL SUPPLIER SCOPES

Suppliers of Plant and Equipment

Asbestos surveying, sampling and removal

Medical Screening of Employees, Contractors and Sub-contractors

Labour Provision – Agency Services

Electrical Contract Works

Temporary Works – Design

Permanent Works - Design

Concrete Cube Testing – Laboratory Provision

Arboriculture Services and Soft Landscaping

Groundworks and Civils

Water Utilities Mains and Service Laying and Design Contractors

Gas Utilities Mains and Service Laying and Design Contractors

APPROVAL STATUS HIERARCHY

- A - Approved**
- B - Client Specified**
- C - Under Review**
- D - Do Not Use**
- T - Under a Trial Period**