|  |  |  |  |
| --- | --- | --- | --- |
| Reviewed on (Date):  Reviewed by: | Reviewed on (Date):  Reviewed by: | Reviewed on (Date):  Reviewed by: | Reviewed on (Date):  Reviewed by: |
| Approved on (Date):  Approved by: | Approved on (Date):  Approved by: | Approved on (Date):  Approved by: | Approved on (Date):  Approved by: |

1.0 PURPOSE

The purpose is to purchase / import requirements of Packages Limited, according to the specifications and quality standards determined by the Production and QA/ R & D Department.

2.0 SCOPE

This procedure is applicable to purchase of Raw Materials only.

3.0 DEFINITIONS

3.1 PURCHASE REQUISITION

3.1.1 Computer generated hard / soft copy raised by indenting department, duly signed / released by authorised signatory, for communicating their requirement to Materials Management.

3.2 MACHINE TRIAL

Processing of material under actual production conditions without controlled conditions of the laboratory.

3.3 SUPPLIER EVALUATION QUESTIONNAIRE

Forms to collect information from suppliers regarding their production facilities and effectiveness of Quality Management System.

3.4 CONSIGNMENT-WISE QUALITY TEST RESULTS

Quality Reports prepared by our QA (Quality Assurance) department after testing samples drawn from consignments received from Approved Suppliers.

3.5 In case of ISO certified companies and where supplier provides quality certificate / analysis report for the consignment, these reports are not necessary.

4.0 REFERENCES: Document Title: Inspection and Testing (QSPQA/8.2.1/01)

Document Title; Control of Non Conformance (QSQPA/8.3/01)

RESPONSIBILITY: The overall responsibility of purchasing lies with the **S.C.M**.

4.1 Vendor : **A** [**person**](https://dictionary.cambridge.org/dictionary/english/person) **or** [**company**](https://dictionary.cambridge.org/dictionary/english/company) **that** [**sells**](https://dictionary.cambridge.org/dictionary/english/sell) **Raw Material.**

5.0 PROCEDURE:

|  |  |  |
| --- | --- | --- |
| sR. #. | ACTIVITIES | RESPONSIBILITY |
| 5.1 | GENERAL:  Wherever necessary, Materials Management department shall arrange literature / sample for laboratory evaluation / machine trial. In case of a trial order the same shall be indicated on the purchase order form. | Procurement Manager |
| 5.2 | New sources shall be assessed as per quality system (Ref.QRMM/05) and approved on the basis of QRMM/06. | Procurement Manager |
| 5.3 | The specifications provided by the supplier are in conformity with the specifications drawn by the QA Department. | QA Department |
|  | Sample evaluation by the R&D / Production Department conforms to the laid down standard specifications. | R&D / BUM |
| 5.4 | Machine trial results are approved by the Production Department. | Production Head / BUM |
| 5.5 | Evaluation of manufacturing facilities of local suppliers, and where possible, foreign suppliers shall be carried out (Ref. QRMM/05). | Procurement Manager |
| 5.6 | 1. **All ISO 9001:2015 certified suppliers of Raw Materials will be placed on QRMM/09 directly.** 2. Supplier evaluation questionnaire QRMM/04 will be sent only to those suppliers who are not ISO certified. These sources will be assessed and rated on QRMM/05 & QRMM/06 respectively and will be placed on QRMM/09 if approved. 3. Companies that are neither ISO certified nor do they reply to QRMM/04 will be assessed on QRMM/05 based on previous record of supplies before being rated on QRMM/06 and eventual registration on approved suppliers list QRMM/ 09. 4. **The selection of Service Providers lies with the Business Units / User Department; same will be shared with Supply Management Department through email as per approved ‘Service provider Selection Form’ for non ISO certified Service Providers only. The performance of Service Providers will be evaluated by preparing SES (Service Entry Sheet) in SAP by respective Business Units. From Non Critical Service Provider ( having no impact on Quality of Product like Paint work / Civil Services / Canteen) no ‘Service provider Selection Form’ required.** | Procurement Manager |
| 5.7 | Only those suppliers are kept on the Approved Supplier list whose products continue to conform to the required specifications or which are approved/referred by the customer. Otherwise these will be moved to Non Approved Suppliers list QRMM/08.  It will be ensured that raw material supplier also provide FDA compliance certificate. | Procurement Manager |
|  | EXCEPTION: Where there is only one supplier, the supplier shall be asked to improve the quality.  Purchase of waste paper would not require approved vendors. Such purchases would be admissible from all or any source supplying quality material. |  |
| 5.8 | Incoming raw material consignments will be tested by our QA Department for quality / acceptability. (Ref QSPQA/8.2.4/01) | Manager QA |
| 5.9 | CONFIRMATION OF ORDER  Purchase of raw materials to be restricted only to Approved Suppliers. Quality Reports shall be maintained by the QA Department to substantiate material quality performance. Wherever possible, more than one Approved Suppliers shall be requested to submit quotations. | Procurement Executive /  Manager QA |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| SR. #. | ACTIVITIES | | | RESPONSIBILITY |
|  | Procurement Authorisation Sheet (Ref: QRMM/10) shall be prepared to finalize the order. Purchase Order (Ref. QRMM/13) for local purchase & (QRMM/03) for Imports shall be confirmed on merit on any approved supplier. | | |  |
| 5.10 | Exceptions  In case of an emergency, substitute material with workable specifications may be purchased / imported from any available source. | | | Procurement Manager/  Procurement Executive |
|  | Suppliers who do not respond to our formal Supplier Evaluation Questionnaire shall be assessed for quality on the basis of laboratory report or production trial report. | | |  |
|  | Dyes which are not available with approved vendors will be purchased from the local market. | | | Procurement Manager |
| 5.11 | PURCHASING DATA | | |  |
|  | Purchase Order for Imports of Raw Materials shall be issued after approval of BUM concerned, Procurement Manager and **S.C.M.** | | | Procurement Manager/  Procurement Executive |
|  | Local Purchase Order will be prepared after the Pconcernedt Manager procurement authorisation sheet is prepared by the Procurement Executive, verified by the Procurement Manager or **S.C.M**. Local Purchase Order shall be prepared by Procurement Executive. | | | Procurement Manager/ Procurement Executive |
|  | Open Purchase Order would be prepared by the Procurement Executive after getting approval from Procurement Manager and **S.C.M**. | | | Procurement Manager / Procurement Executive |
|  | In case of Local Purchase, the Purchase order will be released by Procurement Manager (or a person authorized by the Procurement Manager in his absence) whereas, in case of Imports, the concerned Imports Executive shall release the purchase order after prior approval on the Import Authorization. | | | Procurement Manager / Procurement Executive |
| SR. #. | | ACTIVITIES | RESPONSIBILITY | | |
|  | | Purchase orders for procurement of different materials from any office outside Lahore would be signed by the persons authorized by **S.C.M**. | Procurement Manager / Procurement Executive | | |
|  | | The Purchase Order shall clearly incorporate the following information. | Procurement Executive | | |
|  | | Purchase Order No. and date of issue along with the correct & complete name and address of the supplier. | Procurement Executive | | |
|  | | Product description including nomenclature, grade number if any, and other relevant specifications. In case of excess contents, Supplier’s reference or attached document reference could be quoted. | Procurement Executive | | |
|  | | Price, rate per unit, quantity and total value. | Procurement Executive | | |
| 5.12 | | Delivery Schedule, mode of transportation packaging requirement & shipping marks (for Imports). | Procurement Executive | | |
|  | | If an existing Purchase Order is to be changed, an amended Purchase Order bearing same No. will be issued indicating the date of amendment. | Procurement Executive | | |
| 5.13 | | VERIFICATION OF QUALITY OF MATERIALS PURCHASED |  | | |
|  | | The QA Department shall evaluate incoming materials as per the quality plan No. QP.QA/01 in accordance with laid down standards and procedures. | Manager QA | | |
|  | | If any material is not found in conformity with ordered specifications, the matter shall be taken up in the Review Committee by QA as per QSPQA/8.3/01. | Manager QA | | |
| 5.14 | | **All key supplies of Raw Materials will be evaluated yearly for quality and delivery Vendor Performance Report Ref: QRMM/15. (which are placed on QRMM/09)** | Procurement Manager | | |
| 5.15 | | Vendors will be rated as follows:  A. 91-100% Performance  B. 76-90% Performance  C. 60-75% Performance  D. Less than 60% Performance | Procurement Manager | | |
| 5.16 | | All non conforming materials released after the approval / signature from PM and concerned BUM.  Records are kept for all such materials by Quality Assurance Department. | BUM / Manager QA | | |
| 5.17 | | Approved local supplier’s Quality Management System will be verified according to Supplier Audit Check Sheet (QR/15). The supplier audit frequency would be **as per below table 1**. | Manager QMS | | |
| 5.18 | | Improvement Plan for “B” and “C” rated suppliers will be shared in the form of audit report.  Development Plan will be made only for those “D” rated suppliers whose go ahead will be given by **SCM/**BUMs | Manager QMS | | |

|  |  |  |  |
| --- | --- | --- | --- |
| Table 1: High Risk Material Supplier Re-Audit Frequency | | | |
| Supplier Category | Rating | Overall Scoring (%) | Audit Frequency |
| Suppliers with High Quality Performance | “A” Rated | 85-100 | After 3 Years |
| Suppliers with Medium Quality Performance | “B” Rated | 71-84 | After 2 Years |
| Suppliers with Low Quality Performance | “C” Rated | 50-70 | Once per year |
| Disqualified | “D” Rated | Below 50 | After 6 months |

6.0 ASSOCIATED DOCUMENTS

|  |  |  |
| --- | --- | --- |
| 1. | QRMM/01 | PURCHASE REQUISITION |
| 2. | QRMM/02 | RFQ |
| 3. | QRMM/03 | PURCHASE ORDER (IMPORTS) |
| 4. | QRMM/04 | SUPPLIER EVALUATION QUESTIONNAIRE |
| 5. | QRMM/05 | VENDOR ASSESSMENT REPORT |
| 6. | QRMM/06 | VENDOR RATING REPORT |
| 7. | QRMM/08 | LIST OF NON APPROVED SUPPLIERS |
| 8. | QRMM/09 | LIST OF APPROVED SUPPLIERS |
| 9. | QRMM/10 | PROCUREMENT AUTHORISATION SHEET |
| 10. | QRMM/13 | PURCHASE ORDER |
| 11.  12.  **13.** | QRMM/15  QR / 15  **QRMM/16** | VENDOR PERFORMANCE REPORT  SUPPLIER AUDIT CHECK SHEET  **SERVICE PROVIDER SELECTION FORM** |

AMENDMENT HISTORY

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| REV # | DATE | PART/ SECTION | NATURE OF AMENDMENT | DONE BY |
| 15 | October 2015 | Section 1, 3, 5, 6 & End of Document | To include Amendment History, Lab Management System ISO 17025 requirements & updating procedure according to current scenario of Material Management. | Talha Ahmad |
| 16 | June 2017 | Section 5 & End of Document | Addition of supplier quality management system verification | Talha Ahmad |
| 17 | March 2018 | Section 5 and End of Document | Addition of Supplier Scoring, Re-Audit Frequency and evaluation of service providers | Muhammad Siddique |
| **18** | **March 2018** | **Section 5 and End of Document** | **Addition of point 5.18 relates to Supply Audit** | **Ms. Ayesha Khalid** |
| **19** | **July 2019** | **Title, Section 4 & 5 and End of Document.** | **Change of Title, Addition of Vendor definition and Initial Service Criteria for Service Providers elaborated.** | **Muhammad Siddique** |

End of Document