Purpose:
To provide the methods for determining, documenting and, when applicable, inspecting vendors of critical materials/services for compliance with Giles Chemical, a division of Premier Magnesia, LLC (Giles) company policies and Quality System. Vendors are controlled to the extent necessary based on the effect of the supplied materials/services on the quality of Giles' products. Periodic reassessment will be performed to confirm or adjust vendor qualification status.

Scope:
This procedure applies to all vendors of products, materials and services that directly affect the quality of Giles' products.

Responsibility:
The Quality Director is responsible for determining the need for and extent of any vendor qualification work. If a vendor requires qualification, the Quality Director is also responsible for evaluating the vendor's quality system as appropriate and assigning vendor status ("approved" or "not approved"). The Quality Director reports vendor quality performance on a continuous basis during Quality System Management Review Meetings (QSMRM) and is responsible for establishing/maintaining individual vendor archival files.

Accounting/Purchasing is responsible for maintaining the *Approved Vendor List* (QA-012-F06) and distribution of this list to Giles' employees as needed.

Procedure:
Vendor Evaluation/Selection: Prior to any purchase, vendors are to be evaluated to determine the capability of their quality systems or programs (if any). A *New Vendor Approval Request* form (QA-012-F01) must be submitted to the Quality Director to begin the evaluation process. Additionally, the Quality Director will determine the need for and extent of qualification for the vendor in question. If it is determined that a vendor must be qualified, the Quality Director will determine what level of qualification is necessary. Depending on the level of qualification necessary, the Quality Director will use either the *Vendor Qualification Letter* (QA-012-F02) and *Vendor Assessment Survey* form (QA-012-F03) or the *Vendor Site Quality Audit* form (QA-012-F04). At the successful completion of the qualification, the Quality Director will produce a *Vendor Approval Letter* (QA-012-F05) to inform the vendor that Giles will accept them as a supplier. This letter will go to Giles' Accounting/Purchasing department as well as the individual who initially submitted the *New Vendor Approval Request* form (QA-012-F01).

Qualified vendors will be maintained on an *Approved Vendor List* (QA-012-F06). Materials will be purchased against agreed upon specifications from the qualified vendors. Changing the source of supply of critical raw materials will be treated according to the change control system.

Vendor Re-assessment: At a minimum, vendor reassessment will be performed every two (2) years for all vendors on the Approved Vendor List that are suppliers of quality critical materials. The reassessment is documented using the *Vendor Reassessment Form* (QA-012-F07). If, with any one vendor, less than four purchase orders have been filed within the two year period, the Quality Director

has the option of not performing a reassessment. If reassessment is deemed unnecessary, the Quality Director will document this onto the reassessment form.

Additionally, every two (2) years, approved vendors that are suppliers of quality critical materials will be sent a *Vendor Assessment Survey* (QA-012-F03) to be completed and returned within two weeks of receipt. A site quality audit will be scheduled as required based on supplier performance and re-evaluation data obtained from suppliers. The site audit will be conducted according to the *Vendor Site Quality Audit* form (QA-012-04).

Disqualification: Vendors not responsive to Corrective Action Requests or unable to correct problems with delivery or quality may be disqualified and removed from the *Approved Vendor List* (QA-012-F06). The vendor will be contacted to inform them of the disqualification.

A vendor file will be prepared and maintained for all vendors on the *Approved Vendor List* (QA-012-F06) that supply critical materials. Each file will be stored in the Quality Department. These vendor files will include the following:

- New Vendor Approval Request Form (QA-012-F01)
- Vendor Assessment Survey (QA-012-F03)
- Vendor Site Quality Audit (QA-012-F04)
- Vendor Reassessment Form (QA-012-F07)

Revision Number	Revision Date	Effective Date	Revision Author	Quality Approval	Production Approval	Revision Description
00	08/20/12	08/27/12	D. Durbin	D. Durbin	J. Bumgarner	New Document