

NAME OF THE COMPANY		Doc.No. ABC/BRC/03
TITLE	PROCEDURE FOR SUPPLIER SELECTION AND EVALUATION	ISSUE NO : 1.0 REVISION NO.: 00
		Issue Date: 01January 2023

PROCEDURE FOR SUPPLIER SELECTION AND EVALUATION

	Prepared by	Reviewed By	Approved by
Name			
Function			
Date			
Signature			



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## 1. Objective:

To define the criteria and methods for selecting and evaluating suppliers & service providers for addition to or disqualification from Company's Approved Supplier List.

Company ensures purchased products and services conform to specified requirements. This starts with the selection of appropriate suppliers that have the capability and systems to supply products, materials, and services to the Company's specified requirements. Suppliers are controlled to the extent necessary, based on the effect of purchased items on the safety of the Company's products.

## 2. Scope:

It applies to vendors of all products, materials, and services that may affect the safety of the products manufactured by company.

## 3. Responsibility:

Purchasing Manager Initial supplier identification

Accounting Manager Evaluation of the potential supplier's financial information

P&L Dept Personnel Receiving, inspecting materials, and forwarding all paperwork to the Manager, P&L Dept.

## 4, Procedure

### Approved Vendor List

The Head, P&L Dept shall maintain an Approved Vendor List, identifying suppliers who have demonstrated the capability of meeting the company's quality and food safety requirements.

The above document shall be organized alphabetically by product or service supplied.

In addition to the product or service identification, the Approved Vendor List shall also include, at a minimum: a. Vendor Name; b. Vendor contact information;

1. Vendor or Contract number;
2. Vendor Class;
3. Vendor's item, item ID or part number;
4. Certification(s); and
5. Last audit date.

To be listed as an approved vendor, a candidate must provide certain assurances of capability, depending on the nature and seriousness of the potential risks its products or services pose to the quality and safety of the company's products.

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## Vendor Classification and Requirements

Vendors shall be classified according to the potential risk their products pose to the safety of the Company's products:

**Class I:** Vendor's product affects food safety (e.g., raw materials, processing equipment, monitoring/measuring equipment, software).

Unless already certified to ISO 22000, Class I vendors shall require a second-party audit by a Food Safety Team to the ISO 22000 standard. In the course of the audit, the vendor must provide evidence that all of its processes affecting food safety are effectively documented and implemented. In order to remain on the Company's Approved Vendor List, each vendor must be re-audited at two-year intervals or be certified to the ISO 22000 standard. Certification of conformance of a vendor's HACCP plan(s) or PRP(s) may be substituted for the second-party audit requirement, but such vendors' HACCP plans and PRPs are subject to a second-party audit to verify compliance at any time.

**Class II:** Vendor's product/service does not affect food safety (e.g., fork lift).

Verification of initial shipments will be performed on products or services provided by any Class II vendor and vendor performance will be monitored in accordance with Company requirements for nonfood safety-related vendors.

**Class III:** Vendor's product (service) may or may not affect food safety – the vendor cannot be second-party audited but the Company will grant an exception based on the vendor's performance history (i.e., their QA system is considered sufficient to meet requirements). Examples include express shippers and office supply vendors.

Verification of all shipments will be performed on products and/or services provided by any Class III vendor.

CLASS	BRC Certification or 2nd-Party Audit	Performance Evaluation	HACCP / PRP
Class I	X	X	X
Class II		X	
Class III		X	

**Vendor Classification/Requirements Table**

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### **New Vendor Selection / Evaluation**

Following are the general criteria for a Vendor Selection :

- a) Quality Standards
- b) Material Supply Rate
- c) Reliability
- d) Statutory Requirements
- e) Supply chain and time of supply
- f) Submission of certificates
- g) Registration with the Statutory Body

In addition to the requirements for the approved vendor list for each class of vendors listed above, Head, P&L Dept shall evaluate new vendors using the following criteria:

- a. Vendor's performance capability (i.e., financial status, sufficient facilities, capability of equipment, and capability/training of employees), ability to fulfil Company requirements, and ability to deliver accurately, completely, and in a timely manner.
- b. Head, P&L shall fill out a Vendor/Supplier Assessment Form for all prospective Class I vendors.
- c. Competitive pricing shall be but one component of the evaluation; pricing shall not be the deciding factor unless competing vendors are equal in every other area.
- d. Prospective vendors shall be subject to reference checks.
- e) Vendors certified to the ISO 22000/ GFSI standard shall be given preference, to the extent possible.
- f) When such vendors cannot be found, the Company shall give preference of vendors having HACCP-based plans, and PRPs in place. The Company shall verify the prospective vendor's HACCP plans and/or PRPs.
- h) A copy of the vendor's ISO certificate and/or verification of vendor HACCP plans and PRPs shall be kept on file.

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## Vendor Re-evaluation

The Food Safety Team Leader, with the assistance of the Quality Assurance Manager, shall periodically evaluate the performance of each vendor on the Approved Vendor List (annually, at a minimum) for the following factors:

### Vendor Evaluation Criteria

Vendor are evaluated annually based on the following parameters:

1. Communication – Respond to Purchase Order, queries etc. promptly
2. Competency – Sufficient technic to provide for our needs and reliability
3. Capacity – Supply quantity as per our requirement
4. Commitment – Quality Standard, Supply Time
5. Control
6. Cash
7. Cost (material supply rate)
8. Consistency
9. Statutory requirement and Certificates
10. Cleanliness

The services providers are evaluated based on criteria specifically documented in the respective evaluation forms.

The Food Safety Team Leader, with the help of the Quality Assurance Manager, shall reevaluate disqualified vendors on the same factors that led to their disqualification (see section 4.0).

### **A record of each vendor shall be maintained Vendor Audit Programme**

The Head, P&L Department shall audit the Company's Class I vendors on a periodic basis (at least once annually).

## 5. Documents/Records/Forms

- List of approved suppliers
- Vendor assessment form
- Vendor Audit Checklist
- Vendor Evaluation form