Clauses 8.4, 8.5 and 8.6 - Operations - Supplier Evaluation and Control

**Purpose and Scope**

To describe the process and method by which the company’s suppliers (the term also includes contractors and subcontractors) are evaluated, selected and controlled.

**Associated Documents**

Suppliers Module.

Supplier Evaluation Form

**Procedure**

1. The selection criteria for suppliers is as follows:
   1. Ability and preparedness to meet IMS requirements.
   2. Ability and capability to meet legislative obligations and relevant industry and government standards and codes.
   3. Qualifications, experience and capability within the scope they are contracted for.
   4. Quality, consistency and reliability of product or service provided.
   5. Delivery performance.
   6. Price of product or service including commercial arrangements.
   7. Quality, environmental, health and safety management systems.
   8. Past performance including health, safety and environmental record.
2. Suppliers are classified on the basis of the potential risk their products or services may pose to:
   1. Products or services.
   2. Workplace health and safety.
   3. The environment.
3. Consideration needs to be given to whether:
   1. Failure of the supplier to deliver agreed products or services will impact upon profitability?
   2. Failure of the supplier to deliver agreed products or services will result in failure to meet any contractual, legislative and statutory obligations for delivery of products and services?
   3. Supplier will introduce or potentially introduce any high risk hazards or significant environmental impacts to the workplace?
4. Suppliers that are identified as having the potential to significantly affect activities, products or services are deemed “critical” and must undergo a thorough documented evaluation and re-evaluation process. Non-critical suppliers are required to be evaluated but not necessarily to the same extent as those deemed to be critical. Examples of critical suppliers would include:
   1. Suppliers of Hosting Services.
   2. Suppliers of IT services.
5. The following rating system will be used for suppliers:
   1. Critical
   2. Approved
   3. Approved and inducted
   4. Back-up
6. Where applicable, Suppliers must have current and appropriate insurance arrangements in place. Certificates of currency for required insurances are to be provided as part of the formal evaluation process.
7. Products and services essential to meet contract requirements shall only be purchased from qualified and approved suppliers.
8. The details of suppliers are specified in the Suppliers Module, inclusive of their rating.

Supplier Induction

1. All Suppliers and their staff are to be effectively inducted, including training with respect to specific site procedure requirements. Refer to the Training, Competence and Awareness procedure for further details.
2. A record of the induction training conducted in to be retained in Supplier Employee Module.

Re-Evaluation

1. Once evaluated and approved, suppliers are to be subjected to formal periodic re-evaluation. Re-evaluations are scheduled within the Supplier Module.
2. Re-evaluation is to take place at least once every two years or sooner if reasons apply. Some reasons for early re-evaluation are:
   1. Incidents and/or poor performance involving the supplier or contractor.
   2. Change in circumstances or structure such as new ownership, or change of location or key personnel.
   3. Change in scope of services.
3. Re-evaluation is to follow the same process as for the initial evaluation.

*References:*

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| **ISO 9001** | **ISO 14001** | **ISO 45001** |
| 8.4, 8.5, 8.6 | 8.1 | 8.3, 8.4, 8.5 |