

**Policy Statement:**

Global Partnerships Limited are committed to achieving the best overall value (supplier selection based on price, delivery and quality), flexibility and responsiveness (materials management) and lowest overhead when acquiring or contracting for goods, services and intellectual property assets.

**SCOPE**

This policy specifies the business management requirements and provides a set of directives and practical guidelines for the purchasing of products, goods and services, to ensure Global Partnerships Limited (GPL) selects and maintains a manageable supplier base, capable of providing the required goods, materials and services at the optimal cost.

This policy and guide applies to all GPL employees authorised to requisition goods, and those employees empowered to commit GPL to purchases for materials or services.

However, where a person requiring goods, materials or services needs to maintain direct liaison with a supplier for technical reasons, they should ensure that Managing Director (or deputy) is provided with copies of all relevant correspondence and is kept informed of the progress of any relevant technical discussions.

**REQUIREMENTS**

**General Requirements**

All purchase orders for goods and services are to be placed on Approved Suppliers. Exceptions to be authorised by the Managing Director.

All purchase orders are to be placed subject to Global Partnerships Limited (GPL) standard Terms and Conditions, only deviations agreed and specifically referenced in the order text shall be binding. Where non-standard T & Cs are required guidance shall be sought from the Managing Director. For instances whereby a Customer's purchase conditions are required to be specifically reflected, the Commercial Function or the responsible manager shall, as a result of a Contract Review, inform the Managing Director accordingly.

**Health, Safety and Environment (HS&E)**

GPL will achieve this within the boundaries of a process that ensures an assessment has been undertaken, prior to the purchase of goods or services, of the risks from the supplier's business to the health and safety of employees, contractors, visitors etc and of the business's risks to the environment. The assessment will specify controls, required by GPL, to mitigate unacceptable risks.

**Corporate Social Responsibility**

GPL is committed to operating in a socially responsible manner. Suppliers of goods and services must comply with all relevant legislation and international standards (including the UN Global Compact Principles, The Modern Slavery Act 2015 and International Labour Organisation (ILO) Conventions and Recommendations) in particular relation to: trading policy, child and forced labour, health and safety of workers, non-discrimination, employment law, human rights and bribery and corruption.



# Procurement Policy

Process Owner: **Managing Director**

**PD3001**

Version 1

In particular, we expect our suppliers to comply with the following examples of best practice:-

- Freedom to choose employment
- Freedom of association with the right to collective bargaining being respected
- Safe and hygienic working conditions
- No usage of child labour
- Avoidance of excessive working hours
- Discrimination should not be practiced
- Regular employment should be provided
- Avoiding the use of Congo Conflict Minerals
- Avoiding the use of counterfeit, recycled and fraudulent components used in the aerospace, defence industries. As defined in PD IEC/TS 62668-1:2014 (Process management for avionics – Counterfeit prevention)

## Ethics

All employees who have purchasing responsibilities must declare in writing to the Managing Director any actual or potential conflict of interest and must not:

- Use their position or authority for personal gain
- Procure goods or services from GPL employees
- Procure goods or services from close personal friends or relatives
- Divulge confidential or sensitive information to any unauthorised persons
- Accept gifts unless of a low value / trivial gift
- Accept hospitality which may be deemed to have influenced a business decision
- Contravene any applicable legislation / regulations including the UK Bribery Act 2010

## OBJECTIVES

Create value to both GPL and the supplier

Optimise costs and resources

Create competitive advantage through the development of strategic alliances or partnerships with suppliers

Recognising supplier improvements and achievements

Identify and selecting key suppliers

Creating clear and open communication with customers and suppliers

## REVIEW MECHANISM

Management shall ensure the periodic review of the Procurement process to ensure its continuing adequacy, effectiveness and suitability. The results of these reviews shall be used to improve the processes as necessary, including improving measurement processes and reviewing objectives in line with current business strategies.

## ANNEXES AND APPENDACIES

- [Annex 1](#) Supplier Selection
- [Annex 2](#) Supplier Quality
- [Annex 3](#) Collaborative Business Relationships

## DOCUMENT AMENDMENT RECORD

Version	Issue Date	Change Request	Reasons for Change
1	20/03/2018	CR048	Originate document



## **ANNEX 1**

### **Supplier Selection**

Supplier selection shall be the responsibility of Managing Director.

Before introducing a new supplier an assessment of that supplier's capability should be made prior to enrolment onto GPL supplier base.

The information required consists of the following; Supplier Contact Details, Environmental Questionnaire, Third Party Approvals, and has where known been subjected to the specific questions relating to export licence controls and if the supplier is carrying out any work on the site then a Health and Safety Questionnaire. A Supplier Questionnaire will be sent out by the Quality Manager if appropriate.

The completed form shall require Managing Director and Quality Manger's sign off prior to being added to the supply base.

Suppliers may be blocked for but not exclusively for any of the following reasons:

- Poor Performance
- One Off Purchase
- Commercial Necessity
- Defined Exit Strategy
- Ethical performance
- Environmental compliance

Suppliers may only be unblocked on the authority of the Managing Director.

Where possible the company's preferred payment terms should be used. Any other special payment terms or amendments to payment term may only be authorised by the Managing Director.

All purchase orders for the supply of items to Company drawings and/or specifications shall state the relevant issue and be identified on the purchase order. Items that are required to be controlled by export licence or those items deemed ITAR (international traffic in arms regulations) controlled shall be used for all drawings being issued to suppliers.

Procurement should issue an enquiry to an appropriate number of Suppliers. Existing Suppliers should not necessarily be seen as the only source of price quotation.



## **ANNEX 2**

### **Supplier Quality**

Critical features and special customer characteristics - It is the responsibility of Managing Director, Sales Manager and Senior Engineers to convey this through the product specifications, including:

- What parameter are to be controlled
- Criticality
- A specification for the parameter to be controlled, which provides limits of acceptability and units of measure.
- Plans for controls that specify the means by which the characteristics will be achieved, and variation detected and removed.

In the case of supplier selection, information concerning suppliers needs to be evaluated at several stages in the selection process:

- Preliminary supplier assessment performed to select credible suppliers.
  - its name
  - its company number or other registration
  - the address of its registered office and, if different, its principal place of business
  - the names of the board of directors (or equivalent management body) and the senior persons responsible for its operations
- Pre-qualification of suppliers performed to select capable bidders.
- Qualification of suppliers performed to qualify capable bidders.
  - the law to which it is subject and its constitution or other governing documents
- Tender/quote evaluation performed to select a supplier.

Evaluation and selection of suppliers will be based on their ability to meet requirements of this Procurement Policy.

Once a supplier has been approved, the delivery and quality performance metrics. Including results of any inspection records or information on reject parts and or materials, should be monitored and this data included in performance measures.

Where both quality and delivery issues combine resulting in risk to manufacturing due to worsening performance, The Quality Manager will escalate such risks to GPL management team and aid supplier in defining corrective action and development plans to target performance improvement.

New and existing suppliers will be assessed for their ability to meet GPL requirements through this supplier assessment process.

Supplier visits / audit will be undertaken as appropriate.

Review purchase requisitions, check where goods receiving inspection requirements are specified i.e. is material shipped directly to stores, what acceptance certificate requirements exist, and inspection plans against characteristics as agreed against specification and function. Review inspection status and amend as necessary.

If the records show that there is a history of repeat non-conformance, agree with the supplier what corrective actions are needed to prevent recurrence

#### **Measures of Performance:**

Supplier delivery dependability (OTIF)

Suppliers product quality history (ability to meet requirements)



## **ANNEX 3**

### **Collaborative Business Relationships**

Collaborative business relationships have been shown to deliver a wide range of benefits, which enhance competitiveness and performance whilst adding value to organisations of all sizes.

Collaboration between organisations may take many forms from loose tactical approaches through to longer term alliances or joint ventures. GPL model is based on the platform detailed below and will be dependent on the culture and behaviours necessary to maximise the benefits of collaborative working.

- **STRATEGIC**
  - **AWARENESS** - Effectively relating with external organisations can be challenging and can be constrained by internal barriers. It is crucial to ensure that efforts are focused on those relationships where collaboration will deliver real value.
  - **KNOWLEDGE** - Creating effective collaboration requires strategies that are focused on the business objectives and recognises the risks associated with greater integration including knowledge management and business continuity, underpinned by an exit strategy to identify key concerns.
  - **INTERNAL ASSESSMENT** - Understanding the strength and weaknesses of our own organisations is critical if collaboration is to be successful. This includes processes, skills and experience compatible with the desired outcomes
  
- **ENGAGEMENT**
  - **PARTNER SELECTION** - Finding the right partner is critical but frequently is based on assumptions or long standing traditional relationships that can simply migrate. Often this is not the case so it is important to understand the profile you are looking for and how you will evaluate their capability to collaborate.
  - **WORKING TOGETHER** - Establishing Joint governance for collaborative programmes and integrating this with effective contracting arrangements requires careful attention taking into consideration the joint objectives and those of the individual partners, and ensuring the incentives and measurement will support collaborative behaviours.
  
- **MANAGEMENT**
  - **VALUE CREATION** - The key to maintaining a strong relationship is to ensure that it remains current and drives innovation to bring additional value to the partners through joint continual improvement programmes.
  - **STAYING TOGETHER** - Joint management is crucial if relationships are to mature and support people and the business environment. Effective performance and behaviours should be monitored along with issues and disputes which will be inevitable but can strengthen relationships if handled effectively
  - **EXIT STRATEGY** - Maintaining a joint exit strategy is important to keep the partners focused. At the same time having clear rules for disengagement will frequently improve engagement throughout the life of the relationship and into the future.

