

I. ACCREDITATION

CIGI is continuously committed to satisfy the requirements of its customers for quality gases and services. To achieve this objective, CIGI believe that developing strategic partnership and fostering mutual trust and confidence with its suppliers and contractors is the only way to have access to safe and environment friendly, quality and best value products and services on along term basis.

Accreditation of suppliers is therefore necessary to ensure that CIGI meet these standards.

It may become necessary to purchase goods and services from a new supplier especially when item required is urgently and critically needed in operations and not available from the listed suppliers. This will however be subject to post purchase evaluation and classification into the appropriate supplier category i.e.. principal, alternate or secondary.

The accreditation process involves the following stages:

1. Supplier's Information Sheet and Accreditation Questionnaire (SISAQ)

In order to accredit a potential supplier, the SISAQ must be completely filled and submitted together with the required documentary credentials. Satisfactory consideration will be given those suppliers who can meet the following criteria:

- Financial stability and integrity
- Management / organizational stability
- Supplier being a manufacturer, direct importer, or exclusive product distributor
- Adequacy of quality systems
- Adequacy of loss control systems

2. Evaluation of the Supplier's Information Sheet and Accreditation Questionnaire and the Credentials Submitted

The Buyer, Requisitioner (when necessary) and the Supply Manager jointly review the SISAQ and the credentials given as

mentioned in the form. The buyer confers with the supplier if there is a need to clarify certain information given. It is also necessary to refer to some major customers of the supplier and get feedback on the supplier's performance track record. Once completed, the buyer rates the potential supplier based on the selection criteria and then provides recommendation or disapproval. For contracted services, the Requisitioner also signs endorsement of the accreditation. The SISAQ form is then forwarded to the Supply Manager for approval.

Quality inspection at Supplier's site

For certain products and services, it is necessary to inspect supplier's plant, shop or office facilities to determine their capability to supply and adequacy of quality and safety systems. The Quality Inspection Team comprises of representatives of purchasing, the user department or any authorized person who is qualified to perform a quality survey or inspection.

Technical Assessment

Where relevant, the user of the product or service being ordered will form part of an assessment team to assess technical competence of the supplier to meet CIGI'S requirements.

3. Inclusion in the list of accredited suppliers.

Buyers shall indicate on the Suppliers' Information Sheet and Accreditation Questionnaire whether supplier is:

a. Recommended to the accredited suppliers' list

These are the suppliers who have adequately demonstrated and documented evidence of compliance with the stated systems and are ready to be working in an atmosphere of partnership.

b. Conditionally recommended to the accredited suppliers' list

These are the suppliers who have inadequacies in the documentation requirements or have partially satisfied the criteria in selection but are willing to correct same.

c. Not Recommended

The supplier has many deficiencies on the selection criteria and has no evidence of documentation of a control system.

d. Upgraded / Downgraded

This applies to a change in the classification of the supplier category, e.g. a previously one-time supplier being upgraded to either principal, alternate or secondary supplier, or a principal supplier being downgraded into alternate or secondary supplier for certain valid reasons.

4. Certification to recognize supplier as accredited supplier

The supplier demonstrates a capability of working in a true partnership with CIGI. All CIGI staff involved with the supplier (Supply Management, Warehouse, Production, Distribution, Sales, Engineering) are satisfied that materials and services received will always match CIGI requirements. Suppliers are issued notice of certification as accredited supplier.

II. PERFORMANCE APPRAISAL AND MONITORING

There are seven categories against which all **Principal** and **Alternate Suppliers** shall be measured, appraised and monitored in order to track performance levels against predetermined standards. Suppliers will be assessed on a continuing basis with feedback on performance based on the following categories:

<i>FACTOR</i>	<i>WEIGHT</i>
Commercial	15%
Service Commitment/Responsiveness	10%
Quality of Products & Services	25%
Delivery/Cycle Time	20%
Technical Competence	15%

Safety and Environment	7.5%
Business Management/Quality Systems	7.5%

Commercial

These are measures which demonstrate the supplier's performance in improving cost competitiveness, administrative effectiveness, and consolidation of financial stability.

Service Commitment/Responsiveness

These are measures which demonstrate the extent to which the supplier has been proactive in problem management, involvement in CIGI development processes, and cost reduction opportunities.

Quality of Products/Services

These are measures which demonstrate the supplier's improved performance in consistently providing conforming products and services and associated documentation.

Delivery

Measures that demonstrate improved delivery performance by the supplier.

Technical Competence and Support

Measures which demonstrate the extent to which the supplier improves their position relative to "best in class".

Commitment to Safety

Measures which demonstrate the extent to which the supplier adheres to their safety policy and proactively addresses and improves his performance.

Quality Systems

Measures which review and reevaluate the supplier's long term strategy, philosophies, training, development of quality systems, strategic importance of CIGI as a customer.

PERFORMANCE RATING:

For each category a series of measures shall be developed in order to provide objective evidence of degree of compliance. The relative degree of importance of each measure shall be weighted. A point system shall be used to identify degree of performance, which shall result in an overall percentage score. Each category shall have a mandatory minimum which the supplier must achieve; with overall score of 70% or greater in order to remain as accredited supplier. Suppliers attaining less than 70% in any of the individual category and in the overall score shall be subject to the agreement and implementation of a corrective action plan in order to continue to be awarded CIGI business. Improvement plans shall be developed as appropriate to the supplier. The results of the supplier performance appraisal shall be made known to the supplier through a letter sent to them within one month following the close of the appraisal period which is within the first quarter of the fiscal year.

APPRAISAL FREQUENCY:

Principal and alternate suppliers shall be appraised as a minimum every year or on a greater frequency dependent on business needs.

Where a supplier receives three corrective action notices or a single significant event occurs (something that leads or may lead to a major disruption to CIGI), a joint corrective action plan shall be implemented which may include reappraisal. The Supply Manager shall establish a review team comprising of Buyers and the concerned Requisitioners. Before the end of the fiscal year, the Supply Manager schedules review dates for supplier performance evaluation to be conducted jointly by the Supply Management staff and concerned Requisitioners within the first quarter of the next fiscal year.

The vendor rating is intended to highlight the strengths of a vendor as well as the areas where improvement is required and ensure that actions planned for improvement are undertaken.

GROUNDS FOR DISQUALIFICATION:

A supplier may lose its accredited status if any supply is effected in which there are discrepancies and the supplier does not respond to

the proposed solutions to remedy those discrepancies. The supplier will be advised accordingly and promptly in writing with an outline of the problem and the proposed solutions.

1. Supplier can not meet the required specifications of products ordered
2. Supplier or contractor had consistently failed in complying with the delivery schedules.
3. Contra was not able to finish a project due to lack of machinery and equipment or insufficient technically capable workforce.
4. Contractor had failed to comply with the required health and safety standards like wearing of personal protective equipment, safe handling of CIGI products , training of personnel /workforce to avoid incurrence of accidents and non-wearing of seatbelts.
5. Overpricing
6. Unethical practices
7. Supplier or contractor had closed business.
8. Supplier is known to have lost financial stability.