
Work and Inspection Instruction

Document: WII 14.37
Revision: 9
Responsible: Manager of Purchasing/Supplier Quality

Title: Purchasing Policy

Organization Process: SP 14 – Purchasing and Procurement

Document

1. PURPOSE

To provide a statement of Allied Motion purchasing policy for our employees, suppliers and customers.

2. APPLICABILITY

This policy applies to all Allied Motion employees who participate in the procurement process.

3. RESPONSIBILITY

The Purchasing Manager is responsible for administering this policy.

4. POLICY

The following policies are intended to serve as a statement of duties and responsibilities in our relations with companies that supply us with goods and services

4.1 Procurement Approach

We intend to identify and work with suppliers who are committed to world class quality. By reducing the number of suppliers we do business with, we can support more meaningful quality improvement and cost reduction efforts, while promoting the early acquisition of innovative ideas and technology.

4.2 Supplier Relations

Relations with suppliers are to be conducted in a fair and equitable manner and in accordance with the Principles and Standards of Ethical Supply Management Conduct established by the Institute for Supply Management. See Page 4.

4.3 Commitments

Only the Purchasing Department is authorized to make purchase commitments for the company. Purchasing is to conduct all negotiations affecting purchases; except for those special items delegated to other departments by the President of Allied Motion.

4.4 Reciprocity

Reciprocity will not be considered as a factor in the selection of suppliers.

4.5 Confidential Supplier Information

Supplier information regarding price and terms of sale shall be treated as confidential and shall not be disclosed to other suppliers. This policy does not prohibit the furnishing of such information to other units of the Company when there is a "need to know".

4.6 Combined Requirements

Maximum use is to be made of multi-plant sourcing agreements for combined requirements of several units of the company, when it is advantageous to do so.

4.7 Commitment Instruments

All purchase commitments are to be made in writing by a purchase order or other appropriate document.

4.8 Employee Interest in Suppliers

No employee who participates in the selection or approval of products or sources of supply, or who has supervisory responsibilities for such employees, shall have a financial interest in a company, which furnishes the supplies or services being purchased. This policy does not preclude the ownership of stock in publicly owned companies whose stock is listed and sold on a recognized stock exchange.

4.9 Former Employee as Sales Representative

Former employees are not permitted to call on the company in a sales capacity for a period of two years after leaving the company, unless approved in writing by the President of Allied Motion.

4.10 Transactions between Company Operating Units

Such transactions will be conducted on an arm's length bargaining basis.

ISM Principles and Standards of Ethical Supply Management Conduct

LOYALTY TO YOUR ORGANIZATION

JUSTICE TO THOSE WITH WHOM YOU DEAL

FAITH IN YOUR PROFESSION

From these principles are derived the ISM standards of supply management conduct. (Global)

Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.

Demonstrate loyalty to the employer by diligently following the lawful instructions of the employer, using reasonable care and granted authority.

Avoid any personal business or professional activity that would create a conflict between personal interests and the interests of the employer.

Avoid soliciting or accepting money, loans, credits, or preferential discounts, and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence, supply management decisions.

Handle confidential or proprietary information with due care and proper consideration of ethical and legal ramifications and governmental regulations.

Promote positive supplier relationships through courtesy and impartiality.

Avoid improper reciprocal agreements.

Know and obey the letter and spirit of laws applicable to supply management.

Encourage support for small, disadvantaged, and minority-owned businesses.

Acquire and maintain professional competence.



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Conduct supply management activities in accordance with national and international laws, customs, and practices, your organization's policies, and these ethical principles and standards of conduct.

Enhance the stature of the supply management profession.

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REVISION LOG:

Revision	Description	Authorization	Date
1	Initial Issue	Tom Grove	07/08/88
2	Revised	Tom Grove	01/03/97
3	Revised	Tom Grove	03/14/01
4	Changed Page 4 from NAPM to ISM and revised document format.	Tom Grove	08/14/03
5	Revised	Billy Rahaim	07/09/04
6	Minor revisions	Billy Rahaim	02/07/05
7	Revised Zip code	Billy Rahaim	07/13/06
8	Change responsibility from Director of Supply Management to Purchasing Manager.	Billy Rahaim	04/04/07
9	Revise Format and assign new Document ID# was PM130 is WII 14.37	David Pearce	11/27/2017