

Legal Issues on Supplier Management

It is necessary to renew the supplying contract next year with each supplier, and improve upon the supplier exploitation, supplier evaluation, supplier cooperation, and supplier performance management, etc. Therefore, that lawyer makes the following suggestions for your reference:

1. Hold a bidirectional seminar on the legal issues concerning supplier management. The participants may include the relevant managers of the Company, as well as the managers of purchasing, financial, and logistics departments. The Company may also bring forward some new problems for discussion.
2. To avoid or control the possible economic disputes, Modify and standardize the contracts related to the supplier management and relevant documentations during the performance of the contract shortly after the seminar, including but not limited to: Annual supply contract, Single supply contract, Quality control agreement, Intellectual Property Rights agreement, Supplier evaluation system, Logistics contract, Insurance contract, Equipment contract, Maintenance and repair agreement, etc.
3. Improve the system of supplier quality control, make clear the duty of each department, including purchasing, quality, financial, and logistics, to avoid the buck-passing among departments; complete the collecting of relevant evidence to quality objections, including but not limited to: the contract and quality agreement, quality testing report and inform letter (fastmail voucher), quality non-conforming letter (fastmail voucher), the parties negotiation proceedings (receiving list), returned goods notice and voucher, stock list and photo, and warehousing fee list, etc. and establish a quality record of non-conforming goods on time; at the same time, prescribe the quality appraisal organ in the supply contract, so as to get the right of the position in the settlement of quality disputes.
4. Improve and perfect the system of assessment and evaluation of the supplier; s product quality, including supplier; s techniques, quality, delivery, service, quality control capability, financial status, management capability, staff qualification, and agreement performance capability, etc.

The above opinions and suggestions are for your reference.

Bright Jon, Attorney-at-law