1.0 PURPOSE

- To ensure that purchased product conforms to the specified requirements.
- To ensure that parts ordered from the manufacturer's catalog meet engineering requirements.
- To ensure that purchase orders clearly define the product ordered.
- To select suppliers on their ability to meet the company's requirements.
- To keep records of acceptable suppliers and ensure that quality system controls are effective for suppliers.
- To incorporate purchased product into the supplies.
- To ensure that product is purchased from the customer-approved supplier list.
- To ensure the development of suppliers quality systems to Sections I and II of QS 9000.
- To ensure the quality of subcontracted parts, materials, and services.
- To ensure 100% on-time delivery from suppliers.
- To establish a system to monitor supplier delivery performance.
- To ensure that purchased parts meet government and safety constraints on restricted, toxic, and hazardous substances for the country of manufacture and country of sale.

2.0 SCOPE

This procedure applies to all materials and parts ordered for incorporation into the products, consumed during the production process, or used to operate the business.

3.0 RESPONSIBILITIES

The QA/Engineering Manager, Project Manager or Designee reviews all incoming purchase orders.

The QA/Engineering Manager, Project Manager or Designee rates suppliers who have a previous history.

The QA/Engineering Manager, Project Manager or Designee surveys potential suppliers' facilities.

The QA/Engineering Manager, Project Manager or Designee determines whether to negotiate new purchase orders or amend existing orders, based on the manufacturing schedule.

The QA/Engineering Manager, Project Manager or Designee ensures all items ordered are adequately defined through specifications, drawings, and parts lists to guarantee that requirements are met.

The QA/Engineering Manager or Designee writes and approves all purchasing procedures and is responsible for their distribution.

The QA/Engineering Manager, Project Manager or Designee develops the Purchasing schedule and criteria by:

- Selects a supplier capable of meeting the requirements with respect to quality, timely delivery, and cost.
- Orders materials to meets the production schedule.
- Orders expense items, upon the supervisor's approval.
- Maintains codes in the software system and categorizes ordered items by cost and type.
- Participates in product/manufacturing review meetings, when required.
- Reorders items received in inferior quality, if so dispositioned per QAP 13.0.

The QA/Engineering Manager, Project Manager or Designee provides proper support to fully review and the proper performance of incoming inspection, as required.

The Project Manager or Designee verifies the purchase order for quantity and delivery requirements.

The Project Manager or Designee monitors supplier's on-time delivery performance.

The QA/Engineering Manager or designee provides proper support that verifies that product and material meet all safety, governmental, and environmental concerns for the country of manufacture and country of sale.

4.0 PROCEDURE

4.1 Company-approved Supplier List

The (ASL) Approved Supplier List lists the types of approvals per WI-1.0. The QA/Engineering Manager, Project Manager or Designee maintains the list on the online QMS.

The (ASL) Approved Supplier List specifies company names, and materials and services for which the supplier has been approved. Being on this list does not grant automatic acceptance nor qualifies the supplier for ship-to-stock. All incoming product shall adhere to requirements as denoted in the QAM.

Additional suppliers may be added to the list upon successful completion of:

- The Vendor QMS questionnaire
- Complete QMS review by the QA/Engineering Manager or Designee. Once approved, the supplier is added to the list.

4.2 Customer-approved Supplier List

The Project Manager or Designee shall identify and purchase product from the customer-approved supplier list when so identified in the customers PO/contract. Other than possible cross referenced by chance with the company ASL, the customer approved supplier are considered contract specific and as such, an active list will not be maintained by the company. Such subs/vendors are recorded in the Contract Review per QAP 3.0. The customer must assure that specified subs/vendors identified per contract, are maintained and assured current and accurate.

4.3 Governmental and Environmental Constraints

The QA/Engineering Manager, Project Manager or Designee reviews material lists, specifications, and other relevant data to ensure that material used in the manufacture and packaging of the product meets current governmental and safety constraints on restricted, toxic, and hazardous materials, as well as electric and electromagnetic considerations. This review includes the country of manufacture, as well as the country of sale as required per WI-1.0 and QAP 3.0.

If material does not meet the criteria either for the country of manufacture or the country of sale, the QA/Engineering Manager, Project Manager or Designee shall process per QAP 13.0 and control of non-conforming material.

The QA/Engineering Manager, Project Manager or Designee ensures that restricted, toxic, and hazardous substance safety constraints are followed for purchased product and manufacturing.

The QA/Engineering Manager, Project Manager or Designee maintains a record of the product MSDS in the master online MSDS Folder.

4.4 General Supplier Qualifications

Suppliers are qualified in the following manner:

- QS 9000-certified, automatic qualification
- Self-evaluation questionnaire form QA 016, after review.
- Supplier history
- Site survey
- Customer audit
- Customer-approved second-party audit

The QA/Engineering Manager or Designee qualifies and approves suppliers. A supplier who is QS 9000-certified qualifies for the listing as a source on the ASL. A

supplier is disqualified from the list by the QA/Engineering Manager, Project Manager or Designee.

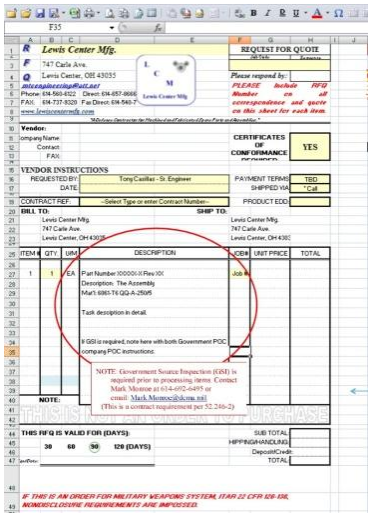
A supplier completes the QA Form QA016 SQMS questionnaire. The QA/Engineering Manager, Project Manager or Designee evaluates the responses.

The QA/Engineering Manager or Designee rates the supplier's previous history on the QA form QA016. The history is compiled from the initial QA 016 and any job folder-quality data and the suppliers' quality record/history. Suppliers are reassessed as defined in WI-11.0, Approved Supplier List (ASL).

Suppliers listed on the ASL, if a current supplier with an extensive company relationship may be "grandfathered" and added to the ASL without completion of an initial SQMS Questionnaire, form QA 016. Once on the ASL, all suppliers become candidates for formal review as defined in WI-11.0.

Upon approval, a purchase order is issued for a pilot run. The Project Manager, purchasing or designee monitors the pilot run after a new supplier is accepted and added to the ASL.

4.5 Purchase Requisitions (Request For Quotation)



See QAP 3.0, Contract Review and QAP 9.0, Process Control for contract requirements definition,

The Project Manager or designee generates the schedule for which to purchase inventory items based on contract requirements and generates the requisition for the items.

The contract delivery requirements will dictate the master delivery schedule. Information from the Master Job Log is used to established product scheduling and as defined in WI-1.0, the Master Job Folder Setup.

The Project Manager, Accounting or designee send Requests for Quotes (RFQ) to ASL suppliers.

RFQs are required to be as complete as possible as they are the bases for all Purchase Orders (PO).

RFQs shall contain at a minimum, the part number, revision level, item description, any special requirements including military or industry standards the item is required to meet, any required certifications and traceability to a contract/job number. A respond by date and expected delivery date shall be noted.

If customer source or witnessing is required, information including point of contact and contact phone numbers, fax and email, if available and needs to be noted on the RFQ as shown to the left.

All information is to be transferred to the PO.

4.6 Purchase Order Approval and Release

The Project Manager, Accounting or designee converts the RFQ to a Purchase Order.

If an engineering change causes a revision to a specification of an item, the Project Manager or designee contacts the supplier. The Project Manager enters the change onto the purchase order and re-issues the PO for approval by the supplier.

Purchase Orders released to purchase components or services are to be verified by an authorized agent of the supplier as acknowledgement of the terms and conditions of the purchase order

Exception to standard protocol will be the use of electronic ordering, that is, purchases made on the internet. Such RFQs and POs only need acknowledgement via read receipt or return email response.

4.7 Purchasing Data

POs shall contain at a minimum, the part number, revision level, item description, any special requirements including military or industry standards the item is required to meet, any required certifications and traceability to a contract/job number. A respond by date and expected delivery date shall be noted.

If customer source or witnessing is required, information including point of contact and contact phone numbers, fax and email, if available and needs to be noted on the PO as shown in 4.6.

If the purchase is a catalog order, (COTS) Common-of-the-Shelf item, Internet Purchase or of more a supportive nature, only email/electronic notification and acceptance is required.

Government defined Qualified Product List (QPL) items only require the PO to purchase such items. QPL items are considered government pre-approved items.

Attachments, such as referenced standards, engineering drawings and/or CAD files should be attached to the purchase order upon release for purchase.

The Project Manager or designee checks drawings attached to the purchase order for the correct revision level, material references or processing standards.

For special orders, a detailed drawing of tooling and components shall accompany the purchase order.

The purchase order specifies that the supplier is required to indicate the lot code and company part number, where applicable.

When the purchase order requires customer inspection and/or acceptance of product at the supplier's location, the appropriate GSI Inspector will be notified prior to issuing the PO.

4.8 Verification of Purchase Order Items Received

See QAP 10.0, Inspection and Testing and QAP 15.0, Handling, Storage, Packaging, Preservation, and Delivery for details of this section.

Upon receipt of the parts, the Quality department evaluates the shipment for transit damage and verifies the order is as ordered and meets all PO requirements..

Upon acceptance, the item is identified and released for the next operation or final, if purchased complete.

For items not approved for stock, the quality department inspects the items for discrepancy identification and completes a Quality Discrepancy Report (QDR) form QA 005 and processes per QAP 13.0, Control of Nonconforming Product.

If supplier action is needed, the QDR will be processed for Correct Action as defined in QAP 14.0, Corrective and Preventive Action.

If the inventory item is approved as a "use as is" item for stock, it is received directly to the stockroom or identified and prepared for the next operation.

If items are verified at the supplier's site, the Project Manager or a Quality representative inspects the parts according to the required documentation. The Project Manager identifies the verification status on the inspected part and processes the documentation as defined per QAP 5.0, Document and Data Control and QAP 16.0, Quality Records.

4.9 Defects and Disputes

A Quality Discrepancy Report (QDR) form QA 005 is processed per QAP 13.0, Control of Nonconforming Product.

Dispositions of defective or nonconforming parts will be handled in one of two methods:

- Customer review and disposition
- In-house engineering review and disposition.

The Project Manager negotiates with the supplier of nonconforming materials received. Suppliers are immediately informed of the nonconformance and asked to furnish a corrective action proposal as defined in QAP 14.0, Corrective and Preventive Action.

If a nonconforming shipment is received, a quality representative completes the QDR form QA 005 and subsequent form QA 001, Corrective Action Report.

The Project Manager reviews defective shipments and is responsible for all supplier, customer and in-house communications and actions.

The Project Manager reviews the supplier corrective action and completes the CAR with comments regarding their ASL listing status. The supplier's rating for the Approved Supplier List may be affected.

4.10 Purchase Orders Received

Upon receipt of an order/contract, the Project Manager verifies the quantity and completes the initial documentation per WI-1.0, Job Master Folder Setup.

5.0 RELATED DOCUMENTS

QAP 3.0, Contract Review
QAP 5.0, Document and Data Control
QAP 9.0, Process Control
QAP 10.0, Inspection and Testing
QAP 13.0, Control of Nonconforming Product
QAP 14.0, Corrective and Preventive Action
QAP 15.0, Handling, Storage, Packaging, Preservation, and Delivery
QAP 16.0, Quality Records
WI-1.0, the Master Job Folder Setup.
WI-11.0, Approved Supplier List (ASL)
QA 001, Corrective Action Report
QA 005, Quality Discrepancy Report (QDR)
QA016, SQMS questionnaire