1.0 Purpose

1.1 This procedure describes the control of the externally provided processes, products, and services to ensure that they conform to the requirements.

2.0 Responsibilities

2.1 The Purchasing Department is responsible for:

1. Requesting, receiving, assessing, and retaining all bids/quotes requested from Suppliers and maintaining such records.
2. The assessment and qualification of external suppliers based on price, quality and delivery considerations.
3. Seeing that all purchase orders and changes are complete and contain all requirements and QA clauses prior to being sent to the external suppliers. Also, to obtain any other approval signatures as needed prior to purchase order or change issuance.
4. Including the requirement for source surveillance on purchase orders, as required, including the details of the required source surveillance if required.
5. Ensuring that suppliers are evaluated and approved before they supply materials. Maintaining records showing approval of new Suppliers.
6. Maintaining the risk management of Suppliers.
7. Sending Supplier Questionnaires to the Suppliers.
8. Maintaining completed Questionnaires returned from new Suppliers.
9. The approval or disapproval of the use of any supplier as appropriate.

2.2 The Quality Department is responsible for:

1. The assessment and qualification of external suppliers based on quality requirements and quality performance. Approval or disapproval of the use of sources as appropriate.
2. The review of purchase orders and changes, to ensure that any required quality clauses or notes are included.
3. Performing periodic evaluation of suppliers.
4. The performance of all source surveillance efforts.
5. Documenting supplier products or service quality problems.
6. Provide Suppliers quality rating and risk score.
7. Initiating verification of purchased product via incoming inspection as per WI-1010-1.

3.0 References and Definitions

3.1 Reference: This document addresses Clause 8.4 of the AS9100 Standard covering, Control of Externally Provided Process, Products and Services.

3.2 Purchased Items: Materials, components, subassemblies and/or services that are bought.

4.0 Equipment/Software

4.1 Cost Point and Great Plains

5.0 General

5.1 **REQUEST FOR SUPPLIER BIDS/QUOTES**

1. INTRODUCTION

The process of requesting bids or quotations for some purchased items and/or services may be initiated during the period when preparing proposals, for potential awards.

Supplier responses to bid/quotation requests form a part of the Supplier Evaluation Process.

The process of requesting bids or quotations for all purchased items and/or services is initiated as the result of a customer RFP or after award from a customer and is now about to initiate the procurement process.

Bid/Quotations requested from suppliers during proposal (to its customers) preparation stage may be used after award from customer depending on supplier quote validity.

2. EXTERNAL SUPPLIER BIDS /QUOTATION REQUESTED DURING PRE-AWARD PERIOD

During the period when preparing a proposal/quotation to be sent to one of its customers for a potential award, the Purchasing Department may be requested to obtain price and delivery responses for some parts, components, or sub-assemblies (items) or for services that will be required as part of the proposed deliverable product(s).

Such requests are made of the Purchasing Department by either the Program Manager, Sales, Engineering Department or Operations. Such requests are typically made when adequate pricing history and/or delivery data is not available for certain purchased items or services.

Requests to obtain such quotations are sent to Purchasing along with applicable drawings and/or specification data via email or handwritten request to obtain price and delivery information. A request may also include the suggested, recommended, or prescribed supplier(s) to be solicited. If suppliers are not mentioned in a request, the Purchasing Department shall determine appropriate suppliers. Suppliers solicited for their bid/quote do not have to be on the Approved Supplier List.

Quotes may be sent via e-mail, fax or other means. An RFQ, with the associated drawings and/or specification data may be sent to each elected supplier (as required), thus requesting their Bid/Quotation. Such data does not need to be officially approved/released. Copies of the requests are filed in the Purchasing Department.

When a bid/quotation is received back from a supplier, the original is filed with the request in Purchasing, and the information is sent to the department that requested the response.

NOTE: Supplier price/delivery history records may be used in lieu of a new quote. Also, departments other than Purchasing may request a bid/quotation from a potential supplier during this pre-award period. Copies of such bids/quotations must be provided to Purchasing if the business receives the award.

During this period a supplier may be added to the Approved Supplier List (SQAP-1006-2, F2) via the process.

3. EXTERNAL SUPPLIER BID/QUOTATIONS REQUESTED AS PART OF AN RECEIVED CONTRACT

After the business receives a customer contract, the Purchasing Department receives authorization to proceed which initiates the supplier quotation processes.

If the customer contracts require that a minimum of three (3) potential suppliers be requested to bid on purchased items and/or services, the Contracts Department must notify purchasing of this requirement. This does not apply to “single/sole source” items. Depending upon the customer’s contract requirements, the Purchasing department buyer prepares bid/quotation requests via email or fax and sends one to each selected/potential supplier along with the applicable approved, released drawings and associated specification data.

When responses are received from the solicited suppliers, a copy of each bid response is filed with the copy of the request to that supplier. If the suppliers that submitted bids for the same item(s) are on the Approved Supplier List, then the Purchasing Department performs an evaluation of the supplier bids/quotes and selects the supplier who will receive the purchase order.

If a supplier has submitted a bid/quotation and is not presently on the Approved Supplier List, and the Purchasing Department buyer believes the bid/quotation is responsive to needs, then the buyer will complete a New Supplier Authorization Request, Form SQAP 1006-2, F1 for review/approval by Quality Assurance, Engineering and Procurement. Qualification and Selection is then completed.

5.2 ASSESSMENT, QUALIFICATION & SELECTION OF EXTERNAL SUPPLIERS

1. INTRODUCTION

Purchasing must use approved suppliers. Under certain circumstances, procurement may be limited to a subset of approved suppliers. The requirement limiting approved suppliers may be defined by one of the following:

- Qualified Parts List (QPL) – Approved parts defined by the subject Mil-Spec
- Ultra Custom Drawings – Approved suppliers listed on the drawing.
- Systematic Requirements (i.e. technical approval, ASL restrictions)

If no restrictions on supplier selection have been defined, purchasing should take the following into consideration before selecting a source:

- Small business concern
- Supplier quality rating
- Delivery rating
- Volume of past receipts
- Cost

Supplier approvals are defined and maintained in the Approved Suppliers List (ASL), SQAP 1006-2, F2. If a supplier is not approved, purchasing shall not release the purchase order until the status of the supplier has changed to approved.

The following criteria for the evaluation, selection, monitoring of performance and reevaluation of suppliers is in place to ensure the conformity of product/processes.

2. INITIAL SUPPLIER ASSESSMENT, QUALIFICATION AND SELECTION OF SOURCE CONTROL ITEMS

Because of the technical nature and requirements of the systems and products designed, manufactured, and delivered there is a need to ensure that selected suppliers for single/sole source control items have the required technical capabilities. As a result, the Engineering Department has the primary responsibility for initially recommending such suppliers.

For all newly designed purchased source control items, Engineering shall initially have the primary responsibility of interfacing with potential suppliers and assessing

their performance capabilities and technical qualifications. During such assessments Quality Assurance and Purchasing shall help, as required, Engineering shall provide the Quality Assurance and Purchasing Departments with an assessment regarding all such initial potential suppliers. The approval or disapproval recommendation of a supplier to furnish specified products will be clearly indicated by Engineering.

These Engineering assessments occur during the design and development phase for the system or product being developed for delivery to its customers. This is the phase during which critical purchased items are identified by Engineering and so identified as source controlled on released drawings.

Upon delivery of initial source control items, (usually for system prototypes, quality tests, or first article testing of products), Engineering is responsible for final evaluation of the supplier's technical capabilities. Quality Assurance is responsible for evaluation of the supplier's initial component quality. Purchasing is responsible for evaluating the supplier's price and delivery. As a result of positive assessments by these three functions, a Supplier Questionnaire (SQAP 1006-4, F1) will be sent to the potential supplier. Upon favorable receipt of completed questionnaire the supplier is now eligible to be added to the Approved Suppliers List (SQAP 1006-2, F2).

Purchasing shall fill out a New Supplier Authorization Request (SQAP 1006-2, F1) to indicate their positive assessment of a supplier and to thereby request that the supplier be added to the Approved Supplier List. The original of these requests is sent to Quality Assurance, Engineering and Manufacturing (when required) for approval.

Upon Quality Assurance and Engineering acceptance of the New Supplier Request (SQAP 1006-2, F1), accepted suppliers will be added to the Approved Supplier List (SQAP 1006-2, F2) by the Purchasing Department. Purchasing shall maintain the approved New Supplier Authorization Request and Supplier Questionnaire in the supplier record.

3. INITIAL SUPPLIER ASSESSMENT, QUALIFICATION AND SELECTION FOR PURCHASED INVENTORY ITEMS AND SERVICES

The Purchasing and Quality Departments shall be responsible for supplier assessment, qualification, and the review of applicable supplier bids/quotes/certifications for the purchase of all other purchased items or services. This shall be based on the suppliers' ability to fulfill specified requirements accurately, on time and at the agreed price.

The requirements for purchased product services (i.e., finishing, plating, painting, etc.) are determined by Engineering or Manufacturing Engineering and are so noted on the product's applicable drawing during the product design/development stages.

Purchasing shall fill out a New Supplier Authorization Request (SQAP 1006-2, F1)

to indicate their positive assessment of a supplier and to thereby request that the supplier be added to the Approved Supplier List (SQAP 1006-2, F2). Purchasing shall also send a Supplier Questionnaire (SQAP 1006-4, F1) to the potential supplier. Both completed forms shall be sent to Quality Assurance, Engineering and Manufacturing Engineering (when required) for approval.

Upon Quality Assurance and Engineering acceptance of the New Supplier Request Form, (SQAP 1006-2, F1), accepted suppliers will be added to the Approved Supplier List (SQAP 1006-2, F2) by the Purchasing Department. Purchasing shall maintain the approved New Supplier Authorization Request and Supplier Questionnaire in the supplier record. Records shall be stored electronically on the Purchasing drive. (Legacy records created prior to 06/01/2024 may be stored on-site as physical media.)

The Approved Supplier List (SQAP 1006-2, F2) displays the Approval status of existing Suppliers. Supplier status may be Approved or Inactive; Ultra does not permit Conditional use status of Suppliers at this time.

4. SUPPLIER ASSESSMENT, QUALIFICATION AND SELECTION OF NON-INVENTORY PRODUCTS AND SERVICES

These are products or services used by functional departments during their normal course of business which are not part of the products deliverable to customers.

For such products and services, the Purchasing Department shall be solely responsible for supplier assessment, qualification, and selection. This shall be based on Purchasing's opinion of the supplier's ability to fulfill specified requirements accurately, on time and at the agreed price. Formal records may be maintained for these assessments at the discretion of the Purchasing Manager. Such suppliers are not added to the Approved Supplier List.

5.3 EXTERNAL SUPPLIER RISK ASSESSMENT AND PERIODIC REVIEW

External Suppliers shall be risk assessed for Quality, Delivery and Total risk to the business. All Suppliers on the ASL shall be assessed using historical Quality and Delivery data and shall be rated as a Low Risk (Green), Medium Risk (Yellow), and High Risk (Red) for both Quality and Delivery. The Total Risk is a 80-20 weighted average of the Quality and Delivery risks respectively, however, the Purchasing and Quality Manager may adjust the Total Risk up or down, taking into account non quantitative assessments, such as number of SCAR's, responsiveness to SCAR or others, as appropriate.

Quality Risk shall be assessed as follows (number of rejected lots / total lots received):

Low Risk – Greater than 98%

Med Risk – Greater than 90%

High Risk – Less than 90%

Delivery Risk shall be assessed as follows (lots received on time / total lots received):

Low Risk – Greater than 90%

Med Risk – Greater than 75%

High Risk – Less than 75%

Total Risk shall be assessed as:

Low Risk – Greater than 96%

Med Risk – Greater than 87%

High Risk – Less than 87%

For New Suppliers with no historical performance data, the Supplier Questionnaire can be used to establish the base line risk assessment.

The Purchasing and Quality team shall meet at least two (2) times per year to review the performance of all External Suppliers for the period of time since the last review. The Approved Supplier List (SQAP 1006-2, F2) shall be updated with the most recent risk assessments and date of the update shall be noted in the ASL.

CORRECTIVE ACTION

When a Supplier's Quality Risk is High or Total risk is High, one or more of the following actions will be taken:

1. A Corrective Action Request will be prepared and sent to the applicable supplier
2. Additional quality requirements will be imposed, as applicable.
3. A Source Surveillance may be performed to determine the cause of the discrepancies and decide on appropriate corrective action.
4. Increased engagement with supplier to monitor improvement.

In the event no improvement is noted after all attempts at corrective actions have been exhausted, Quality Assurance and Purchasing will determine on removing Supplier from the Approved Supplier List based on the impact to the Organization.

When a Supplier's Quality Risk is Medium, Delivery Risk is High or Total Risk is Medium, one or more of the following actions may be taken:

1. Increased communication with the supplier.
2. Monitor the supplier by the number of issued nonconformities.
3. A Source Surveillance may be performed to determine the cause of the discrepancies and prevent these issues on future assemblies.

In the event no improvement is noted after these actions, Quality Assurance and Purchasing will determine if Suppliers risk level needs to be adjusted.

When a Supplier's Quality Risk is Low, Delivery Risk is Medium/Low or Total Risk is Low, no actions are required to be taken.

1. SUPPLIER EVALUATION AND RE-EVALUATION:

Our Approved Supplier List (ASL) is divided into four (4) categories:

- Inventory Items
- Special Process Suppliers
- Non-Inventory Items
- Inactive suppliers

Suppliers will be evaluated and re-evaluated bi-annually based on the criteria outlined in Section 5.3. If an approved Supplier has no activity over the preceding 18 months they will be moved to Inactive Status.

Inactive Suppliers: In the event a supplier considered as "Inactive", Purchasing will initiate the process as a "New Supplier" in order to have this supplier qualified prior to placing Purchase Orders. (Ref: paragraph 5.2)

5.4 PURCHASE REQUISITIONS

1. INTRODUCTION

   Purchase Requisitions can be prepared by various functional departments and are delivered to the Purchasing Department buyers for their issuance of applicable purchase orders.

   Purchase requisitions governed by this procedure are those issued for the procurement of items or services, which will either become part of product deliverable to a customer or are to be used to manufacture, test, or inspect such products.

   Purchase requisitions are also used to indicate and describe a change to a previously issued purchase order.

   Purchase requisitions for items or services which will not be a part of a deliverable product, or which will not be a part of the manufacture, test, or inspection of such products, are not governed by this procedure.

2. PREPARATION, APPROVAL, AND ISSUANCE OF PURCHASE REQUISITIONS

   Functional departments will use for, SQAP 1006-5, F1, and shall include with the requisition all applicable documentation (drawings, documents, specifications, special quality requirements, and any special technical or performance requirements), as may be required. When a desired Supplier/supplier is preferred, it shall be noted on the requisition. The applicable functional department supervisor's approval is required on the requisition. Approved purchase requisitions shall be brought to the Purchasing Department, along with any associated documentation.

   Note: In lieu of a requisition, an e-mail or written request with job charge and appropriate signatures may be used.

3. ACCEPTANCE OF PURCHASE REQUISITIONS OR CHANGES

The Purchasing Department shall review all received purchase requisitions for inclusion of complete requirements needed to issue the purchase order. Incomplete requisitions shall either be discussed with the issuer, to obtain all needed requirements, or will be returned to the issuer as being inadequate or incomplete.

5.5 PURCHASE ORDERS: PURCHASE ORDER PREPARATION

Purchase orders are after an external supplier has been selected. The Purchase Order requirements/data are entered into the computer system that allows for printing of official purchase orders, and entry into the open PO file records. Cost Point and Great Plains auto-generate a purchase order number upon entry. The Purchase Order is sent to the supplier after all the approvals are secure.

When the information is entered into the computer system, the purchase order is printed. The copies are reviewed for clarity and completeness.

1. GOVERNMENT INSPECTION REQUIREMENTS

   When US Government inspection is required, the Purchasing Department shall add to the purchasing document the following statement:

   > "Government inspection is required prior to shipment from your plant. Upon receipt of this order, promptly notify the US Government Representative who normally services your plant so that appropriate planning for Government inspection can be accomplished."

2. PURCHASING ORDER APPROVAL

   If the purchase order is for a US Government contract, the contract # and DPAS rating are typed on to the purchase orders as being Government rated orders. The Purchase Orders are signed by the Purchasing manager or delegated authority.

3. PURCHASE ORDER

   The Purchase Order may be faxed or emailed to the Supplier/supplier. A copy is retained in the purchasing Department. If required, the Government representative also receives any applicable copy.

4. PURCHASE ORDER CHANGE

   Purchase Order changes are accomplished in the same manner as indicated previously for the original purchase order. Then the purchase order is prepared/revised, approved, and issued in the same manner as indicated above for the original order. Any revisions required to a purchase order are initiated by an email or fax to the supplier.

5. OTHER INFORMATION PROVIDED TO SUPPLIER

Other information may also be required to be sent to the applicable Supplier, as follows (utilizing the form indicated):

1. Supplier Debit Memo, Form SQAP 1006-6, F4, used to debit orders for returned material, components, etc., when such items were indicated as not being acceptable.
2. Deviation Form SQAP 1006-6, F3, to document any non-conformance to the Purchase Order, Specification Drawing, or Industry Standard prior to shipment. (Ref. QC1-BB)

Request to ship, Form SQAP 1015-4, F1 used to provide direction.

PURCHASING DOCUMENTS: contain at a minimum, where appropriate:

1. Requirements for approval of product, procedures, processes, and equipment.
2. Quality Management System requirements
3. Catalogue number, item number or other accurate description of the item, any applicable issues of specifications, drawings, process requirements, inspection instructions and other relevant technical data.
4. Quality Clauses
5. Quantity
6. Required delivery date,
7. Any specific quality requirements such as approval or qualifications
8. Signature indicating review and approval of purchase order.

5.6 EXTERNAL SUPPLIER SOURCE SURVEILLANCE

1. NOTIFICATION FOR SOURCE SURVEILLANCE

Upon notification by a supplier of the availability of items for Source Surveillance, Purchasing will notify the Quality Assurance Manager, who will then make the necessary arrangements with the supplier to accomplish the surveillance. If US Government inspection is also required, the QA manager shall notify the applicable US Government Inspection Representative.

2. CONDUCTING SOURCE SURVEILLANCE

Source Surveillance shall be conducted as follows:

1. Review of Purchase Order requirements
2. Review technical documentation (i.e., statement of work, ATP's, etc.)
3. Review of supplier documentation (i.e., Inspection/Test Data)
4. Equipment setup for adequacy, calibration

5. Inspect per drawings and purchase order requirements, test per ATP, where required. Assessment of age sensitive materials usage

A Supplier Source Surveillance Report (SQAP 1006-4, F1) may be prepared, by QA, upon completion of the above requirements to document the results of all inspections and tests conducted. A copy is brought back by Quality and filed with the Purchase Order to be reviewed with Incoming Inspection. Copies of these reports shall be maintained on file, by QA, and all results shall become part of the supplier's quality history.

Any supplier discrepancies shall be noted by QA in the report. QA will give the Supplier a copy at the time of source inspection that is signed and dated by both parties.

The supplier shall correct all discrepancies noted prior to acceptance of any material. QA and the applicable supplier shall arrange a re-scheduled source surveillance meeting. At the re-scheduled surveillance, the QA Manage shall then review the corrective action taken and notify the supplier of the results. If quality discrepancies persist, QA will prepare a formal Corrective Action Request for supplier action.

6. FORMS

a.	SQAP 1006-4, F1	Supplier Questionnaire
b.	SQAP 1006-2, F1	New Supplier Authorization Request
c.	SQAP 1006-2, F2	Approved Supplier List
d.	SQAP 1006-3, F1	Source surveillance Report
e.	SQAP 1006-5, F1	Purchase Requisition
f.	SQAP 1006-6, F2	Quality Clauses
g.	SQAP 1006-6, F3	Deviation Form
h.	SQAP 1006-6, F4	Debit Memo Notice
i.	OP-1014, F1	External Supplier Corrective/Preventative Action Request.

7. Related Documents

j. OP 1003 Customer Related Products Procedure
k. OP 1004 Design Control Procedure
l. OP 1006-7 Counterfeit Parts Prevention Plan with letter to Suppliers
m. OP 1010 Inspection and Test Procedure
n. WI-1010-1 Receiving Inspection
o. OP 1013 Control of Nonconforming Product
p. OP 1014 Corrective & Preventive Action Procedure
q. Turtle Diagram

8. References- None

Date	Rev:	Changes	Auth:
03-12-13	H		C. Haunstein
11-04-21	J	Changes in responsibility for Purchasing, and Quality	C. Metaxas
10-10-22	K	Addition of Risk Assessment for External Providers and Supplier Risk Analysis Form	J.Diiorio
07-26-23	L	Changes to comply with Recertification Audit – Intertek 2023	T. Vintimilla
02-29-24	M	Wording changes. Updated to fit current policies and process.	J. Baccoli
06-12-24	N	Updated all sections for readability, rewrote section 5.2 and 5.3.	J. Schmitz
08-28-24	O	Added Supplier Deviation form.	A. Adhyatman