1. **PURPOSE:**

   To ensure that purchased products conform to specified requirements and that all purchasing activities are planned and documented in accordance with the requirements of ISO 9001: 2008 and the ASME Code.

2. **SCOPE:**

   The scope of purchasing comprises control from requisition to receipt of all incoming material intended for use in the manufacture of the product. The system ensures that only the intended material is used in Code construction.

3. **DEFINITIONS:**

   **Blanket Order:** When economically appropriate, repetitively ordered items are purchased on a Blanket type order – a basic agreement for a stated period of time.

   **Customer:** The purchaser of a product provided by the supplier.

   **MES:** Mandatory Engineering Specification.

   **PED:** Pressure Equipment Directive.

   **Purchase Order Acknowledgment:** The acknowledgment confirms the unqualified acceptance by the supplier of the terms and conditions of the purchase order and is reviewed by the Buyer to ensure compliance with terms of the purchase order.

   **Purchase Order:** The purchase order is a contractual agreement between the supplier and the purchaser. It is a legal document that should clearly and precisely cover the essential elements of the purchase to be made so that no future misunderstandings may occur. It shall contain terms and conditions and general instructions.
Special Processes:  Heat treating, metal plating, welding and NDE.

Subcontractor / Vendor: The organization that provides a product to the supplier.

Supplier: The organization that provides a product to the customer. Farris Engineering is a supplier of Pressure Relief Valves.

Terms of Purchase: The standard document that defines conditions applicable to all Farris Engineering-Brantford Purchase Orders.

4. FORMS:

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5. REFERENCES:

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<td>ASME Code Sec. I</td>
<td>Power Boilers</td>
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</tbody>
</table>
6. **RESPONSIBILITY:**

6.1 **The Sales Department is responsible for:**
   - Accurately translating the customer specifications and quality requirements into a valve Bill of Material.

6.2 **The Materials Manager is responsible for:**
   - Ensuring that complete and accurate material and process specifications appear on the Purchase Order and are in agreement with demand from MRP-Planned Purchase Report. These include adherence to the Quality Program Standard which is appropriate.
   - Preparation of all Purchase Orders.
   - Ensuring materials source PED orders are from suppliers listed on the PED Approved Suppliers list as required.
   - Ensuring that all suppliers of product materials and services have a copy of the Terms of Purchase (QPF-06-J)
   - Receiving Inspection of purchased material.
   - Generation and distribution of the Purchase Order in accordance with the requirements of this procedure.

6.3 **The Quality Control Manager is responsible for:**
   - Evaluating vendors, primary suppliers and establishing and maintaining a list of qualified vendors.
   - Surveillance of subcontractor’s quality program for determining the Quality Program Standard to apply to Purchase Orders for Special Processes.

7. **PROCEDURE INSTRUCTIONS:**

7.1 **Purchasing Data (QPF-06-A)**

A. Purchasing documents shall contain data clearly describing the product ordered, including where applicable:
- Quantity
- Description of item/services (e.g. Part name or description, casting number, bar dimensions, NDE services, etc.)
- Part Number
- Date required
- Drawing number and revision
- Material specification and material code
- Material Certification and Test Report required (for all pressure retaining materials), or additional reports as required
- The title, number, and issue date of the Quality System Standard to be applied to the product, if applicable
- Requirements for preservation, packaging and special shipping instructions, when applicable
- Reference to Terms of Purchase (QPF-06-J)
  - The right for CWFCC-FE and/or CWFCC-FE customers to:
    - Review the vendor's documentation as required by the applicable quality program standard.
      - Have access to the vendor's premises or working area so that CWFCC-FE customers can audit, survey and verify that CWFCC-FE is in controlling compliance with contract requirements at lower tier vendor levels. Mandatory hold points in the vendor's Inspection and Test Plan or Checklist for source inspection, when applicable. References as required by contract.
    - Instructions for the submission, retention and disposition of records that constitute the objective evidence required by the vendor.
B. PED Materials Suppliers:

Vendors will be allowed on the PED Approved Vendor List either by having been certified to the ISO 9001:2008 Quality Management System from a competent body with a European address on the issued certificate or having been certified to 4.3 of the European Directive 97/23/EC by a competent body established within the European Community.

C. Material Test Reports for PED Materials:

When a supplier is ISO approved, material test reports must be signed by QC personnel and not by manufacturing personnel (EN 10204-1991 3.1.B or EN 10204-2004 3.1).

When a supplier is not ISO approved, material test reports must be accompanied by a certificate issued by a competent third party (EN 10204-1991 3.1.A, 3.1.C or EN 10204-2004 3.2).

7.2 Purchase Requisition (QPF-06-B)

7.2.1 Non-Inventory Items

The department requiring the items initiates a request with applicable information via email. This request is then approved by the Materials Manager or his designee and a Purchase Order is generated.

7.2.2 Inventory Items

Materials requisitioning results when a Planned Purchase Report (QPF-06-C) from the ERP system is forwarded to the Purchasing Department for review.

The Purchasing Department may transfer the order information from the Planned Purchase Report to a Purchase Inquiry (Request for Quote (QPF-06-G)) and submit this to the appropriate vendor. The vendor determines material price and delivery, then forwards this information back to the Purchasing Department.
7.3 Purchase Order: Commercial

Upon receipt of the Purchase Requisition, the Purchasing Department generates the Purchase Order. The Materials Manager or his designee shall approve Purchase Orders prior to release.

The Purchase Order may also be signed by the Buyer/Planner or the Facility Manager.

The Purchase Order is faxed or emailed to the vendor.

Changes to the Purchase Order shall be subject to the same degree of control and authorization and shall be processed in the same manner as the original Purchase Order.

7.4 Receiving

When the goods are received, the Receiver reviews shipping documents against the shipment; i.e., number of pieces, damaged goods, etc.

The Receiver reviews the packing slip against the purchase order information in the ERP System, performs receiving activities in accordance with FEB-08-02, "Receiving Inspection".

The Receiver forwards supporting documents to the Inspection Department when applicable.

7.5 Inspection

Inspection Department inspects the goods in accordance with FEB-08-02. If acceptable a green sticker is applied and released for storage. If not acceptable follow FEB-13-01.

7.6 Vendor Approval

7.6.1 Approved Vendors List

A current list of approved vendors and sub-contractors is maintained by the Quality Department is available on the local intranet, form QPF-06-M. This Approved Vendors List is reviewed and updated periodically by the Quality Control Manager. Any revision to this list must be reviewed and approved by both Purchasing and Quality Control prior to posting on the local intranet.
7.6.2 Vendor Information (QPF-06-K)

Files on Approved Vendors that shall be maintained will include:

a) The basis for approval
b) The product range for approval by Vendor
c) Receiving Inspection Summary
d) Record of quality problems and solutions

The Materials Manager places orders for pressure retaining materials, all special processes and subcontract machining from companies listed on the Approved Vendors List. (QPF-06-M)

Vendors that have been on our Vendors List for many years can be qualified for future work through past performance (Grandfather Approval).

7.6.3 Vendor Selection

Vendors shall be selected on the basis of their ability to meet subcontract/purchase order requirements including quality requirements.

7.6.4 Basis of Approval

Vendors will be selected and approved dependent on the type of product and/or service and may be approved on one or more of the following basis:

a) Receipt, review and approval of their Quality System Manual.
b) Receipt, review and approval of the Vendor Questionnaire (QPF-06-D).
c) Receipt and successful testing of product or material samples.
d) Receipt, inspection and acceptance of a trial order.
e) An on-site audit of their Quality System*.
f) Registration of their Quality System with a recognized third party to ISO 9001 or other recognized quality standard.
g) A history of demonstrated capability and performance.
h) Published experience of other users.
i) Acceptance by CWFCC-FE Customers.
* Supplier classification and frequency of audits is based upon three categories, (categories A, B and C) as described below.

**Category A Supplier:** Deemed to be a critical supplier and is audited a minimum of once every three years.

**Category B Supplier:** Suppliers with a good quality and delivery status; required to complete a Quality System survey once every three years.

**Category C Supplier:** Deemed to be a noncritical supplier and are not required to have a system audit or survey.

1. Audit schedules and frequency are reviewed yearly and categorization of suppliers may be changed during this timeframe.
2. The categorization, scheduling, auditing, reporting and follow up of raw material suppliers used by both the Brantford and Brecksville facilities will be the responsibility of the Brecksville Quality Department.
3. Review and acceptance of audits and audit findings for suppliers used in Brantford will be the responsibility of the Brantford facilities Materials Manager and Quality Control Manager.
4. New specialty and machining subcontractors will be selected on their ability to perform the work requirements including Quality System and Quality Assurance requirements. The FEB Production Manager ensures that the latest drawing and current engineering specifications are supplied to potential vendors.
5. New foundries for pressure retaining materials are required to submit a sample casting, which must be approved by Farris Engineering Brantford (FEB) prior to any production run. Only after this approval can the foundry proceed with the production run.
6. The Quality Control Manager will evaluate the prospective vendors of pressure retaining material and special processes for the technical and quality capabilities of the prospective vendor’s facility and personnel, along with the implementation of their quality program.
7. When a new vendor is selected through the sourcing procedures and pricing is approved, members of QC and Purchasing or Production may visit the vendor facility to review its quality system, including record keeping and their equipment/ability to perform the work per CWFC-FE requirements (Engineering Specifications).
8. Once the vendor is placed on the Approved Vendors List, their quality program and records are reviewed annually by the Quality Control, Purchasing and Production Departments to ensure that their assessment controls are effective.
9. A Vendor Review Report is produced based on the current revision of the Approved Vendors List. Along with the Approved Vendor Review Summary - Routing (QPF-06-H), the Vendor Review Summary Report is distributed to the necessary departments for review,
comments, changes and approvals. Using the information obtained from the Vendor Review Summary Report, the Approved Vendors List is then updated.

7.6.5 **Source Inspection**

When CWFCC-FE verifies purchased products at the subcontractors' premises, verification arrangements and methods of product release will be specified in the purchase documents.

7.6.6 **Customer Verification of Subcontractor Product**

The customer or his representative, or an authorized inspection agency will have the right to verify that subcontracted products at the supplier's premises and/or at CWFCC-FE premises conform to specified requirements. Such verification will not be used by CWFCC-FE as evidence of effective control of quality by the subcontractor. Customer verification does not absolve CWFCC-FE of acceptable product responsibilities or subsequent rejection by customer.

All documents required by the customer’s order are available for review by the customer’s inspector, or an authorized agency.

7.6.7 **Subcontractor / Vendor Performance Tracking**

All Subcontractors/Vendors of quality related products on the Approved Vendors List shall receive ongoing assessment in regards to nonconformances such as:

- Out of tolerance or dimension product or materials.
- Cracked or porous product.
- Materials not meeting specifications on Purchase Order.

The nonconforming material covered by these forms will be tracked by the Quality Department.

7.6.8 **Vendor Analysis Report (QPF-06-F)**

A "Vendor Analysis Report" is generated quarterly through the ERP system consisting of:

a) Purchase Order Receiving Information

b) Quality Quotient Information
7.6.9 Process Used

1) Matching the "Due Date" from the Purchase Order and the "Receipt Date" from the Receiving Report, a summary of On-Time Delivery is produced and is expressed as an "On-Time Percentage."

2) **Comparing the sum of all castings used against the sum of defective castings returned to a supplier within a specified period, a percentage is produced indicating the supplier quality rating.**

3) Performance deemed to be adequate requires an 85% on-time Delivery and 97% Quality factor as calculated on the Quarterly Performance Report.

A supplier with an adequate rating for both of the ratings is so advised and no further action is taken.

A supplier with a less than adequate rating for both or either of the ratings is advised in writing that their performance is below what is expected. As a result their performance will be monitored with increased scrutiny in the coming months. Failure to demonstrate an adequate level of improvement will be deemed cause for a formal evaluation of said suppliers' ability to meet the needs of CWFCC-FE and they will be considered for removal from the Approved Vendors List.

Vendors to be analyzed are those vendors supplying inventory items and who receive from CWFCC-FE, Brantford Facility 12 or more purchase orders per year.

Vendor analysis shall start six months after a vendor is fully approved and a stable supply has been established.

7.7 Removal of Subcontractors from the Approved Vendors List

Subcontractors may be removed from the Approved Vendors List by the Quality Control Manager or by the Materials Manager when any of the following occur:

- Poor "Supplier Performance Ratings" for BOTH or EITHER of the ratings as reported in section 7.6.9 above.
• Vendor failing to respond to requests for corrective action.
• Major ethical violations.

The vendor may only be reinstated by joint concurrence between the Quality Control Manager and Materials Manager after successful completion of one or more of the items listed in 7.6.4D

8 RECORDS

Purchase Orders and Requisitions are maintained by the Purchasing Department until completed. Archived records and can be retrieved from the ERP computer system.