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Approved By: Mark Blumenfeld	

Title: Contract Review

Purpose

This procedure ensures customer requirements are fully understood with the aim of satisfying the customer (5.2[1]) and that current company capabilities are sufficient to meet them before a contract is accepted (7.2.2[2]).

Scope

This procedure applies to prototype, production and distribution product orders as well as contract changes.

NOTE

While it is the desire of Insulation Supply Company to have written customer documents (requests for quote, purchase orders, contracts, specifications, etc) in hand prior to transacting business, it is not our policy to refuse business due to the lack of such documentation unless there are compelling reasons such as special material requirements, large dollar amount, known past problems or other considerations associated with particular customers or products. It is accepted that many customers either do not provide documentation within a time frame consistent with their desired on-dock dates, or may not provide documents at all as a matter of policy. We encourage our customers to provide written documents for all transactions but we neither require nor demand they do so. As such, we are very often required to capture relevant information via voice communications with the customers, buyers or representatives. It is primarily up to our sales personnel to exercise due diligence while determining customer needs verbally.

Definitions

Contract Agreement between a buyer and seller for the sale of products with certain specified requirements, under agreed terms and conditions of sale.

Contract Review Systematic activities carried out by the supplier before signing the contract to ensure that requirements for quality are adequately defined, free from ambiguity, documented and can be realized by the supplier.

INSOCO Insulation Supply Company, Inc. - Torrance, CA

RFQ (ISO 9000:2000) A request for quotation for products or services from your organization. Written RFQ's may be received via mail, facsimile, Internet or other printable electronic media.

Sales Order The instrument created by Insulation Supply Company to convey the information contained in a Customer purchase order to the organization. A sales order can exist on paper, electronically, or both.

T&C Procurement Terms and Conditions printed on or attached to Customer Purchase Order that become part of the contract when the order is accepted.

Responsibilities

ISR - Inside Sales Representative

SLS MGR - Sales Manager

GEN MGR - General Manager (a.k.a. COO)

Note: Printed versions of this document are uncontrolled. The published Web version (Internet or Intranet) is assumed to be current.

Procedures

ISR - Conduct Feasibility Review

Reviews Request for Quotation (RFQ) forms for new products or engineering changes to determine feasibility (7.2.2[1]) and capability (7.2.2[3]c[1]). If the request does not fit company capabilities we may decline to quote. When the request is verbal, ensures requirements are agreed before proceeding (7.2.2[5]). This process may be waived when ongoing orders are received on a part/service that has already been through this process and no significant process changes have occurred. Results of the review will be recorded.

SLS MGR - Determination of Requirements

The feasibility review leads into a determination of customer requirements before, during and after the acceptance of the order (7.2.1[1]a[1]). A good-faith attempt is made to determine if there may be additional requirements necessary for the intended use, if that information is shared with us by the prospective customer (7.2.1[1]b[1]), that may not have been stated in the original Request for Quote. Regulatory, statutory (7.2.1[1]c[1]), environmental and other requirements (7.2.2[1]d[1]) will be given consideration during this definition of customer requirements for the product (7.2.2[3]a[1]). Factors considered will be recorded in supporting documentation for the RFQ (7.2.2[4]).

ISR - Respond to Request

Reviews the Request for Quotation, part print(s), and specifications, in detail to prepare a response to the request. May consult with the Production Supervisor, Quality Assurance Administrator, and others in order to effectively prepare this response. No reasonable effort will be spared in order to communicate this response in the medium and format requested by the customer.

ISR - Resolve Inconsistencies

Obtains written customer agreement to resolve any inconsistencies in the stated requirements of the RFQ (7.2.2[3]b[1]).

GEN MGR - Form Implementation Team

When a Customer Requirement is beyond our normal processes and procedures; upon award of a new job, order or approval of an engineering change, forms an implementation team with members from all essential departments to ensure timely and effective development of all new customer requirements (7.2.2[6]). This process may be waived when orders are received on a part/service that has already been through this process. The General Manager (or COO) may choose to delegate this responsibility to another qualified manager.

ISR - Review Contract Extensions

Reviews and processes contract extensions and submits them to the customer.

ISR - Control Contract Amendments

Identifies contract amendments and transmits relevant information to internal functions for processing (7.2.2[6]).

References

AS9100 latest Revision

Records

Scanned Customer PO Images with Acceptance Stamp

Policy References

QPM-301 Latest Revision

Revision Notes

This document was re-named from QSP-403-101 to QSP-7.2.101 Rev A. so as to more closely coincide with the 5-clause format of AS 9100 Rev B.

The template was changed from Powerway to Word. New documents will be posted in .PDF format.