



QADP 3M - PURCHASING PROCESS

PURPOSE:

To ensure products and services purchased meets specified requirements.

SCOPE:

This procedure covers the purchase of product and services that support the ability to meet the commitment to quality.

DEFINITIONS:

- Supplier - An organization that supplies material, supplies and services to Maritime Services other than repair or service work on product.
- Subcontractor - An organization that performs repair or service work for Maritime Services on product.

RESPONSIBILITIES:

The Department Managers are responsible for ensuring the successful purchase of supplies, materials and services and subcontract of work to support the product requirements including reviewing all purchase orders to ensure adequacy of the specified requirements.

REFERENCES:

Approved Suppliers List
Approved Supplier Record
Purchase Order



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PROCEDURE:

3.1 Process Links

Process Inputs	Process Activities	Process Outputs
<i>Customer Related Processes</i> Quotation Requests Customer Orders	Prepare Quotations Place Orders	<i>Inspection and Testing Process</i> <i>Order Filling and Product Repair Process</i> <i>Control of Nonconforming Product Process</i> <i>Improvement Process</i> Quotations Purchase Order

3.2 Approved Suppliers and Subcontractors

3.2.1 Suppliers and subcontractors are assessed and evaluated for capability to provide the required products, services or work by one or more of the following methods:

- a) Past performance
- b) Discussion of quality practices
- c) Site visit
- d) Reputation / Reference Check
- e) ISO 9000 Registration

3.2.2 Suppliers of products, services or work that support the ability to meet the commitment to quality are listed on and controlled by the Approved Suppliers List. Each of the three Departments has its own Approved Suppliers List.

3.2.3 Categories are identified as follows:

- Category A Major Suppliers
- Category B Other Suppliers



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Category C Subcontractors

- 3.2.4 A supplier or subcontractor is accepted for inclusion on the Approved Suppliers List by the Department Manager subject to a satisfactory assessment of their quality practices.
- 3.2.5 All approved suppliers and subcontractors are subject to a regular performance review for continuing capability to provide the required product, services or work, as applicable. The review is performed by the same authority as performed the original assessment.
- 3.2.6 The interval between status reviews is dependent, in part, on the quality importance of the product, service or work, and on performance evaluation. The interval between reviews does not exceed twelve months.
- 3.2.7 All Category A, B and C suppliers have an Approved Supplier Record. This record indicates, as a minimum, the category, the basis and scope of approval, the maximum length of time between performance reviews, and summarizes the performance of the supplier or subcontractor.
- 3.2.8 All products, services and work within the scope of this procedure are purchased from approved suppliers. Emergency and one-off purchases from suppliers not on the Approved Suppliers List are approved by a Department Manager. This approval is noted on the invoice copy of the Purchase Order.
- 3.2.9 Suppliers stated by name in a customer order are considered as approved. The named supplier is restricted to that specific order only unless that supplier is on the Approved Suppliers List. A supplier used solely because of such an order is not required to appear on the Approved Suppliers List.
- 3.2.10 The results of supplier evaluations and any significant supplier performance activities are documented on the Approved Supplier Record and a summary presented to the Management Review meetings.

3.3 **Purchasing Product, Services and Work**

- 3.3.2 The Department Managers and Customer Relations Representatives are authorized to place purchase orders in writing, by phone, or in person.



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- 3.3.2 For written orders or confirmation of telephone orders, the purchasing data is recorded on a purchase order, either a Purchase Order form or on a contract or form provided by the supplier. The data clearly describes the product ordered, e.g. description, quantity, type, catalogue number, service, as applicable.
- 3.3.3 The purchasing data is reviewed by the person placing the order for adequacy of the specified requirements. The signing of the purchase order document indicates completion of formal review and approval for issue.
- 3.3.4 For orders placed by telephone, the person placing the order ensures that the order information is clearly communicated and reviewed to prevent misunderstanding. The information communicated is recorded on a Purchase Order form or, in the case of suppliers with whom Maritime Services have an open account, in the personal log book of the person placing the order. The Purchase Order form or the personal log book, as appropriate, are signed to indicate that a review has taken place.
- 3.3.5 For orders placed by an authorized person on the premises of a supplier for immediate pickup, the order is reviewed and the product inspected at the time of receipt of the product. The purchase order review and product verification are recorded on the supplier's packing slip or other order confirmation.
- 3.3.6 All products and services within the scope of this procedure are purchased from sources on the Approved Suppliers List as appropriate. For emergency and one-off purchases, suppliers and subcontractors not on the Approved Suppliers List are approved by a Department Manager. This approval is noted on invoice copy of the purchase order for written orders, in the personal log book for verbal orders, and on the packing slip for orders picked up from a supplier.
- 3.3.7 After purchased product has been received, the product is inspected as per QADP 7M (Inspection and Testing).
- 3.3.8 The invoice copy of a completed purchase order form is a quality record and is controlled as per QACP 13 (Control of Quality Records).

3.4 Verification of Purchased Product

- 3.4.1 When Maritime Services propose to verify product at the premises of a supplier or subcontractor, Maritime Services specify in their purchase order the method of product release. For orders placed by an authorized person on the premises of a



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supplier or subcontractor for immediate pickup, the product is verified at the time of receipt of the product.

- 3.4.2 Where agreed by contract, a customer may verify at the premises of Maritime Services or their supplier that purchased product or service conforms to specified requirements. Customer verification is not considered as evidence of effective quality control.
- 3.4.3 Verification by a customer does not absolve Maritime Services of the responsibility to provide acceptable product or service nor does it preclude subsequent rejection by the customer.