



QADP 3P - 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 product or services to Pharos, other than repair or service work on product.
- Subcontractor - A person or organization that performs repair or service work for Pharos on product.

RESPONSIBILITIES:

The General Manager is responsible for ensuring the overall successful purchase of product and services to support the product requirements and for reviewing all purchase orders to ensure adequacy of the specified requirements.

REFERENCES:

Approved Suppliers List
Approved Supplier Record
Purchase Order
Stock Order Register



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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>Improvement Process</i> Quotations Purchase Order

3.2 Approved Suppliers and Subcontractors

3.2.1 Suppliers are assessed and evaluated for capability to provide the required products or services 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 and services that support the ability to meet the commitment to quality are listed on and controlled by the Approved Suppliers List.

3.2.3 Categories are identified as follows:

- | | |
|------------|-----------------|
| Category A | Major Suppliers |
| Category B | Other Suppliers |
| Category C | Subcontractors |



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- 3.2.4 A major supplier is accepted for inclusion on the Approved Suppliers List as a Category A supplier by the General Manager subject to a satisfactory assessment of their quality practices. Major suppliers include all suppliers who provide product for sale by Pharos.
- 3.2.5 A supplier is accepted for inclusion on the Approved Suppliers List as a Category B supplier by the Manager, Material Control subject to a satisfactory assessment of their quality practices.
- 3.2.6 A subcontractor is accepted for inclusion on the Approved Suppliers List as a Category C supplier by the Manager, Technical Service subject to a satisfactory assessment of their technical capability and quality practices.
- 3.2.7 All approved suppliers are subject to a regular performance review for continuing capability to provide the required product or services, as applicable.
- 3.2.8 The interval between status reviews is dependent, in part, on the quality importance of the supplies, equipment or service, and on performance evaluation. The interval between reviews does not exceed twelve months.
- 3.2.9 All Category A, B and C suppliers and subcontractors have an Approved Supplier Record. This record indicates 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.
- 3.2.10 The results of supplier evaluations and any actions taken are documented on the Approved Supplier Record and a summary presented to the Division Management Review meetings.
- 3.2.11 All products and services within the scope of this procedure are purchased from approved suppliers or subcontractors. Suppliers and subcontractors who are approved and used regularly are listed on the Approved Suppliers List.
- 3.2.12 Emergency and one-off purchases from suppliers not on the Approved Suppliers List are approved by the Manager, Material Control. Emergency and one-off purchases from subcontractors not on the Approved Suppliers List are approved by Manager, Technical Service. Approvals are noted on the Purchase Order or source document for the purchase.



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3.2.13 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.

3.3 Purchasing Product for Sale (Stock Orders)

3.3.2 The General Manager determines which product is purchased for sale by Pharos. The Manager, Material Control is responsible for purchasing the product that has been approved for sale by Pharos.

3.3.2 Data for all stock orders is recorded in the form of a purchase order. The data clearly describes the product ordered, e.g. description, quantity, type, catalogue number, as applicable. The order information is entered into ACCPAC inventory control system.

3.3.3 The Manager, Material Control reviews all stock orders for adequacy of specified requirements. Review is indicated by signing the order document. After review, the order is faxed or e-mailed to the supplier.

3.4 Subcontracting Repair Services

3.4.1 The Manager, Technical Service is responsible for placing orders with approved subcontractors to provide repair services for Pharos on behalf of customers.

3.4.2 The service to be provided for such orders is recorded on a Purchase Order Form, including, as applicable, identification of the product, service to be provided and inspection requirements for verification of the repair.

3.4.3 The Purchase Order is reviewed by the General Manager for adequacy of specified requirement and signed to indicate the successful review.

3.4.4 Subcontracted repair services are purchased from sources on the Approved Suppliers List. Emergency service from an organization not on the Approved Suppliers List is approved by the General Manager. This approval is noted on the Purchase Order.

3.5 Purchasing Other Products and Services



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- 3.5.1 All employees are authorized to requisition product that relates to their area of responsibility. The Manager, Material Control is responsible for placing the orders with suppliers.
- 3.5.2 Purchasing data for all orders, including blanket orders, is recorded on a Purchase Order Form or other appropriate document such as, for carriers, a waybill. The data clearly describes the product ordered, e.g. description, quantity, type, catalogue number, service, as applicable.
- 3.5.3 The Manager, Material Control reviews the purchasing data to ensure that the description is adequate. The signing of the purchase order indicates completion of formal review and approval for issue.
- 3.5.4 The purchasing data is communicated to the supplier giving the assigned purchase reference as applicable. A written confirmation of the purchase order is sent to the supplier.
- 3.5.5 After purchased product has been received, the Manager, Material Control is responsible for receiving inspection as per QADP 7P (Inspection and Testing Process).

3.6 Verification of Purchased Product

- 3.6.1 When Pharos propose to verify purchased product or service at the premises of a supplier or subcontractor, Pharos specify in the purchasing documents verification arrangements and the method of product release.
- 3.6.2 Where agreed by contract, the customer may verify, at the premises of Pharos or their subcontractors, that subcontracted product or service conforms to specified requirements. Customer verification is not considered as evidence of quality acceptance.