



SYSTEM PROCEDURE

Purchasing Process

REVISION: 06

PROCEDURE NO.: 12

DATE EFFECTIVE: 01/29/18

1. PURPOSE

- 1.1. The purpose of this document is to establish the process for selecting, qualifying and monitoring Tempco Electric Heater Corporation Suppliers and to define the type and extent of control that assures the suppliers are capable of meeting product quality requirements and quality system requirements. This process will ensure that purchased product conforms to specified purchase requirements.

2. SCOPE

- 2.1. This procedure applies to all Tempco Electric Heater Corporation Suppliers who provide deliverable product and/or service, including raw materials, hardware, sub-assembly and/or components, calibrations, outsourced manufacturing operations (i.e. electro polishing, powder coating, annealing, electrolysis nickel, pressure tests and X-Ray inspections) and quality system auditing.

3. PROCEDURAL REQUIREMENTS and RESPONSIBILITIES

- 3.1. The Purchasing Manager and / or respective buyer has the primary responsibility for ensuring compliance of this procedure and to ensure the necessary resources for successful implementation are provided.

3.2. Responsibility of Supplier Product Quality

- 3.2.1. Tempco Electric Heater Corporation is responsible for the quality of all products purchased from suppliers, including customer-designated sources. In addition, when required, Tempco Electric Heater Corporation and/or all affected suppliers will use customer approved special process sources.

3.3. Selection Methods

- 3.3.1. Tempco Electric Heater Corporation Suppliers shall be selected and approved on the basis of their ability to meet Tempco Electric Heater Corporation requirements (see 4.0 Procedural Flow on page 3 in this document). Approved Supplier's will be identified and maintained on an "Approved Supplier's List" based on the requirements defined within this procedure.
- 3.3.2. The assessment process for determining the Supplier's ability to provide product or services compliant to product or process requirements shall be based on the following methods as determined by the Purchasing Manager and/or respective buyer:
 - "Grandfathering" a Current Supplier based on acceptable past performance;
 - Phone Review (e.g. special items to meet customer requirements, alternate source if existing suppliers are unable to meet requirements, one time buys, and/or customer dictated source);
 - Quality System Registration (e.g. ISO 9001)
 - Supplier Quality Expectations Survey



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3.4. Supplier Quality Expectations Survey

- 3.4.1. Tempco Electric Heater Corporation Suppliers, which require a quality management system requirement, shall be qualified on the basis of their ability to meet Tempco Electric Heater Corporation Supplier Quality Expectations Survey.
- 3.4.2. Tempco Electric Heater Corporation Supplier Quality Expectations encourages suppliers to develop a quality system utilizing ISO 9001 as a guideline document.
- 3.4.3. Suppliers will complete Supplier Quality Expectations Survey and identify those Quality Expectations they are able to comply with as a supplier of Tempco Electric Heater Corporation.
 - 3.4.3.1. The Purchasing Manager and/or respective buyer shall review the Supplier Quality Expectations Survey to further identify those fundamental quality system requirements that may affect their ability to meet subcontract requirements.

NOTES: The Supplier Quality Expectations Survey is not required of those suppliers whose Quality System is registered to ISO 9001, TS 16949 or AS 9100.

In a similar manner Quality System Auditors must provide qualifications (e.g. Credentials, Certifications, etc.) and do not have to complete or meet the above qualification criteria.

- 3.4.4. Having provided Tempco Electric Heater Corporation the appropriate qualifications the Purchasing Manager and/or respective buyer shall enter the supplier into Tempco Electric Heater Corporation Approved Supplier List.

3.5. Supplier Monitoring and Evaluation

- 3.5.1. The quality of product and on-time delivery provided by the Suppliers on the "Approved Supplier List" will be evaluated on a case-by-case situation in accordance with the established Monitoring and Measurement requirements, and records of these reviews shall be used as a basis for establishing the level of controls established for each supplier.
- 3.5.2. Each nonconformance identified upon receipt or in-process will be evaluated and documented on a Nonconformance Report. The Purchasing Manager and/or respective buyer will obtain corrective actions for nonconformances, as determined appropriate, and will document the actions taken in one of the following categories on the Nonconformance Report :
 - 3.5.2.1. No Action Required
 - 3.5.2.2. Personnel Notified



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3.5.2.3. Written Corrective Action Report required.

3.5.3 The supplier delivery performance data documented in MAPIC's will be evaluated annually and used as a basis for supplier corrective action and improvement, as appropriate.

3.5.4 Records of the appropriate actions taken by the Suppliers shall be maintained in their Suppliers' file, in accordance with the SP 2 on Retention of Quality Records.

3.6. Corrective Action Requests & Disqualification

3.6.1. The Purchasing Manager and/or respective buyer shall generate and issue Supplier Corrective Action Requests (CAR's) to Tempco Electric Heater Corporation Suppliers when during the execution of Purchase Orders significant lapses in the product or system requirements have been identified.

3.6.2. Purchasing Manager and/or respective buyer or other designated personnel are responsible for obtaining the supplier's corrective actions and for tracking CAR's until they are closed.

3.6.3 DELETED

3.6.4. Suppliers who are un-responsive or continually give ineffective corrective actions shall be evaluated as to their qualification status on Tempco Electric Heater Corporation Approved Supplier List.

3.6.4.1. The decision to disqualify a supplier shall be at the discretion of the Purchasing Manager and / or respective buyer.

3.6.4.2. The Purchasing Manager and / or respective buyer shall remove the supplier from the Approved Supplier List and shall notify the supplier and those who primarily utilized the product or service provided by the supplier.

4. PROCEDURAL FLOW

The sequential steps for Tempco Electric Heater Corporation purchasing process are presented in flowchart format on the last (1) page. The function and/or position responsible for the activity in the flow is identified outside the initial activity. This responsible function and/or position continues until a change is identified.

5. RECORDS

- 5.6. Corrective Action Request
- 5.7. Approved Supplier List
- 5.8. Supplier Quality Expectations Survey
- 5.9. Purchase Orders
- 5.10. Nonconformance Report



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6. REVISION HISTORY

REVISION LEVEL	DATE OF REVISION	SECTIONS	DESCRIPTION OF CHANGE
00	02/06/09	All	Initial release
01	06/12/09	3.4.3	Removed the term "self check survey and clarified that Suppliers will complete the Supplier Quality Expectations Survey.
02	05/26/10	3.6.1 & 3.6.2	Corrected the terminology from CAR to CPAR.
03	05/29/12	2.1	Revised scope to include outsourced manufacturing operations.
03	05/29/12	3.1	Added reference to and / or respective buyer.
03	05/29/12	3.6.4.1	Added reference to and / or respective buyer.
03	05/29/12	3.6.4.2	Added reference to and / or respective buyer.
04	06/01/15	3.5.4	Added an apostrophe to the end of suppliers to clarify that the file contains all records and we do not maintain separate records for all suppliers.
04	06/01/15	3.5.4	Added missing procedure number 4.2.4.
04	06/01/15	3.6.3	Removed 3.6.3 redundant.
05	05/31/16	3.5.3	Semiannual evaluation has been changed to an annual evaluation.
06	01/29/18	3.6 3.5.2.3 5.6	Was Procedure 7.4.1. Section 3.6 changed CPAR to CAR Removed Preventive from 3.5.2.3 and 5.6



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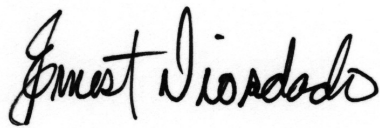

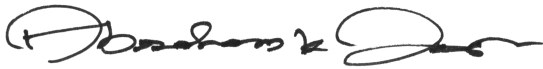
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1.1.

6. AUTHORIZATION

POSITION	HELD BY	AUTHORIZATION SIGNATURE OR INITIALS
Prepared By: Senior Buyer	Ernest Diosdado	
Senior Management Representative: Purchasing Manager	Fermin A Adames	
Management Representative:	Abe Joseph	



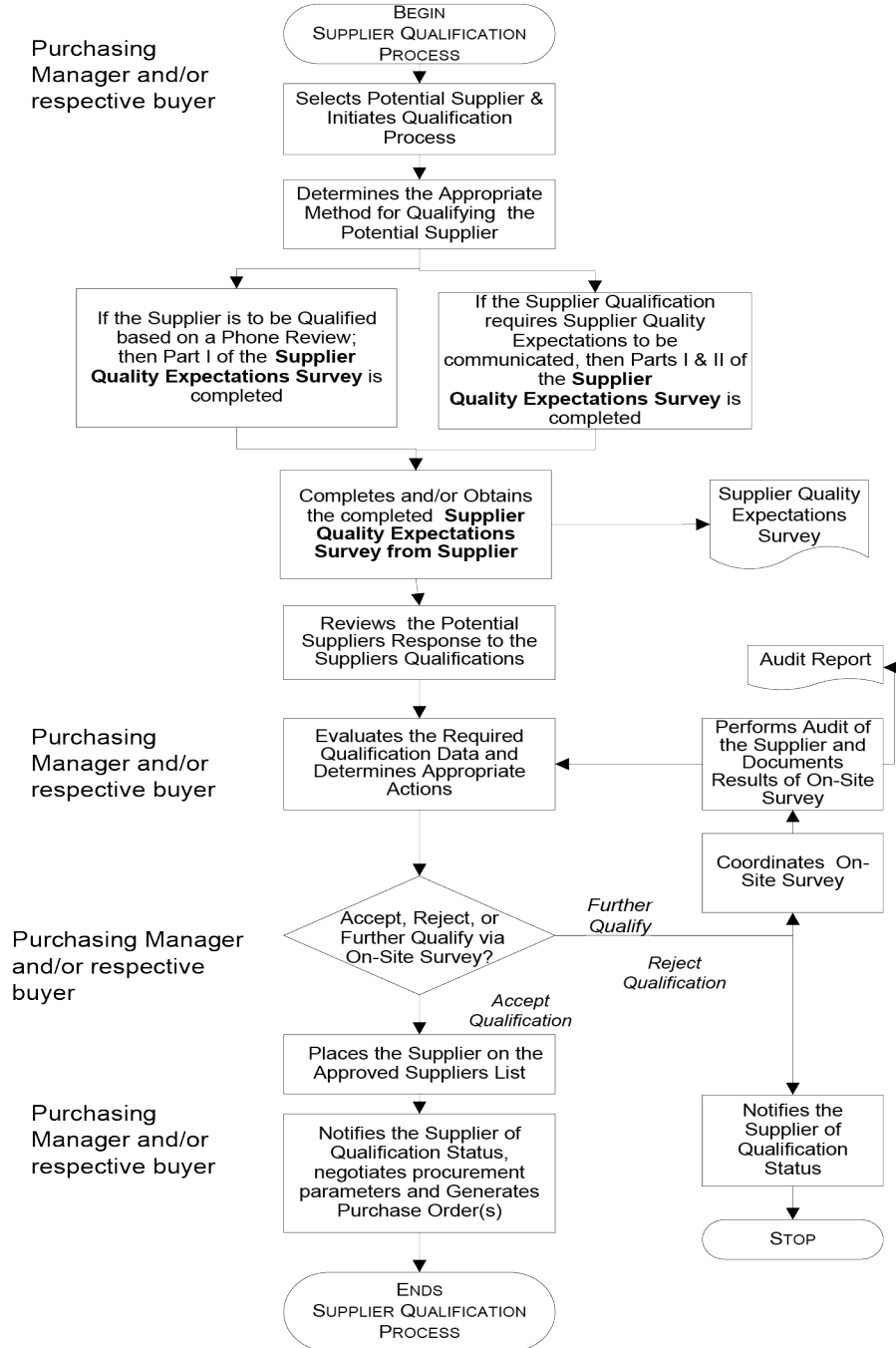
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