

QNP	Review of Contract Requirements: OP-82-01 rev A
Review of Contract Requirements	<p>Effective Date: 9-1-2020 Owner Approval: Barry Ralston, Vice President on 9-1-2020 Management Approval by Craig O. Garneau, President on 9-1-2020</p> <p><i>Printed copies of this document are for reference only and are uncontrolled. Printed copies are not valid after the date of printing.</i></p>

1. PURPOSE

To establish a consistent process for reviewing contract requirements. This operating procedure details the steps for:

- Issuing a price quote,
- Preparing customer orders for the quality planning process, and
- Processing amendments to customer orders

2. RESPONSIBILITY

The table below identifies QNP personnel and their responsibility relating to this procedure:

Person	Responsibility
Vice President Customer Service Manager Customer Service Personnel Engineering Personnel	Review customer requirements and process request for quotes. Document customer requirements. Accept and prepare customer purchase orders for quality planning. Compare customer purchase orders with quotes and applicable files for discrepancies. Assess and document special requirements or risks Resolve contract discrepancies with customer. Process amendments to contracts
Department Supervisors and Production Personnel	Assist customer service personnel in reviewing QNP's ability to meet customer requirements.

3. APPLICABLE FORMS OR REFERENCES

The table below identifies the code number and title of documents and references applicable to this procedure;

Code Number	Title
AS9100	Quality Management Systems - Requirements for Aviation, Space and Defense Organizations
OP-81-01	Quality Planning
FM-81-01	Shop Order Envelope (Quality Plan)
FM-81-02	Job Tracking Record
FM-82-01	QNP Quote
FM-82-02	Verbal Customer Purchase Order
FM-82-03	Quotation Worksheet Database

4. Price Quotes

4.1 - Quotes issued by customer service personnel shall typically be based on the following minimum information:

Information for Quoting purposes	Examples
Material (Substrate) & Thickness	.010" polycarbonate .032" 1100-H14 aluminum 24 gauge stainless steel
Print Process	Screen Print Metalphoto Digital Print
Colors (Number of prints)	1 color Metalphoto 2 color screen print 4 color digital print
Size of finished part	2.00" x 1.00" - square corners 3.50" x 2.00" with .125" round corners

Mounting	3M-467 adhesive 4 mounting holes - .125" diameter
Quantity/Range	5 100 250

4.2 - The minimum information required to process a quote is to provide pricing and lead time estimates only, and is not necessarily sufficient to accept a customer purchase order. In such cases, it is the responsibility of Customer Service Personnel to obtain the appropriate blueprints, samples, and/or customer supplied reference material to complete the review of contract requirements.

4.3 - Quotations communicated verbally are written and maintained on quote form, FM-82-01, or another appropriate record of the quotation.

4.4 - Quotes and purchase orders generated online maintain a record of the creator's name and creation date. Printed quotes and purchase orders that are generated online are traceable back to their creators through online records. Hand written documents, or documents that are not traceable through online records, should be signed or initialed, and dated as evidence of contract review.

4.5 - Use the steps in the table below to process a customer request for quote (RFQ):

Step	Action	Person(s) Responsible
1.	Customer requests a quote.	Customer
2.	<p>Evaluate the request for quote as appropriate:</p> <p>Examples:</p> <ul style="list-style-type: none"> • Is the product to be quoted a new part or a part QNP has run before with or without changes? • Is there a price schedule for this or a similar part? • Can QNP meet part and customer requirements? • Are there any special risks associated with accepting an order for this part or customer? 	Personnel with the authority to issue Price Quotes

3.	<p>Ask: Is sufficient information available, and is it appropriate to process the request immediately?</p> <ul style="list-style-type: none"> • If YES, go to step 9. • If NO, go to step 4. 	Personnel with the authority to issue Price Quotes
4.	Obtain additional information from the customer as necessary.	Personnel with the authority to issue Price Quotes and Customer
5.	Obtain necessary information/input from QNP supervisors, management or process owners as appropriate.	Personnel with the authority to issue Price Quotes with QNP supervisors, managements and process owners
6.	<p>Ask: Should QNP proceed with the quotation process?</p> <p>Examples of reasons to refuse to quote:</p> <ul style="list-style-type: none"> • Cannot meet material requirements • Unacceptable special risks <ul style="list-style-type: none"> • If NO, go to Step 7. • If YES, go to Step 9. 	Personnel with the authority to issue Price Quotes
7.	Notify the customer of the decision not to quote.	Personnel with the authority to issue Price Quotes
8.	<p>Communicate the decision to refuse to quote to the customer, and file the appropriate forms in the quotes files sorted by customer name and date.</p> <p>Procedure ends here.</p>	Personnel with the authority to issue Price Quotes
9.	<p>Use the appropriate resources to calculate pricing. Examples:</p> <ul style="list-style-type: none"> • Price Cards schedules • Customer history • Quotation worksheet database, FM-82-03 <p>Maintain sufficient documentation to demonstrate the rationale for decisions regarding pricing, lead time, risk, etc.</p>	Personnel with the authority to issue Price Quotes
10.	<p>Issue a quote to the customer on the appropriate form.</p> <p>Examples:</p> <ul style="list-style-type: none"> • Customer's RFQ or email • QNP's Quote Form, FM-82-01 	Personnel with the authority to issue Price Quotes
11.	File the appropriate documentation in the quotes files sorted by customer name and date.	Personnel with the authority to issue Price Quotes

5. Customer Purchase Orders/Review of Requirements

5.1 - QNP conducts a thorough review of requirements before committing to supply products on a customer contract. This review includes:

Requirement	Examples/Explanation
Requirements specified by the customer	Typically communicated through customer supplied purchase orders, blueprints and specifications
Requirements not stated by the customer, but necessary for the specified or intended use	Determined by our experience and understanding of nameplate materials and processes.
Requirements specified by QNP	Necessary to fit with our manufacturing processes, environmental standards, or safety practices.
Statutory and regulatory requirements	UL, REACH, RoHS, Dodd-Frank Act, etc.
Requirements differing from those previously expressed	Change to a blueprint since a quote was first offered.
QNP's ability to demonstrate product conformance	Through inspection reports, material certs, etc.
Special requirements and operational risks	Short delivery time, processes with a high probability of generating a quality escape, new technology, etc.

5.2 - The Vice President, Engineering Personnel, and members of the Customer Service Team have the authority to perform contract review and accept a customer purchase order for Quality Planning, OP-82-01.

Additional qualifications or limitations to that authority for specific personnel are documented in QNP's employee training database.

5.3 - In order to ensure that the review of customer requirements is coordinated with applicable functions and personnel throughout QNP, Contract Review Personnel are encouraged to consult with the appropriate Department Supervisors and other knowledgeable personnel as needed.

5.4 - If upon review, QNP determines that some customer requirements cannot be met or can only partially be met, QNP shall negotiate a mutually acceptable requirement with the customer.

5.5 - QNP shall ensure that contract or order requirements differing from those previously defined are resolved before final acceptance of an order.

5.6 - When a customer does not provide a documented statement of their requirements, QNP shall confirm that all customer requirements are understood and agreed upon.

Verbal purchase orders (typically taken over the phone) are acceptable unless prohibited by the customer (example: UTAS companies).

Verbal purchase orders should be documented on QNP's form FM-82-02.

5.7 - Special requirements or risks determined during the contract review procedure shall be documented on the purchase order or quote request as appropriate. These documented special requirements/risks shall be carried over as inputs to the quality planning process.

5.8 - The full review of customer requirements is performed in conjunction with the Quality Planning Process - per OP-81-01.

Customer service personnel may acknowledge the receipt of a customer's purchase order prior to Quality Planning, but final order acceptance is issued only after the Quality Planning process has been completed.

The documented evidence of an order's review and acceptance is entered during the Quality Planning process when the Shop Order is created, and the data is stored in QNP's Price Cards database.

5.9 - Use the following steps to prepare an order for quality planning per OP-81-01.

Step	Action	Person(s) Responsible
1.	Customer purchase order received. Note: For phone orders, form FM-722-02, Verbal Purchase Order is used to record customer order information.	Personnel with the authority to perform Contract Review

2.	<p>Ask: is the customer purchase order new or is it a confirmation of an existing order?</p> <ul style="list-style-type: none"> • If CONFIRMATION, go to Step 3. • If NEW, go to Step 8. 	Personnel with the authority to perform Contract Review
3.	Retrieve purchase order from the purchase order file and verify order information.	Personnel with the authority to perform Contract Review
4.	<p>Ask: Has the purchase order been amended, are there any changes?</p> <ul style="list-style-type: none"> • If YES, go to Step 5. • If NO, go to Step 7. 	Personnel with the authority to perform Contract Review
5.	<p>Contact customer and reconcile differences. If applicable, reference 7.1 - Amendment to Contract in this operating procedure.</p>	Personnel with the authority to perform Contract Review
6.	<p>Attach order confirmation to the customer purchase order, and file as appropriate.</p> <p>Procedure ends here.</p>	Personnel with the authority to perform Contract Review
7.	<p>As appropriate, reference the following items and attach them to the purchase order;</p> <ul style="list-style-type: none"> • Quotation from open quote files • Shop Order, FM-81-01, from previous order of same or similar part. • Customer Blueprint • Customer Supplied Reference Materials • Price Card Record, if applicable • Other 	Personnel with the authority to perform Contract Review

8.	<p>Review purchase order against assembled documents, considering customer requirements and applicable issues:</p> <ul style="list-style-type: none"> • Price • Quantity • Requested Delivery • Special requirements • Identifiable Risks • Other 	Personnel with the authority to perform Contract Review
9.	<p>Ask: Is it necessary to provide a quote to the customer?</p> <ul style="list-style-type: none"> • If YES, perform steps for 4.5 - Request for Quote from this operating procedure. • If NO, go to step 10. 	Personnel with the authority to perform Contract Review
10.	<p>Ask: Are the conditions of the customer purchase order acceptable?</p> <ul style="list-style-type: none"> • If NO, go to step 12 • If YES, go to step 13. 	Personnel with the authority to perform Contract Review
11.	<p>Contact customer and reconcile differences. If applicable, reference 6.1 - Amendment to Contract from this operating procedure.</p>	Personnel with the authority to perform Contract Review
12.	<p>Use the Price Cards/Shop Order database software to record evidence of contract review.</p>	Personnel with the authority to perform Contract Review

6 - Amendment to Contract

6.1 - Use the steps in the table below to amend a contract already in production.

Step	Action	Person(s) Responsible
1.	Amendment to contract received from customer.	Personnel with the authority to perform Contract Review

2.	<p>Reference applicable documents to review order information. Examples:</p> <ul style="list-style-type: none"> • Customer Purchase Order • Shop Order, FM-81-01 • Job Tracking Card, FM-81-02 	Personnel with the authority to perform Contract Review
3.	<p>Ask: Is contract amendment acceptable? Is QNP able to meet the new requirements? Are the identifiable risks acceptable?</p> <ol style="list-style-type: none"> 1. If NO, go to Step 4. 2. If YES, go to Step 5. 	Personnel with the authority to perform Contract Review and personnel affected by changes as appropriate
4.	Contact customer and negotiate an agreement.	Personnel with the authority to perform Contract Review
5.	<p>Ask: Is it necessary to notify the customer of amendment approval?</p> <ul style="list-style-type: none"> • If NO, go to Step 7. • If YES, go to Step 6. 	Personnel with the authority to perform Contract Review
6.	Notify customer of contract acceptance.	Personnel with the authority to perform Contract Review
7.	<p>Identify the information to be amended. Examples:</p> <ul style="list-style-type: none"> • Shop Order, FM-81-01 • Customer blueprint • Customer Purchase Order • Job Tracking Record, FM-81-02 • Price Card Online Record • Accounting Entry • Other 	Personnel with the authority to perform Contract Review

<p>8.</p>	<p>Document the amendment to the contract on the appropriate forms. Note the date of change, customer contact, and initials/signature of the personnel who accepted the amendment to contract.</p> <p>The information recorded should be sufficiently detailed to ensure that relevant personnel are made aware of the changed requirements.</p> <p>Note: the primary method for recording evidence of contract review is within the electronic records. However, information written on a customer purchase order, blueprint, or shop order is also acceptable.</p>	<p>Personnel with the authority to perform Contract Review</p>
<p>9.</p>	<p>Release order to the appropriate point of production.</p>	<p>Personnel with the authority to perform Contract Review</p>

8. RECORDS/OBJECTIVE EVIDENCE

The retention duration for records referenced in this procedure are available on-line in the FM-75-01 Master Document List with Revision History.

Records are maintained in accordance with OP-75-03 Control of Quality Records.

9. REVISION HISTORY

Revision, approved date, effective date, and a document change summary for this document is located on-line in the FM-75-01 Master Document List with Revision History.