

CEGELEC AUTOMATION INC.

CONTROL AND ENVIRONMENTAL SYSTEMS GROUP

WORK INSTRUCTIONS

ORGANIZATION Procurement NUMBER 2 REVISION 2

CEGELEC AUTOMATION INC.
MANAGER/SUPERVISOR Beth A. Barbone ISSUE DATE 6/26/96

QUALITY ASSURANCE APPROVAL Ernesto DATE 06/26/96

CONTROL AND ISSUANCE OF PURCHASE ORDERS

1. PURPOSE AND SCOPE

This work instruction provides detailed instructions for control and issuance of purchase order documents and is applicable to all purchase orders issued by CEGELEC Automation Inc., Control and Environmental Systems Group.

2. DEFINITIONS

- 2.1 Level 0 Purchase Order: Designation for purchase orders which are placed for material or services for internal use only such as copy paper, janitorial supplies, etc.
- 2.2 Level I Purchase Order: Designation for purchase orders which are placed for standard commercial or catalog items.
- 2.3 Level II Purchase Order: Designation for purchase orders placed for materials or services which include specific technical and/or quality requirements.
- 2.4 Level III Purchase Order: Designation for purchase orders where are placed for commercial grade items which are to be dedicated for safety related use.

3. RESPONSIBILITIES

- 3.1 The Product/Project Manager is responsible for initiating the procurement process by generating a Bill of Materials or Material Requisition which describes in detail the item(s) to be purchased. He/She is also responsible for establishing the procurement level and for review and approval of completed procurement documents.

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- 3.2 The Purchasing Agent is responsible for correctly translating the Bill of Materials and Material Requisition requirements into purchase order documents, assessment and selection of suppliers and processing the completed purchase order document for approval prior to issuance.
- 3.3 The Quality Assurance Manager is responsible for assisting Project Management and Purchasing in establishing procurement quality requirements and for review and approval of Level II and Level III purchase orders.

4. INSTRUCTIONS

- 4.1 The procurement process is initiated by the Product/Project Manager by issuing a job or product Bill of Materials, or Material Requisition to the Purchasing Agent for procurement. Purchase orders for inventory items are initiated when stock levels fall below pre-set minimums.
- 4.2 Each purchase order is identified with a unique purchase order number and contains data clearly describing the product or service ordered including the following as applicable:
- 4.2.1 Scope of Work: A statement of the scope of work to be performed by the supplier. For components or catalog items this is accomplished by description of the part or model number, part class, style, grade, or other precise identification.
 - 4.2.2 Technical Requirements: Specifications, drawings, procedures, process requirements, codes, standards, regulations, etc.
 - 4.2.3 Quality Assurance Requirements: Quality system standard, inspection or test instructions, approval or qualification requirements, and sub-tier procurement quality requirements.
 - 4.2.4 Verification of Purchased Product: Right of access to suppliers facility for source inspection or vendor survey.
 - 4.2.5 Documentation Requirements: Inspection/Test Data, Material Certifications, Certificates of Compliance/Conformance, Qualification Data, Instruction Manuals, Spare Parts/Shelf Life Information, etc.
 - 4.2.6 Lot/Batch/Date Code Control: All Level III purchase orders shall include lot, batch or date code control requirements. Where possible, all like items shall be from the same manufacturer's lot, batch or date code. In addition the unique lot, batch or date code number shall be identified on the item, tag, container or documentation traceable to the item.
 - 4.2.7 Non-Conformance Control: Requirements for reporting and approving disposition of non-conforming items when appropriate.



4.2.8 Spare and Replacement Parts

- 4.3 Purchase orders are reviewed prior to release to assure all appropriate provisions have been included. The review and approval process is accomplished as follows:

4.3.1 Level 0 and I Purchase Orders: Level 0 and Level I purchase orders, as defined in Section 2, are reviewed and approved by the Product/Project or Operations Manager and the Purchasing Agent prior to issue.

4.3.2 Level II and Level III Purchase Orders: Level II and Level III purchase orders, as defined in Section 2, are reviewed and approved by the Product/Project Manager, the Quality Assurance Manager and the Purchasing Agent prior to issue.

- 4.4 Purchase orders for critical materials or services are only placed with suppliers found on the CEGELEC Automation Inc. Qualified Vendors List. Critical material and service suppliers include the following:

- Suppliers of safety related equipment.
- Suppliers of qualified equipment.
- Suppliers of special processes (i.e. welding, NDE).
- Suppliers of calibration services.

- 4.5 In compliance with Title 10, Code of Federal Regulations, Part 21 (10CFR21) all purchase orders for safety related materials or services contain the following clause:

"Safety Related - Acceptance of this purchase order implies knowledge of and agreement to comply with Federal Regulation 10CFR21, as applicable."

- 4.6 A change to a purchase order is processed as a revision and is subject to the same preparation, review and approval process as the original document.