



Verification of Purchased Product

L2

Operational Procedure : **QOP-74-03**

Revision: I 1/20/20
CDR: 20215

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I **PURPOSE**

The purpose of this procedure is to provide instructions and to assign responsibilities for verification of purchased product and for the receipt and inspection of incoming product.

II **APPLICATION**

This procedure applies to all materials intended for incorporation into the final product.

This procedure concerns Purchasing, Receiving and Quality Assurance (QA) Departments.

III **PROCEDURE**

1. **VERIFICATION METHODS**

- 1.1 The following methods and approaches are used for verification and acceptance of purchased product. All purchases by Kooltronic or its purchase agents must follow the Kooltronic Counterfeit Parts Prevention Program (K1403):
- Receiving inspection for damage
 - QA inspection for part identification, damage and/or testing
 - Source inspection (optional)
 - Supplied evidence of product conformity (this may be in the form of inspection, testing, or process control records, or certificates supplied with the product)
 - Confidence in supplier's quality system and product verification program (this may be based on supplier's quality system certification, supplier audits, and satisfactory quality performance history)
- 1.2 The Engineering Department is responsible for selecting appropriate verification and acceptance methods for specific products. The selection is based on:
- Availability of product verification records or certificates from the supplier or an independent third party
 - Knowledge of and confidence in the supplier's quality management system and product verification program
- 1.3 Product verification and acceptance methods to be applied are specified in the RECEIVER (a copy of FORM K002, Purchase Order, created with the Purchase Order and printed by the IT Department) and purchase part drawings. This information is



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communicated to receiving inspection.

- 1.4 Receiving inspection is applied to all purchased materials.
- 1.5 Production and QA Departments may request a source inspection for any purchase order.
- 1.6 Suppliers must maintain a satisfactory performance history.

2. RECEIVING DEPARTMENT

- 2.1 The Receiving clerk picks up the RECEIVER copy of the Purchase Order from the IT Department. The RECEIVER is used to identify the incoming material.
- 2.2 When material is received from a vendor, the Receiving Department shall:
 - Inspect the product and notify the QA Department and Shipping Manager if there is any external damage, per PROCEDURE PR 74-03-03, Shipping Damage Process
 - Verify the quantity received. If the counted quantity and the packing list quantity do not agree, note the discrepancy on the RECEIVER and notify the Purchasing Department immediately
 - Materials received are entered via computer into the RECEIVING INSPECTION LOG. Three copies of the RECEIVING INSPECTION LOG are generated on greenbar. One copy each is distributed to the QA and Accounting Departments, and one copy is retained by the Receiving Department
 - For production material, attach the QA copy of the RECEIVER and the barcode label to the material received and move it to the QA receiving inspection staging area
 - Forward the packing list, freight receipts and signed RECEIVER to the Accounting Department

3. QA INSPECTION

- 3.1 Confine itself to the inspection of production material as defined on the purchased part drawings.
- 3.2 Maintain a file folder for each part inspected. The folder shall contain the following:
 - Quality Assurance Record Sheet



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- Detailed Inspection Procedure
- Part Drawing and/or Specification
- Copies of all Discrepancy Reports (DR) in “reference” file
- Certificate of Compliance and RoHS certificate (if indicated on Purchased Part Drawing)

3.3 For non-production material such as samples, tooling, maintenance, office and cleaning supplies, verify that the part number of the item received is the same as the part number of the item ordered. Move this material to its destination and have the RECEIVER signed by the recipient. Complete the accept/reject portion of FORM K027, Incoming Inspection Quality Assurance Sheet.

3.4 QA inspection personnel shall inspect incoming material RECEIVER and the purchase parts drawing, and identify material status:

- Accepted – Affix STICKER M-K1030, Accepted
- Rejected – Affix TAG M-K023, Reject
- Hold – Affix TAG M-K193, Hold

3.5 QA receiving inspection shall record findings on FORM K027, Incoming Inspection Quality Assurance Sheet, including the part number, purchase order number, date processed and inspector’s name. Also, the date code or lot number shall be recorded. All records shall be in blue or black ink.

3.6 If a nonconforming product is identified, the QA receiving inspector logs the discrepancy into the DR System in Infor in accordance with PROCEDURE QOP-83-01, Control of Nonconforming Product. A DR System log is initiated for every event of nonconforming product. This is true in the case of nonconforming product with purchased parts as well. For instructions on using the DR System, see PR-83-01-04 – DR System Manual on the wss. The product is labeled with TAG M-K023, REJECT, the DR number is added to the tag, and the product is moved to a designated quarantine area. The DR system sends e-mail notification to the Engineering Supervisor, Engineering Director, Manufacturing



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Manager and the QA Manager.

- 3.7 Preparing for inspection, QA inspector assembles all relevant technical documentation that are required to perform the inspection.
- 3.8 As applicable, receiving QA inspection comprises:
- Review of material certificates, source inspection records, compliance certificates and other such documentation delivered with the product
 - Random sampling based on statistical technique specified (Per MIL-STD 105E Level I, Normal Sampling. If vendor or product history justifies a tightened inspection sampling, Level II, Normal shall be used. 100% inspection may be applied at the QA Manager's discretion, including any damaged shipments)
 - Visual inspection to detect any damage or other visible problems
 - Taking measurements and testing as required
 - Recording the sample size, actual measurements, and test results
- 3.9 Parts which have been “recovered” from the disassembly of sub-assemblies or finished goods must be inspected prior to release to stock. These parts can include both purchased parts and parts produced by Kooltronic. Recovered parts are to be tagged and identified by part number and then moved to the Receiving Department inspection area. The QA inspector shall verify the part against the part drawing and ensure that the part is in “as new condition.” If the part has been modified it cannot go back into stock as an unmodified part; it must have a different part number and be stocked at a different location, or brought back to its unmodified specification. In the event a modified part does not have a part number assigned, the Engineering Department must be contacted. Items without a part number may not be released to stock. Parts in the Receiving Department inspection area may not be moved from the area without a release from QA. The product release will be signified by STICKER M-K1030, Accepted, which shall be signed and dated by the QA inspector, and then affixed to the box, basket or container holding the part.

4 INSPECTION ACCEPTANCE

- 4.1 When products pass the inspection, they are moved to appropriate material staging areas in production or are placed in a designated storage area. Where the storage or staging



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areas are not sufficiently segregated to prevent intermingling of products with different inspection status, the products are also labeled with LABEL M-K1030, Accepted. The RECEIVER is marked RECEIVED, and signed and dated by the QA inspector to establish a record of inspection. Quality records received with the products and/or established during the receiving inspection are filed by QA.

Accepted Material – QA receiving inspection shall:

- Place LABEL M-K1030, Accepted on the material container with part number, purchase order number, date processed and signature of QA inspector
- Stamp the RECEIVER with the QC #1 stamp
- Have material moved to the stockroom
- Forward the RECEIVER to the Accounting Department as notification that the material has been accepted

5. INSPECTION REJECTION

5.1 If products fail the inspection the process is the same as nonconforming product (3.6):

- The inspector logs the vendor discrepancy into the DR System in Infor in accordance with PROCEDURE QOP-83-01, Control Of Nonconforming Product
- For instructions on using the DR System for vendor discrepancy, see PR-83-01-04 – DR System Manual on the wss
- The product is labeled with TAG M-K023, Reject, the DR number is marked on the tag, and the product is moved to the designated quarantine area
- The DR system sends e-mail notification to the Engineering Supervisor, Engineering Director, Manufacturing Manager and the QA Manager
- A copy of the RECEIVER is forwarded to the Accounting Department as notification that the material has been rejected pending the disposition.

6. SOURCE INSPECTION

6.1 Where purchased product verification is to be performed or witnessed at the supplier's



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location, this should be specified in purchasing documents. This also applies to cases where source inspections are performed or witnessed by customers.

IV. **ASSOCIATED DOCUMENTS**

- QOP-74-01: Purchasing
- QOP-83-01: Control of Nonconforming Product
- Form K1245: Incoming Inspection Summary
- Form M-K023: Reject Tag
- Form M-K1030: Accepted Label
- Form K027: Incoming Inspection QA Record Sheet
- Form K002: Purchase Order & RECEIVER
- Form K1403: Counterfeit Parts Prevention Program
- Procedure PR- 74-03-03: Shipping Damage Process
- Procedure PR-83-01-04: DR System Manual