

Purchasing Procedure

The purchasing function is initiated by a requisition. The requisition must state the following:

- 1) Job#
 - 2) Material, Part or Service required.
 - 3) Quantity
 - 4) Date needed
- A) Purchasing will determine a vendor or vendors that are capable of supplying the desired product or service.
- B) Request a quote.
- C) Choose the vendor that affords the best value to KTMC.
- D) Compare the vendors quote to the last price paid or to the most recent quote used to price the item when the job budget was made by sales.
- E) If the cost exceeds the budgeted price management will be informed so the sale price might be corrected.
- F) Compare quoted lead-time to need date and advise management if customer delivery will be adversely impacted. This must be done at the earliest possible date so that a solution can be developed.
- G) Type the PO using the JobBoss system. Clearly state the following on the PO:
- 1) Material Description
 - 2) Size
 - 3) Quantity
 - 4) Specification
 - 5) BOM item#
 - 6) Revision as required
 - 7) Delivery date
 - 8) Shipment method
 - 9) Terms
 - 10) Prints or technical data as maybe needed to successfully provide the needed material
 - 11) Certification requirement
- H) Orders for subcontract services will require additional information as to the current condition of the part;
- 1) Heat Treat condition
 - 2) Material type
 - 3) Marked up Customer print copies with specs as required
 - 4) Print rev. level
 - 5) End use of part
- I) For orders over \$500.00 management approval is required.
- J) The PO will be placed by the most expeditious method, fax, e-mail, post, phone or hand delivery. PO copies will not be filed until they are acknowledged, or have a signature indicating their receipt.
- I) Two copies will be made of each PO. 1 copy with all quotes, notes and background information will be filed in purchasing. The other copy will be held in the receiving dept. to await material receipt.
- L) Each PO is automatically posted in the Job Boss system however each PO for an assembly job must be posted to the bill of material for tracking the jobs progress, expediting late POs and costing purchased items.
- M) The purchasing holding files will be periodically reviewed for delivery status and orders nearing their delivery date will be expedited and their status annotated on the PO copy. A PO that will be late and will impact delivery to our customer will be brought to the attention of management so the situation can be remediated and if necessary brought to the attention of our customer.

5) Flying Part Orders: Work orders with an "F" prefix.

Work orders with an "F" prefix will be handled essentially the same as other products with the following exceptions:

- A) Material certification will require chemical and physical test reports. Outside testing of the material will have a frequency of 1 sample each month. Material must be DFARS (Defense Federal Acquisition Regulation System) compliant.
- B) Sources for material and services will be drawn from customer approved sources and approved by KTMC's vendor approval system.
- C) Certification of hardware must be from the manufacturer; rigid lot control will be required.
- D) Purchase orders will identify the program and clearly flow down customer quality requirements.
- E) When practical current prints will be supplied as part of the purchase order with latest Rev. levels prominently annotated.