

J.H. BUSCHER, INC.
Standard Specification SS00C Revision C

PURCHASING

March 13, 2015

Written By:	Date:	Approved By:	Date:
Keith Randolph	04/18/96	John Buscher	04/18/96

REVISION STATUS and CONTENTS

<i>Revision</i>	<i>Date</i>	<i>By:</i>
Original Release	04/18/96	KR
A	05/16/96	KR
B	04/18/97	KR
C	03/13/15	JB

REV C, Extensively revised – see history file. In keeping with AS9100 and FAA Repair Station requirements. Previous revision concentrated on Purchase Order preparation rather than general purchasing requirements. Changes include example PO (5.7), Vendor Selection (Section 3), the Supplier List (Section 4) and FAA Contract Maintenance (Section 7).

<i>Section</i>	<i>Description</i>	<i>Section Revision</i>	<i>Page</i>
1	Scope	C	2
2	Documents	C	2
3	Vendor Selection	C	2
4	Supplier List	C	3
5	Purchase Order	C	4
6	The Quotation Process	C	7
7	FAA Requirement for Contract Maintenance	C	8

SCOPE

This specification covers:

- a. Vendor Selection and Continuing Evaluations
- b. Vendor Audits
- c. Vendor List
- d. Flowdown of JHBI Requirements to Vendor
- e. Flowdown of Customer Requirements to Vendor
- f. Preparation of Purchase Orders
- g. Format, Approval and Retention of Purchase Orders
- h. Federal Aviation Administration Requirements for Subcontracted Work
- i. Responsibilities for each Requirement

1.1) Nomenclature

The terms vendor and supplier are used interchangeably in this document.

2) DOCUMENTS

Reference documents are shown in Table 1. The latest revision of any document is to be used unless otherwise specified.

<i>Document</i>	<i>Title</i>	<i>Published By</i>
Part 145	Repair Stations	Federal Aviation Administration
EL004	Supplier List	J.H. Buscher, Inc.
SS00Q	Quality Manual	J.H. Buscher, Inc.
SS00X	Audits	J.H. Buscher, Inc.
SS00A	Order Processing	J.H. Buscher, Inc.
SS00Y	Material Handling	J.H. Buscher, Inc.
SS00V	General Inspection Requirements	J.H. Buscher, Inc.
SS01J	FAA Repair Station Manual	J.H. Buscher, Inc.

TABLE 1, Reference Documents

3) VENDOR SELECTION**3.1) Products Made to JHBI Drawings or Specifications**

For a product manufactured or processed to a JHBI drawing, product or process specification the following criteria are to be considered when selecting a supplier:

- a. **Quality:** the ability to consistently meet or exceed our requirements, including dimensional functional, and traceability.
- b. **Delivery:** the ability to consistently deliver on schedule.
- c. **Service:** willingness and capacity to provide pre-sales and post-sales support, including fielding technical inquires.
- d. **Expertise:** knowledge and experience with the product or manufacturing processes.
- e. **Price:** Cost of goods or services.

- f. **Access:** willingness to allow, with reasonable notice, access to their premises for inspection of manufacturing or processing by JHBI, our customers or third-party regulatory agencies.
- g. **Proximity:** ability to have routine visits to and from vendors if required.

3.2) Other Products

For all other products, services or processes, including MIL-SPEC/catalogue products, tooling, test equipment, gages or office equipment, selection is to be made based on criteria categories a through e of Section 3.1.

3.3) Vendor Responsibility

Responsibility for vendor selection, maintenance and evaluation is assigned based on product category as follows:

- a. **Materials or Processes that Form Part of the Product:** jointly between the Manufacturing and Engineering Departments. Examples include housings, coil assemblies, heat-treating, connectors and brazed subassemblies. Selections will be based in part on information provided by the Quality Department. Independent certification or registration may be considered when it is customer required.
- b. **Tools:** Manufacturing Department or Engineering Departments as applicable.
- c. **Production Test Equipment:** Engineering and Manufacturing Department. Examples include oscilloscopes, transducers and meters.
- d. **Research Components:** Engineering Department.
- e. **All Other:** the applicable Department(s).

3.4) Vendor Audits

Suppliers who manufacture or process components to JHBI specifications are subject to audits. For format and implementation, reference JHBI Standard Specification SS00X, *Audits*.

3.5) Continuous Vendor Evaluation

Vendor performance on the categories listed in 3.1 a-f will be continuously evaluated and used to determine contract award criteria. Vendor eligibility, as described in Section 4, will be updated by the responsible groups referenced in 3.3 as required.

4) SUPPLIER LIST

A list or database of suppliers – JHBI document EL004, *Supplier List* – to be maintained by the Purchasing Department, will record the following:

- a. **Vendor Name and Address, and Telephone Number**
- b. **Product(s) or Services Supplied:** what we buy from the vendor. This need not be too specific. Examples include “fabricated parts”, “electrical subassemblies”, or “general industrial equipment”.
- c. **Approval Status:** three possible entries: Approved, Pending or Conditional. If conditional, list condition(s) for product to be purchased.
- d. **Reviewed by:** representative of the applicable Department as described in 3.1.

4.1) List Approvals

Vendor approvals and reviews (items c and d of Section 4) are to be done by a representative of the applicable department identified in 3.3. The cognizant department managers are to make decisions based on the criteria of 3.1. Approvals are to be done yearly, at a minimum.

4.2) Noncompliant Supplier

A supplier that consistently fails to meet expected quality and delivery standards will be advised by the cognizant department on necessary corrective actions.

5) THE PURCHASE ORDER

A Purchase Order (PO) is the mechanism to communicate procurement requirements to a supplier. Note: Revision B of this document was focused on preparation of Purchase Orders rather than more global Purchasing requirements. With release of Revision C, means of preparation is optional, but Revision B may be consulted as a reference.

5.1) Necessary Entries

Required Purchase Order entries are summarized in Table 2.

<i>Entry</i>	<i>Description</i>
Title	“PURCHASE ORDER”
Company name	“J.H. Buscher, Inc.”
Address	Our facility address and phone number
Purchaser Order Number	Sequential number assigned by the Purchasing Department
Date	Date Purchase Order is issued, in MM/DD/YYYY format
Purchased from:	Name and address of vendor.
Ship to:	Shipping address. Generally this is our address, but there may be occasions when it is drop-shipped to a third party.
Ship Via:	Means of shipment: can be “UPS ground or equivalent”, “Fed ex next day”, “JHBI to pick up”, “Stucco to pick up”, “USPS Priority Mail”, etc. If PO is for a unshipped product, e.g. a metallurgical analysis to be e-mailed, enter N/A. Do not leave blank.
Terms:	Purchasing Order payment terms. Default is “Net 30 days”. Other possible entries include: “Net 60”, “Credit Card”, “COD” or “No Charge”.
Headers	Required field headers are: ITEM, QTY, DESCRIPTION, EACH, PRICE and TOTAL
Line Item Number(s)	Beginning with 1. Notes do not require Line Item Numbers.
QTY	Quantity of each component. Add units if necessary, e.g. lbs, ft ² , etc.
Purchased Item(s)	Description. If JHBI component, include PN, Description and Revision letter. Include enough information to prevent ambiguity.
Required by:	Date needed. May in the Notes Section.
Buyer	Name of the individual who initiated the PO.
Approval	Name or signature of the individual who approved the PO.

TABLE 2, Required Purchase Order Components

5.2) Optional Entries

Optional Purchase Order (PO) entries are summarized in Table 2.

<i>Entry</i>	<i>Description</i>
EACH	Cost of component per unit in US dollars unless otherwise specified. This entry is optional because the cost is not always known at the time of issuance.
PRICE	EACH cost times the Quantity, for all items. Shipping may be included as an item.
Tax	Is Item taxable? If so, add appropriate sales tax.
TOTAL	Sum of the PRICE column. This value may change if shipping is not included.
Notes	Additional vendor requirements or advisories are to be added in the Purchased Items column. See 5.3.
Ref:	Internal number used for accounting.
Purchase Order Revision Level	See 5.4
Vendor contact	Vendor salesperson or representative, may include phone or e-mail.
JHBI ship to Attn:	Not necessarily the initiator of the PO, but to whose attention the shipment is made.

TABLE 3, *Optional Purchase Order Components*

5.3) Notes

Notes may be required depending on product category – see 5.3.1. Any additional information or requirements placed on the vendor must be on or referenced by the Purchased Order. These include:

- a. If component is a JHBI PN, we require our PO number, PN and Rev letter.
- b. JHBI terms and conditions, beyond the payment and shipping terms identified in Table 2.
- c. If the purchased component is a JHBI PN, we require our PO number, PN and Revision letter.
- d. A MIL-SPEC, NAS or equivalent component requires traceable means to identify the component. Because it is not always practical to identify the component directly, a package label or packing list identifier is adequate.
- e. References to third-party specifications or special inspection requirements, e.g. “Assembly must be successfully tested per ASTM A262, Practice E”.
- f. Flowdown requirements from our customer, e.g. “MUST MEET TERMS AND CONDITIONS OF ACE AEROSPACE, TAC REV H.” All necessary documents are to be supplied to the vendor as part of the quotation process, as described in Section 6.
- g. Material notes, e.g. “JHBI TO SUPPLY MATERIAL” or “QTY. APPROXIMATE, MAKE WHAT MATERIAL ALLOWS”.
- h. Delivery notes, e.g. “PLEASE ADVISE DELIVERY”.

- i. Reference Notes, e.g. “CONFIRMING CREDIT CARD ORDER OF 3/13/15 AM WITH WENDY” or “CONFIRMING TELEPHONE ORDER”.
- j. Quotation or relevant communication references, e.g. “PRICE PER JIM’S HOUSE OF BRASS QUOTE Q622-3, Dated 2/30/15” or “PER TELECON WITH ESMERALDA, 6/31/14, EXCESS MATERIAL TO BE RETURNED.”

5.3.1) Certification Criteria

Certification requirements are listed in the Descriptions entries, with other notes as if they are line items. Certification is required only if it provides material breakdown, origin specificity, or other process, calibration, design or material information on the item(s) received, or is required by our customer. Generic Certificates of Conformance or Compliance have no value. For any raw metals used, a mill-traceable certification with chemical breakdown is required. For MIL-SPEC, ASTM or equivalent processes, a certification of process is required.

5.4) Revised Purchase Orders


In the event that an earlier Purchase Order requires revision, because of quantity change, additions or deletions, etc., a revision to the original P.O. is in order. A PO revision does *not* require a Document Change Notice – see SS005, *Revisions and Document Change Notices*.

5.4.1) Creating a New Revision

There are 4 steps need to revise a PO:

- a. The title changes from “PURCHASE ORDER” to “REVISED PURCHASE ORDER”.
- b. Enter the Revision Level directly after the Purchase Order Number described in Table 2. Revisions letters are described in SS005. Begin with A, then B ... and so on, omitting I and O. Example: “Purchase Order 3451 Revision B”.
- c. A note entry is needed: “THIS PURCHASE ORDER SUPERSEDES ALL PREVIOUS RELEASES OF PO XXX”. It may be anywhere clearly visible.
- d. Update the date to the date of the revised PO.

5.7) Purchase Order Example

J.H. BUSCHER, INC. 227 F Thorn Ave. Orchard Park, New York 14127 USA Phone: 716-667-2003 FAX: 716-667-2039		PURCHASE ORDER																
PO Number	Purchase Order 1724	Date:	02/30/06															
Vendor	Purchased From: Stuffco 3000 Important Street HAVESOMEPIE, NEW YORK 34159 Phone: 716-555-0123 Fax: 716-555-0100	Ship to:	J.H. BUSCHER, INC. 227 F Thorn Ave. Orchard Park, NY 14127 USA															
	Attention: QT Pie																	
	SHIP VIA: UPS Ground or equiv TERMS: Credit Card XXXX-1234		REF: 0K5															
Headers	<table border="1"> <thead> <tr> <th>ITEM</th> <th>QTY.</th> <th>DESCRIPTION</th> <th>EACH</th> <th>PRICE</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>11</td> <td>ft² of Sealplex PN SPX-1234-118 .030 thk Neoprene Uranium Reinforced Fabric</td> <td>\$89.70</td> <td>\$89.70</td> </tr> <tr> <td>2</td> <td>4</td> <td>JHBI PN-FDXYZ, Rev C , Splinge Pin</td> <td>\$11.72</td> <td>\$46.88</td> </tr> </tbody> </table>	ITEM	QTY.	DESCRIPTION	EACH	PRICE	1	11	ft ² of Sealplex PN SPX-1234-118 .030 thk Neoprene Uranium Reinforced Fabric	\$89.70	\$89.70	2	4	JHBI PN-FDXYZ, Rev C , Splinge Pin	\$11.72	\$46.88		
ITEM	QTY.	DESCRIPTION	EACH	PRICE														
1	11	ft ² of Sealplex PN SPX-1234-118 .030 thk Neoprene Uranium Reinforced Fabric	\$89.70	\$89.70														
2	4	JHBI PN-FDXYZ, Rev C , Splinge Pin	\$11.72	\$46.88														
Item, Qty, Description																		
Description includes JHBI PN with Rev Level	Required by: 3/31/06																	
Date Required	Note: Credit Card info faxed to 555-0100 on 02/30/06 Tax-exempt form is on file.																	
Notes	Please confirm this PO Must be DFARS compliant material Confirming Credit Card Order Material Certification Required																	
Buyer	PO Initiated by: Ezekiel Jones	TOTAL:	\$136.58															
Approval	Authorized Signature: 		Keith Randolph															

6) THE QUOTATION PROCESS

For all parts made to a JHBI drawing or specification, there must be a quotation process. There is no formal Request-for-Quotation procedure or format, but with any vendor who has not made a specific part or performed a process for us before we must:

- Communicate any terms and conditions, or third-party flowdown requirements before a vendor quotes. This includes JHBI customer obligations as well as government regulatory requirements. Change in a vendor's responsibilities may require a requote.
- Solicit a quote before any work begins.

6.1) Exceptions

If we had work done by a vendor in the past to components or processes that were substantially similar, or are purchasing a standard-off-the shelf item such as a MIL-SPEC component or a catalog part that has a published price, then the quotation process can be omitted.

7) FAA REQUIREMENTS FOR CONTRACT MAINTENANCE

Refer to JHBI Standard Specification SS01J, *FAA Repair Station Manual*, for specifics on Contract Maintenance.

7.1) Criteria

Our criteria for FAA Repair Station subcontract work is covered by Section 6 of JHBI Standard Specification SS01J, *FAA Repair Station Manual*.

7.2) Applicability

If our FAA repair station workload forces us to subcontract some of the repair work in accordance with CFR 145.217 b, and criteria of 7.1 are met, the following provisions apply:

- a. The subcontractor must be a FAA certificated repair station or ...
- b. Have a quality control program equivalent to the FAA-certificated repair station's system on our work, and allow JHBI, JHBI customer and FAA inspections to verify compliance including on-site inspection.