

6.0 PURCHASING

6.1 Evaluation of Vendors

FDI maintains an approved vendor list for the purchase of supplies and services.

Repair facilities will be required to provide the following documentation to be considered an approved vendor: 145 Repair Agency Certificate, current Operations Specifications, FAA Drug Plan Approval Letter, and EASA Approval if applicable. After review of this documentation by the QA Manager, the vendor is placed on the approved vendor list. The approval is valid for a period of two years. Prior to re-approval, current status of repair vendors will be verified using the FAA Repair Station Database, and the vendor's Conformance History Report will be reviewed by the QA Manager.

Non-regulated sources will be considered approved if they are accredited/certified by the ASA, ISO series, NADCAP, or other equivalent organization. FDI will maintain copies of the relevant certificates confirming the vendor's status. Other vendors will be required to satisfactorily complete a vendor qualification form to be considered approved. Vendor approval period will be based on the expiry date of the provided quality certificate, or two years for non-certified distributors. Vendor re-evaluation will consist of a request for current certifications or vendor surveys, plus a review of the vendor's Conformance History Report performed by the QA Manager.

Once a vendor is approved, the QA Manager or designee inputs an approval code into the vendor master file in Airpax. If the approval is based on time sensitive certificates, the expiry date is input into the vendor file. Only vendors with a current approval code may be used. This is an automated system that allows Purchase Order or Repair Order entry only to those vendors who have been approved.

Ongoing approval is contingent on the vendor's performance in the areas of quality, reliability, timeliness, and pricing.

Approved vendors will be subject to physical audits.

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6.2 Supplier Performance monitoring

During the receiving process, rejected parts are identified in the Airpax system as non-conforming. The reason for rejection is input and saved for future reference. This information can be accessed via the Vendor Non-conformance Report, which tracks vendor performance in the areas of part quality, documentation, and packaging/shipping issues. The report provides the percentage of accepted and rejected shipments from each supplier specified. The target acceptance percentage will be 97%.

Vendor Non-Conformance reports will be reviewed bi-annually at the Management Review Meeting.

If the review warrants, the supplier is either:

1. Removed from FDI's Approved Vendor List.
2. Requested to implement suitable corrective action.
3. Requested to submit to a physical audit of their facility.
4. Placed on case by case approval basis.
5. Re-approved for an additional 2 year period.

6.3 Purchasing data

The sales staff is responsible for the administration of parts procurement .

The Purchase order contains the following information:

1. Description
2. Part no.
3. Quantity
4. Price
5. Company Name
6. Date
7. Date required
8. Authorized by
9. Purchase order no.
10. Shipping information
11. Terms and conditions (Specification/Certification

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- requirements etc.)
12. Lot No./Control No. when Government/customer requirements of controlled parts are in effect.
 13. Part Condition

The repair order generated for repair of parts/components contains the following information:

1. Description
2. Part number
3. Quantity
4. Date
5. Date required
6. Company name
7. Authorized by
8. Shipping information
9. Repair instructions
10. Terms and conditions
11. Part Condition

6.4 Procurement System

FDI maintains a procurement system (AIRPAX/ACCESS) such that materials purchased conform to specified documentation requirements and complies with customer specifications. FDI maintains the ability to trace the parts to the source of production or to an approved source (i.e., FAA certificate holder). To accomplish this, a material certification with trace to an FAA regulated source will be required for each purchase. Substantiating documentation such as packing slips and removal tags will also be requested. Purchase Order requirements for military, simulator, and test/ground equipment will be structured to ensure compliance with the customer's requirements.

All special requirements are to be adequately communicated to the vendor, so that parts conform to the customers purchase/repair request. During PO/RO entry, standardized comments are selected (P1,R1) that ensure that FDI's requirements are fully communicated to the vendor. In addition, special notes can be added to the PO/RO in the event that FDI's standard requirements will not be sufficient to cover the customer's requirements. It is the purchaser's responsibility to

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communicate any change in requirements to the vendor once the PO/RO has been issued.

FDI will assure that:

1. Procurement of parts identified as having “unusual circumstances” should be identified by some type of documentation.
 - (a) Non-certified aircraft (aircraft without airworthiness certificate, i.e. public use, non U.S. and military aircraft).
 - (b) Aircraft, aircraft engines, propellers or appliances subjected to extreme stress, sudden stoppage, heat, major failure or accident.

All parts having been identified as “unusual circumstances” shall be clearly identified in the comments section of the inventory control tag and with comments in the appropriate computer codes/fields. Reference Incoming Inspection Report Form Line #8 &9, must be answered “yes”.

2. All A.D.’s that are represented as having been accomplished are properly documented.
3. All parts identified as overhauled, repaired or modified have the original signed and dated documentation attached to substantiate the condition of the part.

QA Inspectors will follow the guidelines set forth in Work Instructions “Incoming Inspection”, "Condition Verification" ,”Matrix”, “Definitions” and "Traceability Verification" to ensure compliance with these requirements.