## MRF PURCHASING : GENERAL INFORMATION AND REQUIREMENTS

### Purchasing Process:

MRF Directorate of Logistics ensures effective implementation of purchasing processes. It is ensured that effective and efficient purchasing processes are defined and implemented for the evaluation and control of purchased products so that purchased products satisfy the organization needs and requirements. MRF controls its purchasing processes to ensure purchased product and/or service(s) conform to purchase requirements. The type and extent of control is dependent on the effect of the purchased product and/or service(s) upon final product. MRF ensures the conformity of all products purchased from ***External providers*** including sources defined by customer.

### *External provider* selection and evaluation:

MRF ***External providers*** are initially selected & registered by PACB and list of registered ***External providers*** is provided to D Log MRF for issuance of tender inquiries according to their range of supply.

MRF evaluates and selects ***External providers*** based upon their ability to supply product and/or services in accordance with MRF's requirements. Evaluation, re-evaluation and selection criteria for ***External providers*** are established. The results of evaluations and subsequent follow-up actions are recorded and maintained as per documented procedures in Log Dte.

### *External provider* records:

Dte of Log shall maintain records of MRF approved ***External providers*** along with approval status and scope of their approval. MRF controls the ***external provider*** performance to a level consistent with the criticality of their product to the quality of MRF final product through periodical reviews. D Log has developed and maintained a procedure so that detailed corrective actions are to be taken if ***External providers***' performance is unsatisfactory. Performance evaluation of ***External providers*** shall be done on basis of responsiveness, price, delivery targets and quantity purchased versus quantity conforming. Necessary actions are taken if the ***External providers*** do not meet the MRF's purchasing requirements and in such cases Director Logistics shall intimate PACB for change of approval status and conditions for controlled use of ***External providers*** depending on ***External providers***' approval status. Risks are determined and managed when selecting and using ***External providers***.

One factor that can be used during ***external provider*** selection and evaluation is ***external provider*** quality data from objective and reliable ***external*** sources, as evaluated by the other organization (e.g. information from accredited quality management system or process certification bodies, organization approvals from government authorities). Use of such data would be only one component of an MRF

***external provider*** control process and the MRF remains responsible for verifying that purchased product meets specified purchase requirements.

MRF has comprehensive procedures for special processes and meets the requirement of customer (OEM specifications). MRF and ***external providers*** shall use customer approved special processes sources (where required).

**Purchasing Information:**

Following requirements are to be considered part and parcel of the purchase order (where applicable):-

1. Requirements for approval of product procedures, processes and equipment.

2. Requirements for qualification of personnel.

3. Quality management system requirements.

4. The identification and revision status of specifications i.e. Conformance certificate /MSDS, drawings, process requirements, inspection/verification instructions and other relevant technical data (e.g., specifications, drawings, process requirements, work instructions) as per product (as applicable).

5. Requirements for design, test, inspection, verification (including production process verification/), use of statistical techniques for product acceptance, and related instructions for acceptance by the MRF, and as applicable critical items including (key characteristics) pertaining to the items to be purchased.

6. Requirements for test specimens (e.g., production method, number, storage conditions) for design and development control approval, inspection / verification, investigation or auditing.

7. Requirements regarding the need for the ***external provider*** to:-

   (a) Notify the MRF of nonconforming product.

   (b) Obtain MRF approval for nonconforming product disposition.

   (c) Notify the MRF of changes in product and/or process, changes of ***external providers***, changes of manufacturing facility location and, where required, obtain organization approval.

   (d) Flow down to the supply chain (sub-tier of external provider) the applicable requirements including evaluation by MRF and customer requirements.

8. Earnest money (5% would be submitted by non registered PACB ***external provider*** in case of qualifying for any item.

9. Records retention requirements.

10. Right of access by the MRF, its customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.

11. ***MRF external provider is to aware of:***

***(a) The contribution to Product safety.***
***(b) The importance of ethical behavior.***
***(c) Prevention of Counterfeit parts (To avoid provision of suspicious / fraudulent / counterfeit parts)***

12. Director Logistics ensures the adequacy of specified purchase requirements prior to their communication to the ***external providers***.

**Purchased Product Verification:**

1. All purchased product are inspected or verified in a manner consistent with it's criticality to the quality of MRF final products to ensure that purchased product meets specified purchased requirements.

2. The respective MRF Quality Control and Dir Logistic are responsible for verification of purchased product.

3. Documented procedure have been developed and implemented by Log Dte and both Quality Control Wings to ensure the inspection or verification of purchased product which include the following as applicable:-

4. Customer verification activities performed at any level of the supply chain should not be used by the organization or the external provider as evidence of effective control of quality and does not absolve the organization of its responsibility to provide acceptable product and comply with all requirements.

5. Verification activities can include. Obtaining objective evidence of the conformity of the product from the external provider (e.g. accompanying documentation, certification of conformity, test records, statistical records and process control records).

6. Inspection and audits at the ***external provider*** premises.

7. Review of the required documentation.

8. Inspection of products upon receipt and delegation of verification to the ***external provider*** or ***external provider*** certification.

9. When purchased product is released for production use pending completion of all required verification activities, it shall be identified and recorded to allow recall and replacement if it is subsequently found that the product does not meet requirements.

10. When MRF delegates verification activities to the external provider, the requirements for delegation shall be defined and a register of delegations shall be maintained.

11. When the MRF or its customer intends to perform verification at the ***external provider*** premises, the MRF shall state the intended verification arrangements and method of product release in the purchasing information.