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**ISO 9001:2015**

**Contract Review Procedure**

Approval

The signatures below certify that this management system procedure has been reviewed and accepted, and demonstrates that the signatories are aware of all the requirements contained herein and are committed to ensuring their provision.

|  |  |  |  |  |
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Amendment Record

This procedure is reviewed to ensure its continuing relevance to the systems and process that it describes. A record of contextual additions or omissions is given below:

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Company Proprietary Information

The electronic version of this procedure is the latest revision. It is the responsibility of the individual to ensure that any paper material is the current revision. The printed version of this manual is uncontrolled, except when provided with a document reference number and revision in the field below:

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1. Contract Review
   1. Introduction & Purpose

The purpose of this procedure is to ensure that all tender and contract requirements together with additional requirements that are not specified but are necessary for fitness for use as per applicable legislation, regulations and requirements for availability, delivery and support are adequately defined and that the company is capable of meeting the requirements of its clients.

* + 1. Process Activity Map

Output

* Design changes
* Quote to customer
* Contract review checklist
* Work Order number
* Order acknowledgement

How

* Contract review process
* Quote forms
* Meeting minutes
* Documented information

With what measure

* Customer satisfaction
* Corrective actions
* Internal audits
* Contract review processes

With what

* Customer requirements
* Customer meetings/calls
* Personnel
* Facilities, plant & tools
* Equipment & processes
* Risks and opportunities

With who

* Design team
* Top management
* QMS department

Activity

Input

* Customer enquiry
* Request for quote
* Purchase order
* Customer specifications
* Regulatory requirements
* Feasibility & scheduling

Undertaking customer communication, contract review, processing enquiries, understanding customer requirements, producing quotes and accepting orders

* + 1. References

| **Standard** | **Title** | **Description** |
| --- | --- | --- |
| BS EN ISO 9000:2015 | Quality management systems | Fundamentals and vocabulary |
| BS EN ISO 9001:2015 | Quality management systems | Requirements |
| BS EN ISO 9004:2018 | Quality management systems | Guidelines for performance improvements |

* + 1. Terms & Definitions

| **Term** | **Definition** |
| --- | --- |
| Contract | Binding agreement |
| Determination | Activity to find out one or more characteristics and values |
| Review | Determination of suitability/adequacy/effectiveness of an object to achieve objectives |
| Product | Product for Manufacturing Made Easy Ltd is Product Design (i.e. 3D model, 2D model), Prototype |

* 1. Application & Scope

To assure that contracts received for processing are reviewed in a timely fashion and to determine that all requirements are adequately defined, documented, and/or agreed upon by both parties, that any differences between orders and tenders are resolved and that Manufacturing Made Easy Ltd has the ability and capacity to meet the contract or order requirements.

* 1. Responsibilities

The Senior Engineer is responsible for:

1. Obtaining the necessary information and requirements from customers;
2. Evaluating and adding applicable product specifications;
3. Verifying ability and design capability to meet the contract or order requirements.

The Operations Manager is responsible for:

1. Prototype planning;
2. Conducting contract reviews;
3. Verify customer requirements are clearly documented;
4. Ensuring differences between the contract or project requirements are resolved with the customer.

TheQuality Manageris responsible for:

1. Handling conflicting requirements that arise during product development;
2. Resolving conflicting issues;
3. Review the effectiveness of corrective actions taken.
   1. Contract & Order Review Process
      1. General

During contract/order review at the Request‐for‐Quote (RFQ) stage, potential orders are checked to determine the necessary requirements applicable to the product. If the review determines that some customer requirements cannot be met or can only partially be met, Manufacturing Made Easy Ltd negotiates a mutually acceptable requirement with the customer.

Manufacturing Made Easy Ltd ensures contracts, purchase orders or other requirements differing from those previously defined, are reviewed and approved prior to incorporating into our business systems. We retain applicable documented information of the initial review and on any new/revised customer or applicable external party requirements for the products and services provided, and ensures that:

1. Review all RFQs for projects that are in‐line with our strategic direction;
2. Create quote router to generate quote pricing;
3. Submit quotes for projects that are in‐line with our strategic direction;
4. Review all Customer Purchase orders/ Project No. to ensure no changes from RFQ or submitted quote and delivery targets are attainable;
5. Communicate with customer regarding any issues with quote/purchase order;
6. Enter new Purchase Order/Contract and create a Router from the quote;
7. Ensure all required documentation (drawings, specs, notes) are stored in the Job Folder on the server;
8. Notify customer of any delays for delivers based on technical capacity;
9. Review and approve or decline any changes requested by the customer.
   * 1. Customer Communication

Manufacturing Made Easy Ltd determines and implements effective arrangements for communicating with customers in relation to product information, enquiries, contracts or order handling, including amendments, and customer feedback, including customer complaints.

This process ensures adequate understanding of the needs and expectations of interested parties, and for translation into organizational requirements. This process includes the identification and review of relevant information to actively involve customers and other interested parties. Examples of relevant process information include but are not limited to:

1. Requirements of the customer or other interested parties;
2. Market research, including sector and end-user data;
3. Contract requirements.
   * 1. Determination of Requirements

The Senior Engineer is responsible for obtaining the necessary information and requirements from customers. The following minimum information is recorded on the quote and/or purchase order:

1. Date;
2. Ordered by;
3. Customer number;
4. Quantity;
5. Part number;
6. Delivery date;
7. Purchase order/ Project No.

The Senior Engineer is responsible for evaluating and adding applicable product specifications or statutory or regulatory requirements for the product(s) that the customer may have failed to communicate and verifying that Manufacturing Made Easy Ltd has the technical ability and production capability to meet the contract or order requirements.

* + 1. Review of Requirements

The Senior Engineer or his designee is responsible for reviewing the *Requirements Review Checklist* related to the product during the quoting process. Any risks identified are assessed to determine how to mitigate or accept them.

The Senior Engineer or his designee verify that customer requirements are clearly documented and ensure any differences between the contract or order requirements are resolved with the customer in advance.

Customer enquiries are logged in a quotation file with date and Customer’s name. A quote is generated to specify costs, conditions, and delivery time of product. All quote information is filed in a complete quote file.

Where any conflict exists, the customer is immediately notified. Manufacturing Made Easy Ltd ensures that when amendments to a contract or order are made, the changes are documented and agreed and authorized by the Customer and correctly transferred to the internal functions concerned.

* + 1. Order Entry & Work Order

Customer job enquiries are logged in a quotation file with date and Customer’s name. A quote is generated to specify costs, conditions, and delivery time of product. All quote information is filed in a complete quote file.

The customer accepts the quotation (agreeing to the terms of our contract) and issues a purchase order to Manufacturing Made Easy Ltd. Once the customer issues their purchase order, the Design Engineer will generate a Design Plan. When a Design Plan is created, it indicates that the review and acceptance of the Customer’s project is complete. This closes out Contract Review aspect.

If raw material is needed, a Purchase Order is issued. When material is ordered, the Work Order is held in the Waiting on Material Bin. All ordered material and customer supplied material are held in the Waiting on Material Bins until the material is delivered and approved.

* + 1. Changes or Amendments

Changes and/or amendments to a contract/order are made by management. Customers are required to submit any change to a contract/order in writing, verbally, via fax, or mail with an authorized signature before any changes can be made to an existing or planned order.

Signatures or initials and date by changes made to the contract/order, purchase order and/or work order will serve as approval and verification by Manufacturing Made Easy Ltd and Customer representatives. The Quality Manager, Senior Engineer, Design Engineers are responsible for noting changes and date of changes on all applicable documents.

Manufacturing Made Easy Ltd ensures that relevant documented information is amended, and that relevant personnel are made aware of the changed requirements when the requirements for products and services have changed.

* + 1. Design Planning

The Design Engineer undertakes operational planning as referenced in the various sections of the QMS in order ensure the availability of:

1. Resources;
2. Review of Customer, statutory or regulatory requirements;
3. Risk assessment and contingency planning;
4. Verification and validation criteria and documents;
5. Management of change;
6. Process controls and related documents;
7. Schedule of prototyping items.
   * 1. Conflicting Requirements

The Quality Managerhandle conflicting requirements that arise during manufacturing, whether strictly between the customer’s own requirements or between the customer’s requirements and an applicable industry standard, as follows:

1. All work on the product, regardless of the process, is placed on hold;
2. Any changes resulting from the customer communication is handled as per this procedure;
3. Quality Manageror Senior Engineer will contact the customer and resolve the conflicting issue(s);
4. After another contract review has taken place, work may resume on the product in question.
   * 1. Contract Risk Assessment

The Risk Assessment Chart below should be used to determine the degree of risk involved with product delivery and product quality.

1. **Project delivery**, consider facility and equipment availability as well as the maintenance thereof, supplier performance and material availability;
2. **Product quality**, consider delivery of nonconforming product and the availability of competent personnel;
3. Assess each consideration for likelihood of occurrence and impact severity;
4. No further action is required for those risks determined as ‘**acceptable**’ and/or ‘**minor**’;
5. Contingency plans may be implemented for those determined a ‘**concern**’;
6. Schedule meetings with involved personnel to include an agenda of discussion items to entertain and impose for risks determined to be a ‘**major**’;
7. Record meeting minutes and action items defining responsibilities.

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| **Likelihood of Occurrence (L)** | **Impact Severity** | | | | |
| Very Low | Low | Moderate | High | Extreme |
| Improbable | 1 Acceptable | 2 Acceptable | 3 Acceptable | 4 Acceptable | 5 Minor |
| Unlikely | 2 Acceptable | 4 Acceptable | 6 Minor | 8 Minor | 10 Concern |
| Moderate | 3 Acceptable | 6 Minor | 9 Minor | 12 Concern | 15 Concern |
| Likely | 4 Acceptable | 8 Minor | 12 Concern | 16 Major | 20 Major |
| Probable | 5 Minor | 10 Concern | 15 Concern | 20 Major | 25 Extreme |

* 1. Forms & Records

All documentation and records generated by the contract review process is retained and managed in accordance with the Documented Information procedure.

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| **Title & Description** |
| Requirements Review Checklist |