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| Procedure:  **QP- 107** | Pages: **5** |
| Printed:  **8/22/2024** | Released: **08/06/2024**  Rev. Num: **10** |
| Authorized By:  **Chief Engineer** | |



**CONTRACT REVIEW**

1. Purpose and Scope

**PURPOSE**

To ensure customer requirements are fully understood and current company capabilities are sufficient to meet those requirements, prior to contract acceptance.

**SCOPE**

This procedure applies to prototype, pilot, production and contract changes.

1. Definitions

**Contract:** Any formal written agreement between two parties to provide goods and/or

services.

1. Process Owner

Chief Engineer

Process Designees: Production Control Manager

**Engineering Coordinator**

**President**

1. **Procedures**
2. **Production Control Manager**

**Conducts Feasibility Review**

All P.O.’s/contracts pertaining to individual parts are reviewed by the Production Control Manager, who compares them to past contracts to assure there are no changes or modifications. Once approved all documents are initialed, dated on cover page and forwarded to the Engineering Coordinator.

1. **Engineering Coordinator**

**Maintains Quote Tracking System**

The Engineering Coordinator maintains a quote tracking system database for all new quotes throughout the entire process. Group technologies are utilized where quotations are based on reference material and not a part of a family program. Re-quotes are done on a one-by-one basis through Engineering and/or Accounting for management review. Existing jobs are not placed into the tracking system, but an audit trail of documentation is maintained.

**Receipt of Contracts**

Upon receipt of contracts the Engineering Coordinator reviews all information based on the latest quotation, last print change, price, and any additions/exceptions added to face of P.O. If necessary, the Engineering Coordinator will ask for assistance with review from the Chief Engineering, and/or the Chief Engineer.

**Master Folder**

The Engineering Coordinator is the keeper of the Master Folder kept on every part. The Master folder consists of the quote folder containing requests for quotes, original material requirements, required outside processing (if applicable), material quoted price, cost analysis, initial routing, part print and a copy of the cover page and part order page of the customer purchase orders and request for quotes. In addition to the quote folder, the master folder contains the tooling folder with the tooling history and log, listing tooling associated with the production of the part. The tooling folder will contain (if applicable) the tooling list, the gage print record, the manufacturing drawing list, the blueprint change notification, notice of purchase order for new work/part change and the print issuance record. The master folder can be maintained physically and/or electronically.

1. **Chief Engineer**

**New Quotes**

The Chief Engineer reviews all new quotes for feasibility and risk, then assigns a designated engineer and assures the sequence of operations and material requirements are set up. Quotes will then be forwarded to Purchasing for quoting of outside materials and forwarded to Industrial Engineering for a complete cost analysis. The quote is then returned to Engineering for final review. Exceptions to this process may occur when an expedited need exists, or a new part is to be included in a family of parts that we already make.

**Feasibility**

With input from Engineering and other staff members, the Chief Engineer determines if customer specific requirements are feasible for our company. If the decision is made to no quote, a letter of notification is sent to the customer. If the decision is made to quote, Engineering will complete the Team Feasibility Commitment form (after a purchase order and part number are entered into the system) for all ATI orders received. The completed form will be kept in the master quote folder.

**Form Implementation Team**

The Chief Engineer forms a group with members from all departments affected as soon as we are awarded a new job, to ensure timely and effective review and development of customer requirements. The same also applies if we receive approval for any customer engineering change that has an effect on our processes and does not fall into a previous APQP family.

1. **The President**

**Final Authorization of Quote**

Final authorization will be made by the President and/or V.P. of Manufacturing. However, in their absence, final authorization can be made by the V.P. of Finance or the Chief Engineer. Once authorized, the quote will be typed, signed, then faxed and/or emailed to the customer. A signed copy will be placed in the quote folder and/or electronically uploaded to the computer system.

1. **Production Control**

**Amendments to Contract**

TheProduction Control Manager will review and attach any amendments to the contract before it is re-routed.

**Verbal Orders**

Verbal orders are recorded and forwarded by the Production Control Manager per the regular quote program. Orders are completed when verbal orders are confirmed by official documentation. The verbal order will be compared to the official documentation, and both will be stapled together and filed in the quote folder.

**Review Contract Extensions**

Contract extensions for existing parts, not subject to the feasibility commitment procedure, are reviewed, processed and then submitted to the customer by the Production Control Manager.

1. **References**

**5.1 Related Procedure**

Advanced Product Quality Planning QP-102

**5.2 Reference Documents**

Marketing Plans

1. **Records**

Tooling List ENG-001 Engineering Change Notification ENG-003

Notice of Purchase Order for New Work/Part Change Acknowledgement ENG-005

Mfg. Drawing List ENG-006

Print Issuance Record ENG-007

Gage Print Record ENG-012

Master Folder MAS FOLDER

Engineering Quote Request NP07355ENG

Quote History Sheet NP07356ENG

**\* Retain all above documents for life of job + 1 year minimum**

1. **Policy References**

None

1. **Revision History to Procedure QP-107**

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| --- | --- | --- | --- |
| **Chg. No.** | **Date** | **Rev.** | **Change Description** |
| 1 | 2/13/1998 | 0 | Creation of Document |
| 2 | 5/10/2000 | 1 | Deleted "and requotes as well" from first sentence in 4.. Added "Requotes are  done on a one......" to 4. Changed retention times for the listed records under section 6. |
| 3 | 4/5/2021 | 2 | Inserted 'Where quotations are based on reference materials, if it is not a part of a family program, then group technologies are utilized' and added 'If it is an existing job, it is not placed into the tracking system’ to 4. |
| 4 | 9/29/2006 | 3 | Added the word “risk” to 1st sentence of 4; Added last 2 sentences “if the decision is made to quote......" and "form will be ...." to 4. Inserted 4, which promotes the steps that follow by 1. |
| 5 | 4/17/2010 | 4 | 4. changed "receival" to "receipt", 4 changed "GM" to "ATI", 4. changed "GM's risk analysis form (GM 1927-7) for all GM" to "ATI technical review assessment form (AT1927-7)", 4.8 added "by e-mail or letter, a copy of which is kept. This may be repeated until all issues are resolved, 4 removed "history of print changes" added "and request for quotes", "The tooling folder will contain, if applicable, the Tooling List, the gage print record, the manufacturing drawing list, the Blueprint change notification, notice of purchase order for new work/part change, and print issuance record." Added records "Blueprint change notification, notice of purchase order for new work/part change, manufacturing drawing list, print issuance record, and gage print record." |
| 6 | 6/1/2011 | 5 | Added "Master folder can be maintained physically or electronically" to 4. |
| 7 | 9/9/2013 | 6 | Changed "initialed" to "initialed and dated on cover page" in #4; Changed "initial" to "initial and date cover page of" in #4; Changed "copies of customer purchase orders" to "copy of cover page and part order page of customer purchase orders" in #4. |
| 8 | 01/12/2018 | 7 | Revised for ISO 9001 / IATF 16949 |
| 9 | 4/20/2021 | 8 | Added Reference document ‘Marketing Plan’ |
| 10 | Xx/xx/2023 | 9 | Changed Document Type from Instruction to Procedure.  Section 7- Added Policy References  Section 8-Removed “of”, added “History to Procedure.”  Added-Revised Styberg Logo, Revision History Block,  Changed revision number from 1 to 10 to reflect correct change history Removed Compile Risk Analysis. |