



Procedure: QSP-7.5.109	Page 1 of 2
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Approved By: Mark Blumenfeld	

Customer Consigned Material Control

Purpose

This procedure ensures the protection of and establishes a system of accountability for customer consigned materials.

Scope

This procedure applies to all parts and materials supplied by customers for inclusion into products that INSCO produces or distributes for its customers. This procedure also applies to customer-supplied equipment and tooling that INSCO uses in the value-added production, inspection and testing of its products.

Definitions

Customer-supplied Product - Material, part, or assembly provided by a customer used to fulfill an order. The customer retains ownership of all such materials.

MRB Material Review Board, consisting of QA, Purchasing and Operations representatives, responsible for review and disposition of nonconforming product.

Note: Insulation Supply Company does not use dispositions of use-as-is or repair, unless specifically authorized by the customer. (See QPM-301, Section 8.3)

Responsibilities

ISR Inside Sales Representative

REC CLK Receiving Clerk

PROD SUP Production Supervisor

PROD OPER Production Operator

QUAL INSP Quality Inspector

Procedures

ISR Enters Order Involving Customer-Supplied Product

- Enters the sales order specifying complete information including finished product description, ID number, quantity, pricing, certifications, quality and delivery requirements.
- Notes on the sales order that customer-supplied product or material will be used to produce and ship the order.
- **REC CLK Receives and Transfers Customer-Supplied Product**
- Receives all incoming materials and products whether purchased or customer-supplied.
- Assumes that incoming materials that are not identified with an INSCO PO number or InSCO lot number are customer-furnished materials.
- Delivers the customer-supplied materials or products, along with documentation and shipping package, to the Quality Inspector or Production Supervisor who confirms its identity, verifies its quality, and matches it to a specific production order.
- Completes the top section of form QF-75, Customer-Furnished Material Report/Certification.

Note: Printed versions of this document are uncontrolled. The published Web version (Internet or Intranet) is assumed to be current.

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Customer-supplied materials, machinery and documents must be handled with care at all times so as to avoid damage while in our possession. Steps must be taken to protect and preserve such products against the elements, contamination and loss. All employees who come into contact with customer-furnished materials are responsible for its protection.

PROD SUP Verifies Customer-Supplied Product

- Inspects customer-supplied product or material for condition, completeness, type, grade, quantity and quality characteristics, according to customer purchase order, drawing and specifications.
- Releases acceptable customer-furnished material for production
- If material and/or documentation are discrepant, the PROD SUP informs the ISR and does not release the material until discrepancies are fully resolved with the customer.
 - The responsible ISR notifies and resolves discrepancies with the customer. Any disposition instructions or waivers granted by the customer are documented.
- If the customer-supplied material is determined to be defective or nonconforming, the PROD SUP records information on QF-75 which serves as a nonconforming material report; then segregates the nonconforming material for MRB disposition. The ISR coordinates disposition of nonconforming customer-supplied material with the customer.

PROD OPER Performs Value-Added Operations

- Handles, protects, preserves and stores in process materials, whether purchased or customer-furnished, in accordance with our stated policies and procedures (7.5.4[1]).
- Performs value-added operations according to Production Order Package.
- Reports any material defects or non-conformances, records condition on QF-75, alerts Production Supervisor, and segregates in-process material from use until properly dispositioned by customer's MRB or INSCO's ad hoc stock management team.
- Routes finished product and documentation to Final
- Inspection.

QUAL INSP Final Inspects and Completes Documentation

- Completes final inspection of INSCO value-added product containing customer-furnished material.
- Documents final product acceptance/rejection on Production Traveler.
- Completes QF-75, Customer-Furnished Material Report/Certification.
- Routes finished product and completed documentation to Shipping.

Records

Production Package PROD PKG

Retain for 7 years

Customer-Furnished Material Report/Certification QF-75

Retain for 7 years

Revision Notes

- Removed references to Quality Planner and assigned duties appropriately. The reference was a job function and not a job title.
- Re-assigned functions and their sequences to match our current practice.