

Perform Air International Inc.

Administrative System Manual

Procedure: III.03 Purchasing Procedure

Revision	Revision Date	Revision Change
N/I	02/08/10	Initial Release/Re-Release
1	08/02/10	Addition of 5.2, 5.2.1 and 6.9. Revision to 3.0, 4.0 and 5.4
2	09/16/11	Revision to 1.0 thru 4.0, 5.1.1 thru 5.1.3, 5.1.6.1, 5.2.1, 5.4, 5.4.5, 5.4.5.1, 5.4.6, 5.4.6.2, 5.6.1, 6.8 and 6.9 for grammar.
3	09/18/12	Revision to 3.0, 5.1.6.1, 5.4.2, 5.5.3 and 6.6 for improvement of procedure.
4	07/01/13	Pagination of 3.1 thru 3.4 for consistency of format. Revision to procedure for clarification of responsibility and grammar.
5	03/31/14	Repagination of 5.2 thru 5.8.1 for better flow of procedure. Revision to 2.0, 3.4, 4.2, 5.3.1, 5.6, 5.6.1, 5.6.1.1, 6.4 and 6.5 for clarification of procedure. Removal of Records 6.7 thru 6.10, which were not records applicable to the procedure.
6	07/15/14	Revision to 5.3.3 for addition of Purchase Order requirements.
7	07/31/17	Revision to 4.2 (removal of text), 5.2, 5.3.1 (removal of text), 5.3.3, 5.6.1 (removal of text), 5.6.2, 5.7.1, 5.7.2 and 5.7.3 (removal of text) for clarification of procedure. Addition of 3.2.5.1 and 4.4 for added details. Removal of 5.6.2.1 thru 5.6.2.3 as it is not applicable to the Purchasing Procedure.
8	11/30/17	Addition of 6.7
9	10/06/23	Revision 3.2 title change, add 3.3, add form number 54.09 to 5.4.1, add section 4.5
10	01/31/25	Combining III.03 and III.45 Purchasing/Materials Control Procedures Revision as anticized
11	06/27/25	Pagination of document correcting font and size

1.0 Purpose:

To ensure purchase orders issued by Perform Air International Inc. are viewed as contractual agreements with our vendors/suppliers compliant to stated requirements, and to ensure all purchasing processes are handled in a timely, efficient and cost-effective manner optimizing benefits for both Perform Air International Inc. and its customers.

2.0 Scope:

All purchases for Perform Air International Inc. with the exception of the credit card purchases made by managers which do not require a Purchase Order.

3.0 Responsibility:

3.1 The maintenance of this procedure is the responsibility of the Purchasing Manager.

3.2 Purchasing Manager:

Has responsibility for ensuring all vendor purchase orders (PO) are entered accurately, including correct vendor code, part number, quantity purchased, price for each line item, condition of each item, and any special requirements, delivery schedules, end user information (if required, per vendor), ship method, carrier account number, purchasing due dates, and all purchase order notes.

3.2.1 Works with the Quality Assurance Department to ensure the purchasing process satisfies regulatory requirements related to the use of non-certified suppliers (when applicable).

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- 3.2.2** Evaluate and select suppliers based on their ability to supply products in accordance with company and regulatory requirements.
- 3.2.3** Establish criteria for selection, evaluation, and re-evaluation.
- 3.2.4** Maintain a register of approved suppliers that includes the scope of approval.
- 3.2.5** Take necessary actions per company defined protocols for suppliers that do not meet requirements.
 - 3.2.5.1** Any supplier that has not met company requirements will be labeled as a blacklisted vendor.
- 3.2.6** Source only customer approved special process suppliers and flow down customer specific, regulatory oversight, and quality requirements for product purchase.
- 3.2.7** Take appropriate measures to prevent the purchase of counterfeit/unapproved products.
- 3.2.8** Works with the Purchasing Buyers if there is a price change, MOQ, shipping delay or part cancellation.
- 3.2.9** Adjust QTY of parts based on vendor line or purchase order minimums.
- 3.2.10** Contacts the vendor for updated on purchase orders, tracking information and past due shipments.
- 3.2.11** Processes weekly Carrier freight bills and forward to accounting department for payments at their discretion
- 3.2.12** Purchasing Manager or designee works as the company contact for customs clearance issues for incoming shipments.

3.3 Quality Control Inspector:

Ensure purchased product conforms to quality and specified purchase standards; validated during the receiving process. Designates any piece parts and paperwork for military customers with a MILITARY stamp. Also ensures in-house or outside service processes are acceptable during receiving or inspection process.

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3.4 Quality Assurance Department:

The approval of sub-contract vendors is the responsibility of the Quality Assurance Manager or designee.

4.0 Definitions:

4.1 Vendor - Supplier of parts and services other than component repair services.

4.2 Approved Sub-contractor – A supplier of services where the accomplishment of the service provided is conducted at another facility and that service has been approved by the FAA on the FAA Approved Maintenance Function List.

4.3 Diamond Excellence Vendor - A vendor who has already been in a working relationship with Perform Air International Inc. and has demonstrated ability to consistently meet all requirements for quality noted in purchasing documentation.

4.4 Blacklisted Vendor – A vendor that has failed to meet company requirements in regard to supplied products or services.

4.5 CAGE code - The Commercial and Government Entity Code that provides a standardized method of identifying a given facility at a specific location.

5.0 Procedure:

5.1 Parts used in aircraft component overhaul and repair are purchased from one of the following:

5.1.1 OEM- Original Equipment Manufacturer.

5.1.2 Authorized Distributor of an OEM.

5.1.3 Any FAA-certificated agency.

5.1.4 Other companies that have the required parts if they can provide traceability and acceptable certification to one of the above listed sources.

5.2 When purchasing from the OEM or one of its authorized distributors, traceability accompanying the parts must comply with current regulations, standards and any foreign supplements as they apply.

5.3 When purchasing from a vendor the following criteria must be met:

5.3.1 All parts purchased must have traceability accompanying the parts.

5.3.2 Confirmation that the part description matches the requirement.

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5.3.3 The purchase of chemicals with shelf life requires a notation on the purchase order indicating the requirement of material traceability, shelf-life documentation (if applicable) and either Material Safety Data Sheets (MSDS) or Safety Data Sheets (SDS).

5.4 Parts Transfer Procedure:

5.4.1 A Parts Transfer Form (54.09) will be initiated by the Purchasing Department or designee, to reduce cost and/or lead times. All parts listed on the form will be reviewed by maintenance and inspection personnel to ensure conformity.

5.5 MILITARY EXCEPTIONS: In the event that the purchase is for a military component, a vendor certificate of conformance or government surplus certificate is acceptable, as well as the above-listed documentation.

5.5.1 All military purchase orders will reflect that the parts placed on order are for use on a military component, and what certification is acceptable.

5.5.2 The military certification will be stamped at incoming receiving as "MILITARY", and the product will be segregated from commercial inventory.

5.6 Approved List: Director of Supply Chain Management or designee will run the inventory ready for purchasing (AKA approved list) checking to make sure inventory is not already on order and will add piece part inventory to meet po mins, then will forward to Purchasing Clerk or designee The Approved list has WO's that are in Approved Status where piece parts or end unit are required. It includes part numbers, quantities, pricing, vendors, and any special instructions.

5.6.1 Some vendors have specific line or purchase order dollar minimums that the parts being ordered need to meet, or the vendor will not process the PO.

5.6.2 The end units being purchased are to be entered onto the PO as a piece part or an internal code line, depending on the circumstance of the customer work order or quote received by the Purchasing Dept.

5.6.3 Parts may be added to the Approved List based off emails received from Executive Management, Purchasing Manager or Purchasing Buyers. Parts for inventory or bulk hardware may also be added to the list.

5.6.4 Notes will be added for vendors that require an end user and end use country of the parts being purchased.

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- 5.6.5** Military Parts – if the parts are for a military customer, a note will be added to the purchase order to mark all parts for the customer with a military designation at incoming inspection.
- 5.7** Purchase orders are placed in DAC with the information from the approved list and uploaded into the Constellation program where specific product details are entered.
- 5.8** A copy of the Purchase Order is emailed to the vendor contact listed in the vendor database.
- 5.8.1** As the vendors acknowledge receipt of the purchase order, MC personnel updates the PO with notes from the vendor email, changes the status of the PO, inserts the estimated ship dates (ESD) and tracking information into Constellation.
- 5.8.2** If the vendor's email states they have a different part number, partial quantity or cancels a part/PO, the Purchasing Buyer and Manager are notified.
- 5.8.3** The work order will be updated in Access with the information and, if necessary, the work order status is changed to P&A.
- 5.8.4** If the ship date exceeds the customer due date, Purchasing will be notified, and the work order status is changed to P&A.
- 5.8.5** The piece parts listed in on the work order in Access are updated with the PO number. If all the parts needed are listing a PO number, the work order status is changed to Parts On Order.
- 5.8.5.1** If there are needed in-house or outside services listed but all piece parts have a PO number, the status is changed to Parts on Order.
- 5.8.5.2** If there are parts listed with no PO number, the work order will remain in Approved Status.
- 5.8.6** A copy of purchase order will be saved to the designated area on network.
- 5.9** Outside Service Complete
- 5.9.1** The status reports for work orders that have required special processes will be checked periodically to update the work order status and move to the next department.
- 5.9.1.1** This includes Machine Shop Complete, NDT Complete, and Cad. Complete.
- 5.9.2** If a work order appears on the process completed list, the work order packet is checked for a signed off completed form.

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- 5.9.3** The process is allocated to the work order line item in Access and the work order status is changed to Outside Service Complete.
- 5.9.4** If the process is marked as Rejected, the part number being rejected is re-received as needed and the status of the work order is changed to "Failed".
- 5.9.5** If the part can be repaired and is written on the Rejected form, the next repair process is keyed as needed.

5.10 Freight Carrier Bill Processing

- 5.10.1** Freight bills are processed weekly.
 - 5.10.1.1** The freight bill invoices are downloaded from the carrier website (Currently UPS and FedEx).
 - 5.10.1.2** The individual charges are coded to a specific department based on reason for shipment (e.g., piece parts, shop supplies, incoming/outgoing components. Etc.)
- 5.10.2** A purchase order is created, and the department codes are used to assign the freight dollar amounts to the correct department.
- 5.10.3** A Merchandise Receiver is processed and forwarded to the Accounting Dept along with a copy of the freight invoices.
 - 5.10.3.1** If there are freight or customs charges for incoming customer shipments, the information will be sent separately to Accounting so the customer can be billed back for the charges.

5.11 Customs Clearance Issues

- 5.11.1** On the occasion that incoming packages are held up in US Customs, the Purchasing Manager or designee will reach out to the carrier to determine what information is needed to assist in clearing the shipment.
- 5.11.2** Purchasing Manager or designee will contact Customer Support if anything is required from the customer. Once the needed information is received, the required documents will be forwarded to the shipment carrier.
- 5.11.3** The shipment tracking will be followed up to ensure the carrier receives the information and the package is scheduled for delivery.

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5.12 Evaluation of Vendors:

5.12.1 For vendor evaluation see Diamond Excellence Evaluation Procedure.

5.12.2 Sub-contractors: Perform Air International Inc. may contract a maintenance function pertinent to an article to an outside source, provided the sub-contractor has been approved by the Quality Assurance Department.

6.0 Records:

- 6.1 Customer Orders/Contracts (Customer Generated)
- 6.2 Approved Vendor List/Database (Electronically Stored in Accounting Database)
- 6.3 Sub-Contract Vendor Audit (Form 63.06)
- 6.4 Parts Certification (Stored Electronically in Certs Database)
- 6.5 Parts Transfer Form (Form 54.09)
- 6.6 Purchasing Worksheet (Form 54.11)
- 6.7 Ready for Purchasing list (Approved List)
- 6.8 Purchase Orders (Computer Generated)