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	<b>SPECIFICATION NO.</b>	<b>Q-107.4</b>
<b>TITLE: PURCHASING</b>	<b>DATE ISSUED:</b>	<b>8/8/2003</b>
	<b>DATE REVISED:</b>	<b>07/06/2011</b>

1.0 PURPOSE:

This specification identifies and establishes the processes by which RTI International Metals, Inc. (RTI) will meet the requirements of Section 7.4 of the International Aerospace Standard (AS 9100C).

2.0 SCOPE:

**ALL RTI INTERNATIONAL METALS, INC. COMPANIES CERTIFIED TO AN INTERNATIONAL AEROSPACE STANDARD (E.G., AS-9100, AS-9120).**

3.0 EFFECTIVITY:

This specification shall be fully deployed for all active suppliers within twelve (12) months after issuance of this specification. All new suppliers must be evaluated and approved per the requirements of this specification. When current suppliers become due for periodic review the requirements of this specification shall apply, and reviews will be made in accordance with this specification.

4.0 GENERAL REQUIREMENTS:

- 4.1 All RTI locations shall ensure that purchased products or services conform to specified purchase requirements. The type and extent of control applied to the supplier and purchased products or services shall be dependent upon the effect on subsequent product realization or the final product.
- 4.2 All RTI locations shall be responsible for the quality of all products or services purchased from suppliers, including customer designated sources.
- 4.3 All RTI locations shall evaluate and select suppliers based on their ability to supply products or services in accordance with the requirements established via regulatory bodies, applicable certification body requirements, applicable customer requirements, and the RTI Quality Management System.
- 4.4 Where required, all RTI locations shall ensure that RTI and all suppliers and/or subcontractors use customer approved sources.
- 4.5 All RTI Locations shall ensure the adequacy of specified purchase requirements prior to their communication to the supplier.
- 4.6 Purchased product shall not be used until it has been verified as conforming to specified requirements unless it is released under positive recall procedure.
- 4.7 Where RTI delegates verification activities to the supplier, the requirements for delegation shall be defined and a register of delegations maintained.
- 4.8 Where RTI or its customer intends to perform verification at the supplier's premises, RTI shall state the intended verification arrangements and method of product release in the purchasing information.
- 4.9 Where specified in the contract, the customer or the customer's representative shall be afforded the right to verify at the supplier's premise and the RTI location's premise that subcontracted product conforms to specified requirements.
- 4.10 Verification by the customer shall not be used by RTI as evidence of effective control of quality by the supplier and shall not absolve RTI of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer.

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#### 5.0 PURCHASING INFORMATION:

Purchasing information shall describe the product or service to be purchased. Where applicable, the items detailed in sections 4.1 to 4.10 must be detailed in the purchasing information. This information may be part of the purchase specification, purchase order, conversion release, or a separate document calling out specific terms and conditions (T&C).

- 5.1 Requirements for approval of product, procedures, processes and equipment.
- 5.2 Requirements for qualification of personnel.
- 5.3 The name or other positive identification, and applicable issues or revisions of specifications, drawings, process requirements, inspection instructions, and any relevant technical data.
- 5.4 Requirements for design, test, examination, inspection and related instructions for acceptance by any RTI location.
- 5.5 Requirements for test specimens for design approval, inspection, testing, or auditing.
- 5.6 Requirements for supplier notification to RTI of nonconforming product and arrangements for RTI approval of the nonconforming product.
- 5.7 Requirements of the supplier to notify RTI of any changes in product and/or process definition, and where required to obtain RTI approval for these changes.
- 5.8 Right of access to RTI, RTI's customers and regulatory authorities to all facilities involved in the order and to all applicable records.
- 5.9 Requirements for the supplier to flow down to sub-tier suppliers the applicable requirements, including key characteristics, in the purchasing documents.
- 5.10 Where exceptions are agreed to by RTI and the supplier, these must be documented in the purchasing documentation.

#### 6.0 FLOW DOWN OF REQUIREMENTS:

- 6.1 The RTI purchase specification and/or purchase order shall clearly describe any critical characteristics, and requirements for these characteristics.
  - 6.1.1 In the case of purchased conversion services the conversion purchase order or conversion release shall clearly define the requirements of section 5.1.
- 6.2 Quality System Requirements for suppliers shall be verified to the extent necessary prior to approval of the supplier.
- 6.3 RTI specification Q-023 may be used to flow requirements to suppliers.
- 6.4 By accepting a purchase order the supplier/contractor is indicating that all included requirements are accepted.

#### 7.0 SUPPLIER CLASSIFICATION:

- 7.1 All suppliers of products and services to RTI shall be classified based on overall risk to RTI and RTI's customer's satisfaction.
  - 7.1.1 **Class I** – This class of suppliers have been assessed as having high risks in multiple areas.
  - 7.1.2 **Class II** – This class of suppliers have been assessed as having a single high risk area.
  - 7.1.3 **Class III** – This class of suppliers have been assessed as having only moderate risks.

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- 7.1.4 **Class IV** - This class of suppliers have been assessed as low risk.
- 7.1.5 **Class V** – This class of suppliers provide products or services that do not affect product or process quality. These suppliers are exempt from the requirements of this specification.
- 7.2 Supplier classification, risk assessment, and ongoing evaluations will be completed per the requirements of ADM QA-107.4.
  - 7.2.1 At the discretion of the General Manager and the Quality Manager at each RTI location a local procedure may be developed in lieu of ADM QA-107.4, providing the intent of the specification is maintained and supplier controls are not lessened below the minimum requirements of this specification.

8.0 INITIAL SUPPLIER APPROVAL:

All supplier approvals shall consist of approvals for a physical location, requirements for approval, and a specific scope of approval.

- 8.1 .An initial supplier survey, RTI form Q-107.4B must be completed by the supplier. A review of the information will guide the approval plan.
- 8.2 Completion of the supplier evaluation per ADM QA-107.4 shall be included. The following actions shall be completed as required.
  - 8.2.1 On site audits and hazard reviews.
    - 8.2.1.1 All class I, & II suppliers must have an onsite audit completed prior to approval.
    - 8.2.1.2 All “special process” suppliers as defined by Q-107.7 section 4 require an initial onsite audit.
  - 8.2.2 Fixed Practice Agreements (FPA) or Frozen Planning as required.
  - 8.2.3 Completion of Risk Assessment, Capacity & Sourcing Analysis, and any other actions deemed necessary by the assessment team. **(Note: Completion of these items may require an onsite evaluation.)**
- 8.3 Based on overall assessment supplier approval shall be as follows:
  - 8.3.1 Class I: Quality Manager, Purchasing Manager, & General Manager
  - 8.3.2 Class II, III, & IV: Quality Manager & Purchasing Manager
  - 8.3.3 All single source suppliers: Quality Manager, Purchasing Manager, & General Manager

9.0 SUPPLIER EVALUATION AND RE-APPROVAL:

- 9.1 Suppliers shall be evaluated based on their assigned class. Evaluation periods are as follows:
  - 9.1.1 Class I & II are to be evaluated semiannually.
  - 9.1.2 Class III & IV are to be evaluated annually.
- 9.2 Ongoing supplier evaluations shall be completed using the procedures in ADM Q-107.4.
- 9.3 Supplier re-approval:
  - 9.3.1 All “special process” suppliers as defined by Q-107.7 section 4 that do not have an aerospace 3<sup>rd</sup> party approval (i.e. NADCAP) will require an annual onsite audit.
  - 9.3.2 **Class I & II suppliers:**
    - 9.3.2.1 An annual onsite audit is required.

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9.3.2.2 Implementation of actions as required by section 9.4.

**9.3.3 Class III and IV suppliers:**

9.3.3.1 Annual quality survey to ensure that no significant changes have taken place. If deemed appropriate by the assessment team onsite activities may be required.

9.3.3.2 . Implementation of actions as required by section 9.4.

**9.4 Reaction plan to performance issues:**

9.4.1 Corrective actions must be issued to suppliers per the requirements of Q-108.1.

9.4.2 If during any review it is found that the status of any of the following areas is RED a corrective action will be issued to that supplier.

9.4.2.1 Corrective, Preventative, & Continuous Improvement Actions

9.4.2.2 On Time Delivery (OTD/OTIF)

9.4.2.3 % Defective

9.4.2.4 Certification Quality

**9.5 Supplier deactivation:**

9.5.1 Any supplier who is inactive for twenty four (24) consecutive months shall be deactivated.

9.5.2 Any deactivated supplier shall be re-qualified per section 7.0 of this specification.

**10.0 VERIFICATION ACTIVITIES:**

10.1 RTI shall ensure that purchased products meet all specified purchasing requirements via verification activities. These activities may include:

10.1.1 Obtaining objective evidence from the supplier such as certificate of conformity, test reports, etc.

10.1.1.1 When a RTI location uses test reports to verify purchased products, the data in those reports shall be acceptable to the applicable specifications.

10.1.2 Inspection and audit at supplier's premises.

10.1.3 Review of the required documentation.

10.1.4 Inspection of the products upon receipt.

10.1.5 Delegation of verification to supplier, or supplier certification.

10.1.5.1 When an RTI location delegates verification activities to the supplier, the requirements for delegation shall be defined and a register of delegations maintained.

**11.0 APPROVED SUPPLIER LIST:**

11.1 All Class I, II, III, and IV suppliers shall be approved at each RTI location. Each location shall maintain an approved suppliers list meeting the requirements of section 11.2.

11.2 The approved suppliers list shall include:

11.2.1 Company name and physical location.

11.2.2 Supplier class rating.

11.2.3 Supplier contact information.

11.2.4 RTI / Local user contact.

11.2.5 Original approval date.

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11.2.5.1 For suppliers approved prior to October 18, 2007 the original approval date shall be noted as October 18, 2007.

- 11.2.6 Current approval date.
- 11.2.7 Approval expiration date.
- 11.2.8 Last completed on site audit
- 11.2.9 Last completed supplier survey
- 11.2.10 Next scheduled audit and survey.
- 11.2.11 Current supplier rating date.
- 11.2.12 Next supplier rating due date.
- 11.2.13 Third party approvals.
- 11.2.14 Prime / end user approvals.
- 11.2.15 Scope of approval and restrictions.
- 11.2.16 Verification method(s).
- 11.2.17 All agreed to exceptions.

12.0 EXECUTIVE REVIEW:

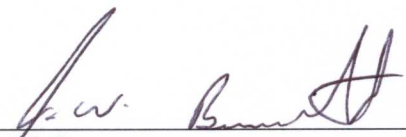
All significant items related to suppliers, including but not limited to, approvals, disapprovals, supplier performance, and supplier evaluation shall be included in management review. Reference Q-105.

13.0 RESPONSIBILITY:

Each RTI location shall define responsibilities and any additional local controls used to meet the requirements of this specification in local procedures.

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**\*Approved by:**

  
 \_\_\_\_\_  
 J. W. Bennett  
 Director of Quality Assurance

  
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 Date

  
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 S. R. Giangordano, Executive Vice President  
 Technology & Innovation

  
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 Date

  
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 Jim McCarley, Executive Vice President Operations

  
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 Date

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**CHANGE HISTORY:**

This is a newly issued specification dated 8/8/2003.

Revision dated 8/26/2005, originated by B. Newman.

Purpose: Updated AS9100 to rev. B

Scope changed to reflect all subsidiaries included on the RTI International Metals ISO/AS Certification.

Revision dated 10/18/2007, originated by J. W. Bennett.

This document was rewritten to further define the responsibilities of the Customer, Purchasing agent, Supplier of products/services, and Quality Assurance.

Revision dated 1/28/2008, originated by Jeff Bennett  
Added section 8.2.4 to require use of Form Q-107.4A

Revision dated 2/10/2009, originated by Jeff Bennett  
Revisions based on QM conference call for internal specification review  
Updated sections 7.2 & 7.3 changing the requirements for initial approval for class 1 & 2 vendors  
Updated section 8.5 for Calls II, III, & IV vendors for re-approval.

Document review dated 9/02/2009, originated by J. Kocher.  
Para. 8.5.1.2 Typographical error – should read ....third *party* accreditation  
Para. 10.2.1 Paragraph with reference to RTI Hermitage deleted. (Hermitage falls under Niles management for supplier evaluation and reapproval)

Revision dated 1/06/2010, originated by Jeff Bennett  
Updated references to ISO 9001:2008 in sections 7.1.4.1, 7.1.8.1, 7.2.1, 7.3.1, 7.3.2, and 7.4.1.  
Updated signature page per Q-104A dated 10-23-2009

Revision dated 2/14/2011, originated by Jeff Bennett  
Added sections 4.10 and 10.3.17 from CAR# 2960  
Updated signature page

Revision dated 07/06/2011, originated by Jeff Bennett  
Complete re-write as part of AS-9100C Transition Plan.