Wellbore Integrity SOLUTIONS

Purchasing

DTRMFG-PR-QU-50213

Document Control

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Date: January 30, 2020

Revision history

Revision	Revision Author	Date	Revision Summary	Approved
H	K. Kurtz	October 20, 2022	Revised section 5.4	C. Mengue
J	C. Glass	September 3, 2024	Revised API Q1 9th to 10th Edition	C. Glass
K	C. Glass	February 20, 2025	Removed machine shops from critical vendor definitions Sec 3	C. Glass
L	C. Glass	March 24, 2025	Updated 3-year to 5-year supplier re-evaluation.	C. Glass
M	Mark Huft	April 1, 2025	Add reevaluation requirements for Noncritical suppliers, clarify revalidation for Critical suppliers.	C. Glass
N	Mark Huft	June 4, 2025	Remove bi-annual supplier performance evaluation requirement.	Elmer Valle

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1. Objective

The purpose of this procedure is to provide guidance for the purchase of products, components, and/or activities required for product realization, including outsourced activities.

This procedure addresses the following:

a) determination of critical products, components, and/or activities;

b) initial evaluation and selection of suppliers;

c) Use of WIS Questionnaire for identified risk to determine initial assessment method of supplier's capability for critical purchases;

d) type and extent of control applied to the supply chain for critical products, components, or activities; also contains additional requirements for outsourced activities.

e) criteria, scope, frequency (5 years), and methods for re-evaluation of suppliers;

f) identification of approved suppliers and scope of approval with a location ASL;

g) identification of customer specified suppliers and suppliers limited by proprietary, and/or legal requirements when section 5.3 applicable.

2. Scope

This procedure applies to personnel at the Engineering and Manufacturing (E&M) center that are involved in supplier selection, evaluation, re-evaluation and the purchasing process of products, outsourced activities or services that affect compliance with customer and WIS requirements.

3. Definition

Approved Supplier List (ASL): A list of approved suppliers generated and maintained by the Purchasing department, which is maintained on evaluations of the suppliers capability to meet WIS Quality Management Systems requirements.

Critical Products/Components/Services: Any product or services that fall under the following categories: steel mills, non-destructive examination and outsourcing such as material testing laboratories, calibration, coating, etc.

Critical Supplier: Supplier that provides a product or service that falls under any of the following categories: material testing laboratories, calibration, coating, steel mills and Non-Destructive Examination (NDE.)

Non-critical Supplier: A supplier of products or services that WIS engineering has no engineering specifications, QMS procedure/s, checklist, W1 through W7 SWI's or customer mandatory requirements to include on the purchase order for acceptance criteria. Generally, WIS engineering has no specifications for these products/services since they are mostly shelf item products or low impact product, and services. Acceptance criteria may only be applicable part number, description, brand name, quantity, delivery date, etc.

WIS Supplier Onboarding Questionnaire: Supplier questionnaire used to evaluate the suppliers QMS conforms to WIS quality requirements as well as the supplier's capability of meeting the stated requirements when limited by proprietary, legal, and/or contractual agreements.

4. References

DTRMFG-PR-QU-50213-F02 - WIS Supplier Questionnaire form.

5. Procedure

5.1 Purchasing Control

The initiator of the purchase order shall determine whether the activities or product are critical or non-critical as specified.

WIS maintains a documented procedure for the purchase of products, components, and/or activities required for product realization. The procedure addresses the following:

a) determination of critical products, components, and/or activities;

b) initial evaluation and selection of suppliers;

c) use of identified risk to determine initial assessment method of supplier's capability for critical purchases;

d) type and extent of control applied to the supply chain for critical products, components, or activities; contains additional requirements for outsourced activities.

e) criteria, scope, frequency, and methods for re-evaluation of suppliers;

f) identification of approved suppliers and scope of approval; and

g) identification of customer specified suppliers and suppliers limited by proprietary, and/or legal requirements when applies.

When there is a requirement for an outsourced item, raw material, or consumables for any services within the organization, a Purchase Order (PO) shall be generated by the initiator, after receiving a quote from relevant suppliers and ensuring that it meets WIS requirements with regards to quality, cost, and timeliness.

A copy of the purchase order and all associated documentation shall be communicated to the supplier by email. Any changes to the requirements of an already released purchase order will require the initiator to revise the purchase order, seek re-approval, and obtain confirmation from the supplier that they have received the revised purchase order.

Purchase orders for calibration and maintenance services shall contain necessary requirements of the technical standards and acceptance criteria.

Buyers shall ensure that only vendors registered in the ASL and active shall be used for procurement of critical products and services.

5.2 Initial Supplier Evaluation- Critical Purchases

Initial evaluation and selection of suppliers will be based on their scope of supply and ability to supply products or services in accordance to WIS requirements. The evaluation shall be performed by a cross functional team. Suppliers that supply products or services that directly impact WIS products shall be controlled through the ASL.

For the purchase of critical products, components or activities, the initial evaluation of suppliers is processed utilizing the Supplier Questionnaire that addresses the scope of supply and includes the following:

a) verification of the supplier's quality management system implementation and conformity to the quality system requirements specified for suppliers by the WIS is accomplished by using the Supplier Questionnaire;

b) verification of the type and extent of control applied by the supplier, internally and to their supply chain, to meet WIS requirements is accomplished by using the Supplier Questionnaire.

c) assessment of the supplier's ability to meet WIS specified requirements by one or more of the following based on identified risk:

1) performing an on-site assessment to verify that relevant product realization processes are being performed in accordance with process controls and are effective in achieving conformity to requirements applies to critical suppliers that require validation or machining.

2) performing a remote assessment to verify that relevant product realization processes are being performed in accordance with process controls and are effective in achieving conformity to requirements,

3) performing inspection, testing, or verification of relevant characteristics of a received product.

When performed, remote assessment may include verification of objective evidence through real-time audio/visual observation of required activities and documentation using information and communication technology. This assessment shall be recorded in a WISE meeting.

Evaluation of a supplier shall also be performed in accordance with the requirements of this section for any additions to a supplier's scope of approval or change from an approved site to a new site of supply.

Initial verification that the supplier's QMS conforms to the QMS requirements specified by WIS shall be performed by requesting the critical suppliers to complete and return a WIS Supplier questionnaire; DTRMFG-PR-QU-50213-F02. WIS review/assessment comments are documented at the bottom of the questionnaire to record the initial assessment and determine if an on-site or remote audit is required. An overall acceptance score of 70% or greater is the target. However, overall scores less than 70% may qualify for conditional approval and be accepted only after successfully passing Inspections or verification/testing from the first shipment and/or after a supplier site or remote audit by WIS.

5.3 Initial Supplier Evaluation – Critical Purchases – Customer Specified, Proprietary, and/or Legal Limited

For the purchase of critical products, components, or activities where the supplier is specified by the customer or involves proprietary and/or legal requirements that limit application of the initial evaluation shall include the following:

a) Verification of the supplier's quality management system implementation and conformity to quality system requirements specified for suppliers by WIS and/or the customer's requirements is accomplished by using the Supplier Questionnaire.

b) WIS identifies how the supplied product, component or activity conforms to specified PO requirements during receiving inspection. The scope of approval for customer-specified suppliers will be limited to the relevant customer contract when assessment per the Supplier Questionnaire has not been performed. Customer specified PO will include required acceptance criteria.

5.4 Initial Supplier Evaluation- Noncritical Purchases

For purchase of noncritical products, components, or services that impact product realization or the final product, the criteria for the evaluation of suppliers by WIS ensure inspection/verification or testing of the product upon delivery or activity upon completion through Receiving Inspection.

5.5 Supplier Reevaluation

Critical suppliers shall be re-evaluated per section 5.2 with a Supplier Questionnaire and an inspection, verification or testing record at least once every 5 years based on identified risks to ensure conformance to product requirements or by an onsite supplier audit.

For the re-evaluation of suppliers of critical products, components or activities for customer specified suppliers and suppliers limited by proprietary, and/or legal requirements, the requirements of the initial supplier evaluation in 5.3 apply.

For reevaluation of Noncritical suppliers, assessment of the product or component upon delivery, or activity upon completion shall be documented on an Inspection, verification or testing report during receiving inspection every 5 years.

As deemed appropriate, the supplier shall be disapproved by Purchasing and /or Quality Assurance when the supplier does not fulfil contractual obligations (e.g., fails to meet design, workmanship, documentation, traceability, function or performance, price, or delivery requirements). A supplier can also be inactivated from the ASL when forecasts indicate that there is no longer a need for the supplier.

Supplier initial and re-evaluation is also required if the supplier has not been used for a period of 5 years or more or when the supplier has been inactivated on the ASL but required to be reinstated.

5.6 Supplier evaluation/ re-evaluation records

Records of the results of all evaluations/ re-evaluations and any necessary actions arising from them shall be maintained as quality records. This includes the Supplier Questionnaire, Inspection/Verification/Testing record, on-site or remote audits.

5.7 Outsourcing

When WIS chooses to outsource any service or activity within the scope of its quality management system, WIS shall ensure that all applicable elements of its Quality Management System (QMS) are satisfied and shall maintain responsibility for product conformance to specified requirements, including applicable API product specifications, associated with product realization. Records or outsourced services or activities shall be maintained and include the Supplier Questionnaire, Inspection/verification or testing report, and onsite audit as deem appropriate based on the results of the Supplier questionnaire.

5.8 Customer Evaluation of WIS Suppliers

When required by contract the customer and /or their representative shall be allowed access to WIS manufacturing facilities and/or WIS's suppliers' facilities, with pre-authorizations from WIS, for verification of compliance to specified requirements. Such verifications are considered as evidence of effective control of the supplier's quality system and do not release WIS from the responsibility to provide acceptable products, nor does it preclude possible rejection of product by the customer at a later date if nonconformance are found.

6. Records

Records of the results of evaluations including objective evidence and any necessary actions arising from the evaluations shall be maintained. As a minimum Supplier questionnaire, re-evaluation inspection reports, regular in-coming inspection reports with supplier provided documents.

Records required by this procedure shall be maintained as required by the Control of Records procedure; DTRMFG-PR-QU-50230.

Records of identification of approved suppliers, customer-specified suppliers, and suppliers limited by proprietary and/or legal requirements shall be maintained (ASL).