

AMARILLO GEAR COMPANY		Work Instruction Number QWI 15.1.1.1 Rev I
QUALITY SYSTEM WORK INSTRUCTION		Page 1 of 7
Subject:  <b>RECEIVING INSPECTION</b>		Date Issued 9/06/11
		Supersedes Revision H 9/10/10
Reviewed by: Sandy Turner	Approved by: Tony Stephenson	Review/Approved Date 9/06/11

### 1. Objective

The purpose of this document is to describe the process for ensuring that incoming production materials are not used or processed until they have been inspected or otherwise verified as conforming to specified requirements.

### 2. Scope

This document applies to all production materials supplied to Amarillo Gear Company by outside vendors. It also applies to all Amarillo Gear Company employees that are involved with receiving materials into inventory.

### 3. Required Procedures and Other Documentation

<b>Procedure No.</b>	<b>Description of Procedure</b>
QP 08.1.1	Product Identification and Traceability
QP 10.2.1	Receiving Inspection
QP 15.1.1	Handling, Storage, Packaging, Preservation and Delivery
QP 19.1.2	Customer Complaint System

#### Other Documents

QWI 15.1.1.2	Handling, Storage, Packaging, Preservation and Delivery
QF 13.2.1.0.2	Nonconforming Material Tag
QF 10.2.1.2.1	Material withdraw slip
Form #11.1	Material I.D. Tag
Stamp	Receiving Inspection Stamp
	Amarillo Gear Company Employee Handbook
	Amarillo Gear Company Hazard Communication Program
	Packing Slip
QWI 7.1.1.1	Request For Repair
QWI 7.1.1.2	Warranty Claim
QF 7.1.1.1.3	Returned Goods Receiver
QWI 7.1.1.3	Returned Goods

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#### 4. Process

- 4.0 When material arrives at Amarillo Gear Company, the assigned Receiving Clerk or designee visually inspects and checks the material following guidelines in **(QWI 5.1.1.2) Handling, Storage, Packing, Preservation and Delivery** to insure safety and protect the integrity of material.
- 5.0 The Receiving Clerk checks the material for obvious nonconformance, such as damage or improper identification. The Receiving Clerk or designee also checks the packing slip, shipping, or receiving documentation to assure the part numbers, item number, heat number on steel, heat number on forgings, batch numbers, etc., and any other markings and identification, match.
- 6.0 The Receiving Clerk moves material to a designated area where it will be held for receiving inspection / purchasing inspection. The holding area will have fixed locations with a designated over flow area.
- 7.0 The Receiving Clerk or designee will verify that the quantity received agrees with the packing slip. He circles the quantity received if correct. If quantity received does not agree with the packing slip, the receiving clerk notifies the receiving supervisor who performs another count verifying that the quantity does not correspond to the packing slip. If quantity is incorrect, hold shipment and notify Purchasing for their inspection. The quantity received is recorded on the packing slip. After material is inspected and identified, if there are no non-conformances found, the receiving clerk stamps the packing slip and fills in the receiving inspection side indicating the appropriate inspection (pass/fail). The receiving documents will be turned into the Purchasing Department at least every day or as needed.

**Note:** If the material is needed immediately for processing, the receiving clerk or designee sends the receiving documents to the Purchasing Department for inspection and material release. If the purchasing agent is not available, to go step 9.

- 7.1 If no non-conformances are found other than count discrepancies, receiving ticket shall be checked as passed.
- 7.2 If received material falls under the category of the Customer Complaint System (QP 19.1.2), Request For Repair (QWI 7.1.1.1), Warranty Claim (QWI 7.1.1.2), or Returned Goods (QWI 7.1.1.3), the Receiving Clerk must also complete the Returned Goods Receiver (QF 7.1.1.1.3) and forward it to the Returned Goods Clerk.
8. Upon receiving documents (i.e.: packing slip, MSDS, etc.) from the Receiving Clerk, Purchasing inspects packing slip against original purchase order. If there are no non-

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conformances found, purchasing fills in the purchasing inspection side of stamp and enters the necessary information about the received material into the inventory system. Purchasing returns a material release list to the receiving area desk by the end of each day or ASAP.

**Note:** The receiving clerk labels the material with the item number, date, and quantity on the label he has affixed to the material and/or container.

9. **The Receiving Clerk or designee determines if the material is needed immediately for processing:**

9.1 If the material is needed immediately for processing, the Receiving Clerk or designee sends the material to appropriate processing area. The department supervisor fills out a material withdraw slip with the Quantity, Description, Item Number, Name (employee) and Work Center. The Receiving Clerk or designee, gets a copy of the material withdrawal slip for positive recall. The material must be identified with the material withdraw slip at all times, until inspection is completed. The receiving clerk or designee will notify user of inspection results and shows disposition on material withdraw slip (**QF 10.2.1.0.1**).

10. After the material is released, the Receiving Clerk will store the material as specified in this document and (**QWI 15.1.1.2 Handling, Storage, Packing, Preservation and Delivery**).

11. **The Receiving Clerk or designee will follow steps to ensure inspection, stock rotation, proper identification is done:**

11.1 **Rough** castings are checked for proper casting numbers, obvious damage. Label material or container with tape or card (**form # 11.1**) or marking pen with item number and quantity. Store in the warehouse and log location in log book. See (**QWI 15.1.1.2 Handling, Storage, Packing, Preservation and Delivery**) for more information.

11.2 **Finished Machined Castings and Gear Sets from Vendors**

**Note:** Communicate to all affected parties if conditions exist which will prevent any of the requirements of this section to be completed in the stated time frame.

11.2.1 The Receiving Person

11.2.1.1 Verifies quantity and condition per previous steps of this procedure.

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11.2.1.2 Sends copy of packing slip to purchasing for information purposes only (Purchasing holds packing slip until they receive inspection reports).

11.2.1.3 Sends packing slip and 1 randomly selected sample of each part number to test lab for inspection.

11.2.1.3.1 The rest of the shipment shall be maintained in a holding area pending inspection results.

**Note: For gear sets received from vendors, entire lot(s) is/are sent to the Gear Cell with inspection forms.**

#### 11.2.2 Test Lab Inspection – Testing person

11.2.2.1 Completes inspection form for each part number received. If special requirements, he contacts Material Supply foreman for assistance.

11.2.2.2 He notes all dimensions that are out of tolerance by highlighting them on the inspection report.

11.2.2.3 All inspection reports and packing slip are sent to purchasing.

11.2.2.4 Test samples are identified by Part # and PO#, and marked as tested.

**Note:** Inspection must be complete and inspection forms given to Purchasing within 2 days of receiving parts. Notify Purchasing Manager and Purchasing Agent if unable to complete on time.

#### 11.2.3 Purchasing Person

11.2.3.1 Matches test reports and packing slip to ticket they have on hold.

11.2.3.2 If parts pass inspection, then parts can be received and released for production.

**Note: Receiving Clerk retrieves inspected parts and returns to original order after receiving the material release list from purchasing.**

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11.2.3.3 If parts do not pass inspection, inspection reports of failed parts are given to engineering. \

**Note: The entire lot shall be maintained in holding area pending action by Engineering.**

**Note:** Parts must be released or reports given to engineering within 1 day of receiving reports from test lab.

#### 11.2.4 Engineering Person

11.2.4.1 Reviews inspection reports and determines next action

- a) Test more samples
- b) Accept as-is
- c) Rework by AGC
- d) Reject

11.2.4.2 Instructions for each part that failed are given to purchasing for resolution except for additional testing. Engineering informs test lab of additional testing (how many and what inspection is required). Test lab reports back to engineering with results within 2 days. (4 days if additional testing).

**Note:** Engineering must complete review, disposition and return forms with instructions to purchasing within 2 days (4 days if additional is required). Notify Purchasing Manager and Purchasing Agent if unable to complete on time.

#### 11.2.5 Purchasing Person

After receiving disposition from engineering.

11.2.5.1 If accept as-is, parts are received and released to production.

11.2.5.2 If rework by AGC –

- Give inspection report to production scheduler who will prepare work order for our shop. After rework part can be received and released to production.
- Purchasing informs supplier of work required and prepares them for rework charges.
- Production scheduler informs purchasing when rework is complete and cost of rework.
- Purchasing informs supplier.

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11.2.5.3 If rejected – Purchasing informs supplier and returns parts for credit.

11.3 **Forgings** are checked for the heat number on the material and damage. Do not mix old style with new style forgings. Label material or container with tape, card (**Form #11.1**) or marking pen with item number, AGC number (when required), P.O. number, and QTY. Store in the warehouse and log location in logbook. See (**QWI 15.1.1.2 Handling, Storage, Packing Preservation and Delivery, (QP 08.1.1) Product Identification and Traceability**) for more information.

11.4 **Steel bars and tubing** are checked for proper heat number stamped on both ends of bar, length (record on receiving ticket), outside diameter, inside diameter, and obvious damage. Stripe bars by paint to indicate material type, using the color-coded chart located in the bulk steel area. Move material to proper bin. See (**QWI 15.1.1.2 Handling, Storage, Packing, Preservation and Delivery**) for more information.

11.4.1 Wrapping tape around one end shall identify material moved to bin prior to receiving material release list from the Purchasing Department. When the material release list is received the tape is removed.

11.5 **Stored-boxed items or bulk-boxed items** are checked for part numbers, item number, any other markings obvious damage and proper identification. Label each with tape, card (form #11.1), or marking pen with item number, AGC number (when required) and quantity. Move to proper storage area. See (**QWI 15.1.1.2 Handling, Storage, Packing, Preservation and Delivery**) for more information.

#### 11.5.1 Vendor Stocking Program

11.5.1.1 Vendor will inventory supplies for established minimum quantities.

11.5.1.2 Vendor supplies noted maximum quantities.

11.5.1.3 Receiving Clerk or designee ensures that the types of parts and quantities received match the packing list.

11.5.1.4 Vendor stocks the parts in the proper locations.

11.6 **O-rings** are checked for obvious damage, proper identification, part numbers, and item number. Date each bag or the identification label. Move material to Assembly parts area. Rotate stock, check dates for o-rings older than 5 years, and store material. See (**QWI 15.1.1.2 Handling, Storage, Packing, Preservation and Delivery**) for more information.

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- 11.7 **Seals** are checked for obvious damage, proper identification, part numbers, and item number. Date the boxes or packages. Move material to Assembly parts area. Rotate stock, check dates for seals older than 5 years, and store material. See **(QWI 15.1.1.2) Handling, Storage, Packing, Preservation and Delivery** for more information.
- 11.8 **Gaskets** are checked for obvious damage, proper identification, part numbers, and item number. Date the identification label. Move material to Assembly parts area. Rotate stock. Store material. See **(QWI 15.1.1.2) Handling, Storage, Packing, Preservation and Delivery** for more information.
- 11.9 **Bearings** are checked for obvious damage, proper identification, part numbers, and item number. Date boxes or packages. Move material to Assembly parts area. Rotate stock when storing bearings. See **(QWI 15.1.1.2) Handling, Storage, Preservation and Delivery** for more information.
- 11.10 **Paint and Thinner** are checked for obvious damage, proper identification, part numbers, and item number. Date each can on top. Label each can with an AGC number (when required). Move paint and/or thinner to proper storage area. Rotate stock and check for dates older than 24 months. See **(QWI 15.1.1.2) Handling, Storage, Packing, Preservation and Delivery** for more information.
- 11.11 **IMT Equipment** shall be routed through the Cal Lab to ensure that the equipment is calibrated and verified prior to release for production use.
- 11.12 All liquid or chemical filled containers are checked for clearly labeled contents, appropriate hazard warning, and name and address of manufacturer per Amarillo Gear Company's Written Hazard Communication Program.

## END OF WORK INSTRUCTION

Revision I

Original or last revision issue date: 9/2/10

Changes or additions were made in the following place(s):

1. Title Block
2. Added Paragraph 11.2.1.3.1
3. Added Note to Paragraph 11.2.1.3.1
4. Changed Paragraph 11.2.2.4
5. Added Note to Paragraph 11.2.3.2
6. Added Note to Paragraph 11.2.3.3

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