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Quality Clauses

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REVISION HISTORY

Revision	Revised by:	Pages Affected:	Details	Date
NC	Adrian J.	All	Reformatted to comply with current practice	03/06/2017
A	G. Armstrong	All	Reformatted, added additional clauses (J Olmedo) and updated Signatures	09/03/2020

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Quality Assurance Procurement Clauses are herein defined for Purchase Orders issued to Suppliers by Applied Companies / Applied Pressure Vessels, hereinafter referred to as “Applied Companies”. Suppliers shall comply with the Clauses referenced on the Purchase Order.

CLAUSES

CLAUSE 1 - QUALITY ASSURANCE REQUIREMENTS

Supplier provide and maintain one of the following Quality Systems:

- A) ISO 9001 or AS9100 Compliant. Supplier Questionnaire and/or Audit Required by Applied Companies
- B) ISO 9001 or AS9100 Registered. Supplier shall provide third party certification. Applied Companies reserves the right to conduct assessments of Suppliers Quality System.
- C) NADCAP AC7004 Certified. Supplier shall provide third party certification. Applied Companies reserves the right to conduct assessments of Suppliers Quality System.
- D) Suppliers Quality System approved by Applied Companies. Suppliers capability to perform satisfactorily shall be demonstrated by a successful Supplier Questionnaire and/or Audit performed by Applied Companies.

CLAUSE 2 - CERTIFICATE OF CONFORMANCE (CoC)

A CoC shall be supplied with each shipment. CoC as a minimum shall reference Purchase Order, Line Item Number, Item Name, Part Number, Revision, Serial Number(s) (if applicable), Quantity Shipped. CoC must contain a written statement as follows:

“Items furnished per Buyer’s Purchase Order have been manufactured, tested, and inspected in accordance with the requirements of the applicable specifications/drawings and the results of such tests and inspections meet the requirements thereof.” (or equivalent).

CoC shall be signed by the Suppliers duly authorized representative.

CLAUSE 3 - RAW MATERIAL DOCUMENTATION AND TEST REPORTS

Raw material certification, from either the supplier and/or original manufacturer must be supplied. Supplier shall provide raw material certification containing actual chemical/physical test results that substantiate compliance with the applicable raw material and/or specification requirements. Certification must state the material identification by specification number and material conditions inclusive of the raw material manufacturer’s or mill’s lot or batch number.

CLAUSE 4 - FUNCTIONAL TEST REPORTS

A written report of actual test results obtained during the tests must be provided to verify product and/or material conformance to applicable engineering specifications.



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CLAUSE 5 - FIRST ARTICLE INSPECTION (FAI)

Suppliers FAI and Acceptance is required by Applied Companies for item(s) on this Purchase Order. Supplier shall submit a FAI demonstrating compliance with the requirements of this Purchase Order and referenced documents in accordance with the latest revision of AS9102.

FAI item(s) may be shipped alone or with the balance of the order as instructed by the buyer.

FAI requirements shall continue to apply after initial compliance. Supplier is responsible to supply performance of a full FAI, Delta/Partial for affected characteristics as applicable in accordance with AS9102.

CLAUSE 6 - SPECIAL PROCESS CERTIFIED SUPPLIER REQUIRED

All non-destructive testing, welding, heat treating, plating, surface treatments or any other special processing shall be performed by Suppliers that are NADCAP Certified. Supplier must supply certifications for special processes. Certification must reference the standard for the special processes performed. Certification shall be signed by the Suppliers duly authorized representative.

CLAUSE 7 – SAMPLING PLAN

Supplier is approved to provide products applying Inspection Sampling Plan. Suppliers sampling procedures, when used, must comply with ANSI/ASQ Z1.4 or ANSI/ASQ Z1.9.

CLAUSE 8 - SOURCE INSPECTION

Acceptance by a Quality Assurance Representative of Applied Companies is required on this Purchase Order prior to shipment from your facility. Contact Applied Companies Quality Department three (3) days prior to completion of the order to schedule source inspection.

CLAUSE 9 – U.S. GOVERNMENT SOURCE INSPECTION

This order is subject to Defense Contracts Management Agency (DCMA) oversight. DCMA shall have the right to inspect any and all work included in the Purchase Order, at Seller's facilities or at sub-tier supplier's facilities. Contact your local DCMA Quality Assurance Representative (QAR) to schedule source inspection. Evidence of DCM QAR Source inspection is required to accompany each shipment.

CLAUSE 10 – IDENTIFICATION

Part Mark products and containers as required by the Drawing and/or Purchase Order. Unless otherwise specified by the Drawing and/or Purchase Order, mark parts and packages with part number, revision letter and supplier identification in accordance with MIL-STD-130.

CLAUSE 11 - PROTECTION OF PARTS

Parts are to be packaged to prevent damage in transportation. If required, individually package and/or apply protection to minimize the possibility of damage.

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CLAUSE 12 - SHELF LIFE MATERIALS

Supplier shall identify materials and articles having definite characteristics of quality degradation or drift with age and/or the environment. Where shelf life is either a specified requirement or is needed to ensure end-of-life performance, Supplier shall affix appropriate label identifying the shelf life expiration date to supplied materials.

In no case shall materials or articles be supplied with less than 75% of its useful life or cycles remaining; however, Supplier shall verify that sufficient operating life and environmental margin remains to meet the specified requirements of the Purchase Order.

CLAUSE 13 – DPAS RATED CONTRACTS

Products on this Purchase Order are subject to a Government Prime Contract and is DPAS Rated. Supplier is required to follow all provisions of 15 CFR 700 Defense Priorities and Allocations System. Buyer shall specify DPAS rating on Purchase Order (e.g. DOA, DXA4 etc.).

CLAUSE 14 – INSPECTION REPORT

Supplier shall provide a final dimensional inspection report for all items with each shipment.

CLAUSE 15 – 100% INSPECTION

Supplier shall perform 100% inspection of all items as applicable to drawing/specification requirements. Supplier shall submit a copy of an inspection report reflecting 100% inspection of all drawing/specification characteristics. Exception is only allowed when items are manufactured by automated machining. In which case 100% inspection is only required for the first item and the last item produced by automated machining from one continuous set-up. Suppliers inspection report shall state that items were machined under automated machining conditions.

CLAUSE 16 - COUNTERFEIT PART PREVENTION REQUIREMENTS

Suppliers and distributors for electronic, subcontractors of electronic assemblies, subsystems and systems shall maintain a Counterfeit Parts Prevention program for the avoidance, detection, mitigation and disposition of counterfeit parts in accordance AS5553.

Suppliers, Distributors or Subcontractors supplying electronic components on this Purchase Order shall procure electronic parts from the Original Equipment Manufacturers (OEM), Original Component Manufacturer (OCM), OEM/OCM-Franchised Distributor or OEM/OCM-Authorized Aftermarket Supplier. Purchasing from independent brokers or other sources is not authorized unless approved in writing by Applied Companies

When approved by Applied Companies and if Supplier provides parts/material it obtains from sources other than the manufacturer or manufacturer-authorized distributors, the Supplier shall be a member of GIDEP and review and take appropriate corrective and preventive actions on all relevant Suspect Counterfeit GIDEP alerts.

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CLAUSE 17 - SPECIALTY METALS DFARS 252.225-7009

Supplier providing products containing specialty metals shall ensure the materials are compliant with DFARS 252.225-7009, "Restriction on Acquisition of Certain Articles Containing Specialty Metals". All government supply Purchase Order suppliers are subject to DFARS 252.225-7009.

Failure to comply with the specialty metals clause may adversely impact delivery of products in support of the War Fighter, resulting in delays in schedule and potentially expensive retrofitting throughout the supply chain. You must ensure your products comply with the Specialty Metals clause prior to delivery.

CLAUSE 18 - SUPPLIER SUB-TIER CONTROL

Supplier is responsible for ensuring the following:

- All items procured from its subcontractors conform to all requirements of the Purchase Order
- All applicable provisions of this document are flowed to its subcontractors including copies of the latest process specification revision(s).
- Specifying on sub-tier supplier Purchase Order any special processes indicated on prime Purchase Order and the latest process specification revision(s).

CLAUSE 19 -RECEIVING INSPECTION

Product delivered on this Purchase Order is subject to Receiving Inspection upon receipt.

CLAUSE 20 - NONCONFORMING MATERIAL AND CORRECTIVE ACTION

Product rejected at receiving inspection and/or subsequent processing may be returned for rework or replacement. Supplier Corrective Action Request (SCAR) may be issued to Supplier to prevent further escapes or non-conformances. When applicable SCAR shall be issued to Supplier with an RMA request. Suppliers have 30 days to respond. Lack of response is possible cause for disqualification and removal from Applied Companies Approved Supplier List.

CLAUSE 21 - RIGHT OF ACCESS

Suppliers quality control or inspection system and manufacturing processes are subject to review, verification, and analysis by Applied Companies, its Customer and/or authorized U.S. Government representatives.

CLAUSE 22 - DFARS SOURCING FLOW DOWN REQUIREMENTS

- 252.225-7007 – Prohibition on Acquisition of United States Munitions List Items From Communist Chinese Military Companies
- 252.225-7009 – Restriction on Acquisition of Certain Articles Containing Specialty Metals
- 252.204-7008 – Requirements for Contracts Involving Export-Controlled Items
- 252.225-7001 – Buy American and Balance of Payments Program
- 252.225-7006 – Quarterly Reporting of Actual Contract Performance Outside the United States
- 252.225-7013 – Duty Free Entry
- 252.225-7016 – Restriction on Acquisition of Ball and Roller Bearings
- 252.225-7021 – Trade Agreements
- 252.225-7033 – Waiver of United Kingdom Levies

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CLAUSE 23 – CONFIGURATION MANAGEMENT

Supplier shall maintain engineering, manufacturing, and quality controls such that all items scheduled for delivery under this contract conform to the configuration management requirements of this Purchase Order. These requirements apply without limitation to each end item delivered under this Purchase Order regardless of whether such item is a Commercial Off-The Shelf (COTS) item, catalog item, build to print item, Supplier designed item, Buyer designed item, or any combination. As a result, Supplier is responsible for and these requirements apply without limitation to any and all items, parts, assemblies, COTS, catalog items, or any combination that Supplier may include in the delivered end item.

CLAUSE 24 – DISTRIBUTOR REQUIREMENTS

Distributor shall certify articles delivered on this Purchase Order to conform the Buyer's and/or manufacturers specifications. Distributor to supply Certificate of Conformance that includes the Origin of Manufacture, Part Number, Traceability Information (MFR Date, Lot Code, etc.), Results of testing and/or inspection when applicable, Date and Signature of Authorized Representative.

CLAUSE 25 – CALIBRATION SYSTEM REQUIREMENTS

Seller is responsible for calibration, accuracy, validation and maintenance of equipment, tooling or gauges utilized by Supplier to produce, inspect or test items. Suppliers equipment calibration system shall be in accordance with one of the following: MIL-STD-45662A, ANSI/NCSL Z540, ISO 10012-1 or ISO 17025.

CLAUSE 26 – ELECTROSTATIC DISCHARGE CONTROL

Supplier shall provide and maintain a program for Electrostatic Discharge (ESD) control for items under this Purchase Order in accordance with one of the following:

- | | |
|---------------|---|
| MIL-STD-1686 | Electrostatic Discharge Control Program for Protection of Electrical and Electronic Parts, Assemblies and Equipment (excluding Electrically Initiated Explosive Devices) |
| ANSI-S20.20 | Parts, Electrical and Electronic, Assemblies and Equipment, Protection of (excluding Electrically Initiated Explosive Devices), for the Development of an Electrostatic Discharge Control Program |
| EIA 625 | Requirements for Handling Electrostatic Discharge Sensitive Devices |
| MSFC-STD-1800 | ESD Control for Propellant and Explosive Devices |
| DoD 4185.26m | Contractors Safety Manual for Ammunition and Explosives |



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CLAUSE 27 – CONTAMINATION / FOREIGN OBJECT DEBRIS (FOD) CONTROL

Supplier shall maintain a FOD prevention program which includes review of design and manufacturing processes to identify and eliminate foreign object entrapment areas and paths through which foreign objects can migrate. Items on this Purchase Order shall always be protected from contamination or damage from foreign objects prior to delivery.

CLAUSE 28 – CUSTOMER FURNISHED PROPERTY, MATERIALS

Supplier shall maintain accountability of materials furnished by the Buyer. Materials shall be stored and handled to ensure the integrity of the material is maintained. Supplier shall obtain direction from Buyer concerning the disposition of rejected and/or unused quantities, or usable trimming remaining at the end of the procurement activity. Supplier shall be responsible for maintaining records of identity and the assurance of continued suitability of the tooling, test equipment, etc., while such materials are in Suppliers possession.

CLAUSE 29 - MATERIAL AUTHENTICITY/COUNTERFEIT PART PREVENTION REQUIREMENTS FOR NON-ELECTRONIC MATERIAL SUPPLIERS AND DISTRIBUTORS

Suppliers and distributors for material shall maintain a Counterfeit Part Prevention program. Supplier shall have and implement an effective Counterfeit Prevention Plan in accordance with SAE AS6174 that documents: (a) its processes used for assuring that only authentic and conforming parts/material are procured and (b) its processes to be used for risk mitigation, disposition, and reporting in the event any counterfeit parts/material are encountered in its supply chain

Material delivered under this Purchase Order shall be authentic and traceable to the original manufacturer or mill/plant for raw materials. If documented acquisition traceability is not available, Supplier shall not accept the Buyer's Purchase Order unless Supplier requests and receives Buyer authorization to validate the authenticity of material according to Buyer-specified requirements.

Supplier shall impose appropriate requirements on all tiers of its supply chain to ensure the substance of these requirements and the Purchase Order are met. Purchasing from independent brokers or other sources is not authorized unless approved in writing by Applied Companies

When approved by Applied Companies and if Supplier provides parts/material it obtains from sources other than the manufacturer or manufacturer-authorized distributors, the Supplier shall be a member of GIDEP and review and take appropriate corrective and preventive actions on all relevant Suspect Counterfeit GIDEP alerts.



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CLAUSE 30 – CALIBRATION SERVICES REQUIREMENTS

Supplier providing Calibration Services shall be responsible for the calibration and applicable maintenance of any equipment, tooling, or gauges provided from the Buyer to the Seller under this procurement agreement. Suppliers equipment calibration system shall be in accordance with one of the four requirements MIL-STD-45662A, ANSI/NCSL Z540, ISO 10012-1 OR ISO 17025.

Supplier shall provide a Certificate of Conformance that includes a report for each service that meets the requirements of the above standards including as found and final results, acceptance criteria, and traceability to applicable national standards.