



## PROCUREMENT QUALITY PROVISIONS

### Revision H

February 8, 2017

#### NOTICE:

The quality provisions below are part of the Purchase Order to the extent applicable. Supplier shall NOT disposition nonconforming material “use-as-is” or “repair” without the written permission of Fatigue Technology (FTI) Quality Assurance. Nonconforming items received are subject to rejection and return to the Supplier at no cost to FTI.

#### SECTION I (Applicable to All Procurements)

1. **Quality Assurance Program**

The Supplier’s Quality Program shall be in accordance with one of the following quality standards: ISO 9001-2008, ISO 9001-2015, AS9100-C, AS9100-D.

2. **FTI Inspection Rights**

FTI and its customers, reserve the right to inspect any or all material included in the Purchase Order/Subcontract. FTI reserves the right to inspect the material purchased under this Purchase Order/Subcontract in the Supplier’s plant in general conformance with FTI general specifications for source inspection, and may be accompanied by U.S. Government/customer Representatives. The Supplier at no charge, if required, will provide appropriate facility, equipment and personnel assistance, to FTI.

3. **Calibration Control**

The Supplier shall control the calibration of all measuring and testing devices against certified standards traceable to the National Institute of Standards and Technology (NIST). The calibration program shall conform to specification ISO 10012-1, Quality Assurance Requirements for Measuring Equipment, or ANSI/NCCL Z540-1-1994, Calibration Laboratories and Measuring and Test Equipment General Requirements.

4. **Specialty Metals Provision**

When this provision is invoked on the purchase order, no foreign melted specialty metals may be used as the raw material for products listed on the purchase order. Material certification must state the country of origin of the raw material. Certain qualified countries are excepted as listed in DFARS 225.872-1. DFARS 252.225-7009 provides a definition for “Specialty Metals.”

5. **Raw Material Identification and Certification**

- A. All raw material must be identified with applicable specification, nomenclature, type of material, condition and manufacturer. The Supplier shall submit with each lot a copy of the mill test reports.
- B. Supplier Retention: This quality clause modifies all other imposed quality clauses that identify documentation to be submitted with each shipment to FTI. In lieu of submitting the denoted documentation, the Supplier/Subcontractor is required to maintain all documentation on file for a minimum period of ten years from date of final payment, unless otherwise specified by the contract/purchase order. Requested documentation will be provided to FTI upon request. All other requirements of the modified clauses remain in effect.
- C. All raw materials must be identified with applicable specification, nomenclature, type of material, condition and manufacturer. The Supplier shall submit with each lot a copy of the manufacturer’s certification.
- D. All materials purchased shall be traceable from the manufacturing mill to heat treat, distributor and to FTI.

6. **Statement of Work**

This Purchase Order is not complete without a Statement of Work (SOW). The SOW defines the goods and services to be furnished by the Supplier. The SOW takes precedence over all other documentation.

**7. Fastener Material Identification and Certification**

If this Purchase Order is for procurement of ASTM, ASME, SAE, MS, BAC, AN, or NAS specification fastener(s) (bolts, nuts, screws, studs, washers, rivets, pins, etc.), the following applies.

The approved manufacturer shall include with each shipment:

- A. Test reports from a U.S. Government accredited laboratory that substantiates qualification and/or acceptance.
- B. Certification of Compliance signed by an officer of the company declaring that the items conform to all requirements specified in applicable standard and/or specification documents, manufacturer's identity and lot number, and that an original copy of the accredited laboratory report, if applicable, is on file for inspection and review by FTI.
- C. Items that are individually or intermediately packaged within a container shall be marked on the exterior of each package with the manufacturer's identity, lot number, and purchase order number.
- D. Evidence that all fasteners are in compliance with the Fastener Quality Act.

The distributor shall include with each shipment:

- E. The approved manufacturer's certification statement as noted in 7.A and 7.B above.
- F. Certification of compliance signed by an officer of the company declaring:
  - 1. That the items were manufactured by a manufacturer listed as approved for the item.
  - 2. Conformity to all requirements based on the distributor's evaluation and review of the items and accompanying manufacturer and laboratory test reports.
  - 3. The manufacturer's identity and lot number.
  - 4. That no rework or alterations have been performed.
  - 5. Evidence of compliance with the Fastener Quality Act.
- G. Items that are intermediately packaged with a container shall be marked on the exterior of each package with the manufacturer's identity and lot number, the distributor's identity and purchase order number.

**8. Specification Control Drawing**

Acceptance test and inspection for material purchased to FTI part numbers will be according to the values and requirements of the FTI specification control drawing or functional test procedure unless otherwise specified on the Purchase Order.

**9. Product/Process Changes**

Supplier shall obtain FTI written consent before making any change in design, configuration, or the performance characteristics of the supplies to be delivered under this Purchase Order and before making any change in the materials, manufacturing processes or special processes utilized in the production of such goods.

**10. General Compliance**

Supplier shall provide appropriate certification with each lot of material delivered certifying that all materials, processes, and/or finished items supplied under this order were inspected, tested, and found to comply with the requirements of the Purchase Order.

**11. Records Retention Requirements**

All records of vendor processing (including but not limited to inspection data, test results, routings, process certifications, material certifications, and any other data/documentation generated while processing FTI purchase orders) shall be maintained for a minimum of ten years, and are subject to FTI, U.S. Government, or customer examination upon request.

**12. Workmanship**

All items delivered on this order shall be fabricated and finished in a thorough, high quality, workmanship-like manner. Particular attention shall be given to blemishes, cleaning, removal of foreign material, identification, and general appearance. Foreign Object Debris (FOD) will be handled in accordance with NAS 412.

**13. Sub-Tier Suppliers**

Sub-tier Suppliers are required to meet the requirements of FTI purchase orders, drawings, and related specifications. Suppliers are responsible for flowing down applicable procurement quality provisions to sub-tier Suppliers.

**14. Mercury Contamination**

By certification of conformance, the seller certifies that the material furnished herewith has not been in direct contact with mercury or any of its compounds nor with any mercury-containing device employing only a single boundary of containment.

**15. Identification of Limited-Calendar-Life Materials**

The Seller shall maintain adequate procedures for control of limited-calendar-life materials and/or if Purchase Order requires delivery of limited-calendar-life material, the Seller must identify each item, package, or container with the expiration/manufacture date, storage temperature, and special handling conditions. In addition to the normal identification, special handling conditions shall be recorded on certifications and shipping documents for the material. Material Safety Data Sheets (MSDS) shall be supplied with each shipment. The product must have a minimum of 90% of its intended shelf life remaining when received at FTI.

**16. Process Control**

The Supplier shall maintain control and approval of all manufacturing and inspection processes used in the performance of this order. The Supplier shall maintain objective evidence of process qualification in accordance with applicable specifications. The approval status shall be subject to review and approval/disapproval by FTI.

**17. Packaging for Shipment**

All fabricated metal parts shall be packaged to prevent part-to-part contact. Individually bagging, wrapping, and rolling in paper, dividers, or separators, and other appropriate methods must be utilized to accomplish this requirement. Small screw machine type parts and similar sized items may be bagged only.

Equipment shall be packaged and/or coated to provide protection against damage and/or corrosion in transit and storage. Packaging shall have external marking for special handling required. Otherwise packaged parts will be returned if not in compliance with above requirements.

**18. Resubmission of Rejected Material**

All items rejected by FTI and later resubmitted by the Supplier shall bear an adequate indication of such resubmission on those items or on the shipping document. Reference shall be made to the FTI rejection document and evidence given that the causes for rejection have been corrected.

**19. Notification of Changes**

Supplier shall notify FTI when changes occur that will affect the Quality System, such as changes of address/location, ownership, company name, Quality Manager, Quality Management System (QMS), or QMS approvals.

**20. Counterfeit Parts / Material Prevention**

Seller shall establish and maintain a Counterfeit Parts / Material Prevention and Control Plan using AS-5553 and / or AS6174 to ensure Counterfeit Work is not delivered to FTI.

**21. Contractor Lockout/Tagout**

FTI follows lockout/tagout procedures as defined by OSHA 29CFR 1910.147. All contractors working on or near machines or equipment at FTI that can potentially discharge a hazardous amount of stored energy must be properly trained in OSHA 29CFR 1910.147. In addition, any restrictions or prohibitions of the outside employer's energy control program will be properly communicated to FTI. All contractor work involving lockout/tagout will be coordinated with the Maintenance/Facilities Supervisor prior to commencing work.

**22. Nonconforming Product - Notice of Escapement**

If it is suspected or known that nonconforming product has been delivered to FTI, the supplier must immediately notify FTI, followed by a letter to FTI procurement. The letter will at a minimum contain the following information:

- Number of parts shipped
- Date parts shipped
- Packing slip and Purchase Order parts shipped against
- Job Number
- Discrepancy to Engineering / Purchase Order requirements
- Immediate correction to prevent additional nonconforming product from being manufactured

**23. Corrective Action**

Upon written notification from FTI, the supplier must provide written response to Corrective Action Requests (CARs) no later than the date indicated on the request. FTI reserves the right to reject any root cause and/or corrective action determination provided by the supplier, and may request subsequent investigation and/or corrective action to either FTI or supplier-initiated corrective action requests. If the supplier is late in responding to corrective action requests by FTI, or if FTI requires subsequent corrective action, FTI reserves the right to withhold acceptance of shipments until supplier corrective action is submitted to FTI's satisfaction.

**24. Records of Certification/Registration**

If certified to AS9100, AS9120, and/or NADCAP, supplier must maintain objective evidence of CRB certification or registration on file at supplier's facility. Objective evidence shall include:

- A. The accredited AQMS certificate(s) of registration.
- B. The audit report(s), including all information pertaining to the audit results in accordance with the applicable certification or registration scheme;
- C. Copies of all CRB finding(s), objective evidence of acceptance of corrective action(s), and closure of the finding(s).

**25. Right of Access to CRB**

FTI reserves Right of Access to all CRB records, applicable accreditation body, applicable Registrar Management Committee (RMC) and other regulatory or government bodies for the purpose of verifying CRB certification or registration criteria, and verifying that methods are in accordance with the applicable IAQG certification or registration scheme.

**26. Audit Results/Data Reporting to IAQG**

- The CRB has supplier's written permission to provide audit results or data to IAQG membership as required by the applicable IAQG certification or registration scheme.
- Provision of FTI Quality Data to CRB: FTI-identified findings and supplier's quality performance data shall be provided to the CRB during certification or registration and surveillance activity upon request by FTI.
- CRB Access to Proprietary Data: The CRB shall be provided access to proprietary data applicable to FTI products, including FTI Proprietary Information and Materials, to the extent necessary to assess supplier's compliance to AQMS requirements. The CRB shall agree to keep confidential and protect FTI proprietary information under terms no less stringent than supplier's contractual agreement with FTI. Supplier will assure that such information is conspicuously marked "FTI PROPRIETARY".
- Supplier Compliance with CRB Requirements: Supplier shall comply with all CRB requirements imposed to issue and maintain certificate or registration.

**27. NADCAP Registered Special Processors**

If PO is associated with a Boeing aircraft, supplier shall be NADCAP accredited for equivalent or similar technologies/processes as required by Boeing document D1-4426, Approved Process Sources.

**28. Operator Self-Verification Program**

If PO is associated with a Boeing aircraft and supplier uses an Operator Self-Verification (OSV) program, supplier shall comply with the requirements set forth in Boeing document D6-85748, "Aerospace Operator Self-Verification Programs", as may be amended from time to time. FTI reserves the right to conduct surveillance at supplier's facility to determine that supplier is compliant to the requirements of D6-85748. Upon publication and release of SAE industry standard AS9162 "Aerospace Operator Self Verification Programs", Boeing Document D6-85748 is cancelled and if supplier uses OSV program and if PO is associated with a Boeing aircraft, supplier shall comply with the requirements of AS9162. FTI shall retain all rights to conduct surveillance at supplier's facility to determine supplier's compliance to the requirements of AS9162.

**29. Statistical Sampling Plans**

If PO is associated with a Boeing aircraft, supplier must either employ 100% inspection of applicable design characteristics or an inspection sampling plan that meets the requirements of Boeing D1-8007 User Guide for Statistical Sampling Plans.

## **SECTION II (Applicable when indicated on the Purchase Order)**

### **1. Supplier and Subcontractor Product Quality Program**

Supplier or subcontractor shall in the performance of this Purchase Order/Subcontract provide and maintain a product quality program that is in conformance with adequate supporting documentation. U.S. Government/customer and FTI representatives may review your facilities to establish conformance to the applicable quality control requirements. At a minimum the Supplier will maintain material identification, records of inspections and traceability to the National Institute of Standards and Technology (NIST) for all equipment used for quality conformance and acceptance.

### **2. Special Process Certification**

- A. The Supplier shall submit with each lot, copies of the certification for all special processes/tests performed in fabricating material for FTI.
- B. Supplier Retention: This quality clause modifies all other imposed quality clauses that identify documentation to be submitted with each shipment to FTI. In lieu of submitting the denoted documentation, the Supplier/Subcontractor is required to maintain all documentation on file for a minimum period of seven years from date of final payment, unless otherwise specified by the contract/purchase order. All other requirements of the modified clause remain in effect.
- C. The Supplier shall submit with each lot, copies of the certifications for all special processes/tests performed in fabricating material for FTI. The certification must be from a FTI-approved source.

### **3. Approved Supplier**

The items on the purchase order shall be provided by a Supplier who is currently approved by one or more of the following:

- A. FTI Approved/Preferred Supplier List.
- B. Suggested Supplier on a Source Controlled Drawing (SCD) for the part being ordered.
- C. Supplier approved by the customer and required to be used by contract.
- D. Distributor catalog items in accordance with MIL SPEC and applicable "Qualified Products List" (QPL).

### **4. NADCAP Registered Special Processors**

When this provision is invoked on the purchase order, NADCAP registered special processors must be used for special processes, including: heat treat, chemical processes, NDT, shot peening, material testing, composite manufacturing and testing.

### **5. First Article/Piece Requirements**

- A. First Article: Submission of this part should be prior to any production run. A first article must be submitted to FTI prior to Supplier starting any production. Acceptance of all production shipments will be withheld until the first article is approved by FTI Quality Assurance Department. Part submitted for first article approval must have been manufactured on production tooling using production methods and techniques.

The first article shall be inspected for compliance by the Supplier's Quality Control Department to all requirements specified in the applicable drawing, Source Control Drawing (SCD) and purchase order. The first article must be so marked and identified with the appropriate part number and shall be accompanied with a copy of the approved Quality Control Department's actual dimensional/test and special process certification data, if appropriate. Actual results should be documented in a format consistent with AS9102.

- B. A randomly selected piece from the production lot shall be tagged and identified as the Inspected Article. This piece shall be inspected for compliance to requirements as specified in the applicable drawing, Source Control Drawing (SCD), and purchase order. The piece must be marked and identified with the appropriate part number and shall be accompanied with a copy of the approved Quality Control Department's actual dimensional/test data. Actual results should be documented in a format consistent with AS9102.
- C. A first article/piece shall be submitted for each special process, including plating, painting, brazing, powder coat, welding, etc. performed on mechanical parts/assemblies, along with special process certifications in accordance with applicable specification.

## **SECTION III (Special Provisions as Indicated on the Purchase Order)**

### **1. Casting Identifications**

All castings shall be identified by a permanent part number, lot number or by a method that will give complete traceability of chemical analysis, physical analysis, X-ray and heat treat.

### **2. Deliverable Documentation/Samples**

- A. When functional tests are specified by this order or by the design documentation, a copy of the actual test results shall be submitted.
- B. All X-ray, chemical analysis, physical analysis, weld or other reports as applicable.
- C. Pre-seal and bond inspection reports as applicable.
- D. A summary of all nonconforming material, process or test deviations.
- C. A traceability list of all lot numbers of key parts and assembly dates.

### **3. Fatigue Technology Source Inspection**

FTI will inspect the materials submitted in the performance of this Purchase Order/Subcontract at the Supplier's plant in conformance with FTI procedure for source inspection, applicable test procedures or inspection instructions. FTI's Quality Representative may elect to perform inspection/test either on a random basis or to the extent of 100-percent inspection. In any event, when the item(s) is ready for source inspection or when practical, 72 hours in advance, notify the FTI Purchasing Department that source inspection is needed. The Supplier shall furnish at no cost the necessary facilities and equipment, supply data, and perform tests as required by applicable drawings, specifications, and inspection instructions under the surveillance of the FTI Supplier Quality Representative.

### **4. Quality Assurance Program**

The Supplier of flying parts shall as a minimum, maintain an accredited 3<sup>rd</sup> party registration to one of the following standards: ISO 9001-2008, ISO 9001-2015, AS9100-C, AS9100-D.

### **5. First Article/Piece Requirements**

- A. First Article: Submission of this part should be prior to any production run. A first article must be submitted to FTI prior to Supplier starting any production. Acceptance of all production shipments will be withheld until the first article is approved by FTI Quality Assurance Department. Part submitted for first article approval must have been manufactured on production tooling using production methods and techniques.

The first article shall be inspected for compliance by the Supplier's Quality Control Department to all requirements specified in the applicable drawing, Source Control Drawing (SCD) and purchase order. The first article must be so marked and identified with the appropriate part number and shall be accompanied with a copy of the approved Quality Control Department's actual dimensional/test and special process certification data, if appropriate. Actual results should be documented in a format consistent with AS9102.

- B. A randomly selected piece from the production lot shall be tagged and identified as the Inspected Article. This piece shall be inspected for compliance to requirements as specified in the applicable drawing, Source Control Drawing (SCD), and purchase order. The piece must be marked and identified with the appropriate part number and shall be accompanied with a copy of the approved Quality Control Department's actual dimensional/test data. Actual results should be documented in a format consistent with AS9102.
- C. A first article/piece shall be submitted for each special process, including plating, painting, brazing, powder coat, welding, etc. performed on mechanical parts/assemblies, along with special process certifications in accordance with applicable specification.

## **SECTION IV (Special Provisions as Indicated on the Purchase Order)**

### **Government Source Inspection**

U.S. Government inspection is required before shipment from your plant. Upon receipt of this order, promptly notify the U.S. Government Representative who normally services your plant so that preparation can be made for U.S. Government inspection.

## **SECTION V (Special Provisions as Indicated on the Purchase Order)**

### **Acceptance by User (Internal Use Only)**

Material ordered under this note is for maintenance or for evaluation and will be accepted by the user to his/her requirements. This material is not intended for delivery to FTI customers.