



PURCHASE ORDER QUALITY CLAUSES

1.0 PURPOSE

This document establishes the procurement quality requirements (Q-Clauses), which are applicable to the extent specified in the procurement document.

2.0 DEFINITIONS

- 2.1 **Buyer:** A&A Machine & Development Company Procurement entity.
- 2.2 **Seller:** The legal entity that is the contracting party with Buyer with respect to the procurement document.
- 2.3 **Procurement Document:** The purchase order between the parties.
- 2.4 **Item:** The product or service contracted for by the procurement document.

3.0 PROCUREMENT QUALITY REQUIREMENTS

The following Q Clauses are a requirement of the procurement document.

3.1. Standard Q-Clauses - These requirements apply to all procurement documents:

AASQC1. Right of Entry – A&A Machine & Development Company, A&A Machine & Development Company customers and their customers, and any applicable regulatory agency shall have right of access to all facilities involved in the order at any level of the supply chain and to all applicable records.

AASQC2. Quality System - The Seller shall maintain a quality system meeting the requirements of the ISO 9001 family of standards unless otherwise agreed to by the Buyer. The seller shall control sub-tier procurements to the extent necessary to ensure conformance to the quality requirements of the procurement document.

AASQC3. Non-Conforming Material - Any decision to accept any nonconformance (variance from Buyer drawings and specifications), detected at Seller facilities, must be made by Buyer unless otherwise specified by the procurement document. Shipment of any non-conforming item shall be accompanied by Buyer's approved "Non-Conforming Report" (Form QF- 0003).
Seller shall provide for identification, control and segregation of non-conforming material detected at Seller facilities.

AASQC4. Notification of Nonconforming Product – The Seller shall immediately notify Buyer when it is suspected or known that nonconforming material has been produced or delivered, and obtain Buyer approval for nonconforming product disposition. The notification must include a clear description of the actual or suspected nonconformance, and provide information which includes as necessary parts affected, Buyer and/or Seller part numbers, quantity and date(s) delivered.

AASQC5. Unauthorized Repairs: Unless specifically approved by governing specification, during the manufacturing of any item, Seller shall not repair any damaged item, any item found to be faulty, or any item that fails to meet Buyer specification/drawing requirements, without Buyer's prior written approval. Seller is not authorized to perform MRB activity on non-conforming material without Buyer authorization and approval via A&A Machine & Development Company Material Review Board.

AASQC6. Changes in Product, Processes, Suppliers, and Manufacturing Location – The supplier shall notify A&A Machine & Development Company of any changes in product and/or process definition, suppliers, or location of the manufacturing facility and obtain A&A Machine & Development Company's approval.

AASQC7. Packaging & Preservation – The seller shall ensure that packaging and preservation is adequate to prevent damage or deterioration during shipment to Buyer. In addition to the requirements contained herein, packaging shall conform to specific requirements contained within the procurement documentation (part specifications, purchase order statement of work, etc.) when those requirements are more specific than the requirements contained herein.

AASQC8. Retention of Quality Records – Supplier shall retain and maintain quality records associated with product shipped to A&A Machine & Development Company from deterioration for a minimum of ten (10) years unless otherwise specified by procurement document. Quality Records shall include, but are not limited to:

- Evidence of inspection to applicable drawings or specifications
- First Article Inspection Report
- Test reports
- Periodic inspection and control of inspection media
- Records to indicate control of Special Tooling and Special Test Equipment
- Test data records of all qualifications and acceptance tests performed
- Certification of personnel required by specification and/or contract
- Raw material and process specifications
- Material Review Reports
- The seller shall also impose these requirements upon their sub-tier suppliers.

AASQC9. Flow-down of Buyer Requirements – Seller shall flow down to its sub-tier suppliers the applicable requirements including A&A Machine & Development Company requirements to the extent necessary to ensure quality requirements specified in the procurement document are satisfied. Quality requirements shall include, but are not limited to, the following:

- All items procured from its sub tiers shall conform to all requirements of the A&A Machine & Development Company purchase order
- All applicable provisions of this purchase order are flowed to its sub-tiers including copies of the latest revision process specifications

AASQC10. Responsibility for Conformance – Neither surveillance, inspection and/or test made by Buyer or its representatives or US Government representatives at either Seller's or Buyer's facility, nor Seller's compliance with all applicable procurement quality requirements, shall relieve Seller of the responsibility to furnish an item that conforms to the requirements of the procurement document.

AASQC11. Sample Inspection – Seller may use sample inspection plans, when tests are destructive, or when the records or inherent characteristics of the product indicate that a reduction in inspection/testing can be achieved without jeopardizing product quality. Sample inspection shall be in accordance with the applicable Buyer specification. When not specified by Buyer, other sampling plans (e.g. from ANSI/ASQCZ1.4, or ANSI/ASOCZ1.9) may be used. The Buyer prior to their implementation shall approve other sample inspection plans. All sample inspection plans shall provide valid confidence in specified quality levels.

AASQC12. Documentation – Buyer may refuse to accept item if Seller fails to submit certifications, documentation, test data or reports specified by the procurement document. Documentation includes Buyer source inspection if such source inspection is performed. Any change to the documentation shall be made per

industry standards such as AS9100, and should follow the format of a single line striking out the incorrect information. Adjacent to the strikeout place the correct information, a date indicating the date of the change and an initial or stamp indicating the person making the change.

AASQC13. Corrective Action Request – When a quality problem exists with any Seller item, Buyer may forward a “Corrective Action Request” to Seller, requiring timely response that shall include the following information: analysis of the cause of the problem, statement of the action taken to prevent recurrence, and the effectivity of the action. When corrective action is required for U.S. Government source inspected items, Seller shall coordinate such action with the U.S. Government quality representative assigned to administer Seller Facility.

AASQC14. Measuring and Test Equipment – Seller shall be responsible for validating the accuracy and stability of tools, gages and test equipment used to demonstrate that any item conforms to the requirements specified by the procurement document. Documented schedules shall be maintained to provide for periodic calibration to adequate standards. Objective evidence of calibrations shall be recorded and made available for Buyer review.

AASQC15. Change to Third-Party Registration/Accreditation: Seller shall notify Buyer when any change has occurred to Seller’s Third-Party AS9100, ISO9001 and/or Nadcap registration. Seller shall provide Buyer with a copy of Seller’s certificate of accreditation. Upon expiration and/or change in Seller’s accreditation status (including name and/or ownership change), the Seller shall provide Buyer with a current certificate.

AASQC16. Seller’s Basic Certificate Of Conformance – Acceptance of this purchase order indicates compliance to the requirements of Quality Clause **AASQC1** through **AASQC15** and compliance to the following elements:

1. The items furnished per the Buyer procurement document 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.
2. That Buyer-required inspections and tests have been performed utilizing calibrated equipment.
3. All material used in items furnished meet the applicable specification/drawing requirements specified by the procurement document.
4. Any specification requirements identified in support of this purchase order shall be done to the revision at the time of PO placement unless otherwise negotiated.

3.2. Non-Standard Q-Clauses - These requirements apply only when expressly specified by clause number in the procurement documents:

AANSQC1. Buyer In-Process Inspection – Seller performance of in-process operations to Buyer requirements shall be verified by Buyer Quality Source Inspector during item manufacture **prior to encapsulation/conformal coating**.

AANSQC2. Buyer In-Process Inspection – Seller performance of in-process operations to Buyer requirements shall be verified by Buyer Quality Source Inspector during item manufacture **prior to cleaning**.

AANSQC3. Buyer In-Process Inspection – Seller performance of in-process operations to Buyer requirements shall be verified by Buyer Quality Source Inspector during item manufacture **prior to plating**.

AANSQC4. Buyer Final Source Inspection – Items of this procurement require final inspection by Buyer Quality Source Inspector subsequent to the 100 percent final inspection performed by Seller. When the Procurement Document authorizes shipment of parts prior to completing Quality Conformance Inspection (QCI), additional

Buyer source inspection is required for QCI samples and data unless otherwise documented on the Procurement Document.

AANSQC5. Metallic Raw Material Documentation Requirements – Shipment of materials whether raw, semi-finished or finished, shall be accompanied by a Certificate of Conformance from Seller, stating at a minimum:

- Material identification by specification number, and material conditions where applicable.
- The raw material manufacturer's or mill's lot or batch number.
- A statement of raw material conformance to applicable requirements.
- The name and location of the raw material manufacturer or mill.

All wrought raw metals shall be procured directly from a Mill or shall show full traceability from the Mill, that produced the final product size, through any subsequent processing steps, including actual chemical/physical test results and/or inspection on the final "as delivered" material form/size showing full compliance to the material's specification requirements.

AANSQC6. Metallic Raw Material Documentation Requirements – All items defined in AANSQC5.

Seller shall provide Independent chemical/physical test results that substantiate compliance with the applicable raw material and/or specification requirements.

AANSQC7. Control Of Processes – A process requiring Buyer approval of processor's facility is being procured on this order. The facility performing such processes, whether the Seller's or a sub-tier to the Seller, must be approved by Buyer at the time the actual processing takes place. The Seller is required to call the Buyer for the approved process facilities specific to the applicable processes and shall ensure prior to shipment to Buyer that the facility performing the process was approved by Buyer at the time of use. A Certificate of Conformance to the process specification requirements shall be provided with the shipment.

AANSQC8. Test Data – When Buyer specification requires test data to be recorded during performance of acceptance testing, a copy (paper or electronic) of the recorded data, showing evidence of Seller's inspection and verification of conformance, shall accompany shipment of items to Buyer. Shipment of data on non-paper, CD ROM/disk is desirable. Data shall meet the format requirements of Buyer specification and, as a minimum, be identified with:

- Buyer's procurement document number and applicable change notice number.
- Buyer's specification/drawing number and revision letter.
- Buyer's engineering order(s).
- Part number.
- Type of test performed.
- Lot number, serial numbers, and/or codes of items tested.
- Total quantity tested, quantity accepted and quantity rejected.
- Any codes, keys or other information necessary to interpret Seller's data.

AANSQC9. Seller Inspection Reporting Requirements – Seller shall submit, with each shipment of items, one copy of an inspection report reflecting 100 percent inspection verification of all drawing characteristics for all products. The report shall delineate each drawing characteristic and specify the corresponding actual measurement results, except that a check mark will suffice for those dimensions with a total tolerance spread greater than 0.005 inch. The report shall include documentation/annotation of actual measurement equipment used to perform inspection on Buyer hardware. True position dimensions of 0.007 inch or less and surface finish better than 32 shall be recorded in the data submitted. The inspection report will include, by number, each general note called out on the drawing. A check mark will be used to address each general note to indicate that the general note requirements are in compliance and all required certifications or test reports are included as part of the data package.

Inspection record traceability shall be maintained by either serializing each item (if allowed) or tag identification. The item identification is then matched with the corresponding inspection report. A single inspection documentation record sheet may be used for more than one item of the same part number. The only exception to the above procedure applies to items machined under tape-controlled or automatic conditions. In that case, the 100 percent inspection report may be limited to the first and last item procured from one continuous set-up, and the inspection report shall state that the items were machined under tape-controlled or automatic conditions.

<u>INSPECTION RECORD EXAMPLE</u>			
<u>DIMENSIONS</u>	<u>S/N 001</u>	<u>S/N 002</u>	<u>S/N 003</u>
.250 + .004/ - .001	.251	.253	.254

If there are more than 25 items of the same part number and if serialization is not required, the items may be grouped and data recorded as follows:

<u>DIMENSION</u>	<u>QUANTITY</u>	<u>RESULTS</u>
.250 + .004 - .001	150	.249/.253

AANSQC10. Calibration System Requirements – Seller shall provide and maintain a calibration program that is in conformance with ISO 10012-1, “Quality Assurance Requirements for Measuring Equipment”; ANSI Z540-1, “General Requirements for Calibration Laboratories and Measuring and Test Equipment,” or comparable standards as alternatives to MIL-STD-45662.

AANSQC11. Control Of Software – Seller shall provide and maintain a system for the control of software used in the qualification/acceptance testing of deliverable hardware, software and firmware to be furnished on this procurement. Seller shall maintain procedures and test records on items delivered to Buyer and these records shall be available for Buyer’s review.

A&A Machine & Development Company, Inc.
16625 Gramercy Place, Gardena, CA 90247
Phone: 310-532-7706 Fax: 310-532-7626