



Procurement Quality Clauses

Flow Down of Customer Requirements To Suppliers

- **Quality System Requirements including Record Retention**

The supplier shall implement and maintain a quality management system that complies with one of the following: ISO 9001, AS9100 or an equivalent system that provides adequate inspection to verify that the product supplied is in full compliance with the purchase order and applicable specifications. All Quality Records are to be legible, reproducible and identifiable to the purchase order. Quality Records are to be stored and maintained in such a way that they are readily retrievable in facilities that provide a suitable environment to minimize deterioration or damage and to prevent loss. This applies to our suppliers and any lower-tier suppliers. Retention period for Quality Records are 4 years unless otherwise specified. Naval Systems, our customers, Government or Regulatory Agency Representative shall have access to review quality records as they pertain to this order. Suppliers shall flow down any applicable requirements including customer requirements. Supplier shall comply with all requirements in the purchasing documents.

- **Right of Access**

Naval Systems reserves the right to review all applicable areas of all facilities, at any level of the supply chain (including sub-tiers) involved in the order and to all applicable records. Access rights shall also be extended to our customers and Government or Regulatory Agency representatives.

- **First Article Inspection**

The First Article Inspection Report shall be required when first production units are manufactured. The report shall include all drawing and design characteristics and notes, required tolerance ranges, actual measurement results and any other results of testing's required.

- **Test Specimen Requirements**

The supplier shall provide if required test specimens for design approval, inspection and verification, investigation and/or audit purposes.

- **Special Process Certification**

A certificate shall be issued with each shipment and must state that any special process required for manufacture is in compliance with the drawing requirements, specifications or purchase order. The certificate shall contain the signature of an authorized representative of the supplier.

- **Export Notification**

All suppliers must declare to Naval Systems if they are prohibited or have been debarred by the US State Department for the export of parts.

- **Certificate of Conformity (COC)**

Certification documents (COC's), Test Reports or Airworthiness Certificate are required from the supplier and sub-tier supplier, documents shall be identified with and include the following:

1. The Naval Systems purchase order number.
2. Quantity, Lot and/or Serial Numbers.
3. Date of Manufacture
4. Expiration (when applicable).
5. Part Number and Revision as specified on the purchase order.
6. Signature or Inspector stamp, Title and Date by an authorized representative of the issuing organization.

- **Configuration Management**

Supplier shall notify the buyer immediately of any changes to the characteristics or configuration of the product, process and/or changes in suppliers used to manufacture the product. This shall include the manufacturing facility location. When required the supplier shall obtain written approval of changes from Naval Systems. The supplier shall ensure that manufacture is in accordance with identification and revision specification, drawings, process requirements, inspection and verification instructions and any other relevant technical data.

- **Limited-Calendar-Life/Shelf Life Designated Material**

The seller shall identify each item, package or container of limited-calendar-life (shelf life) material with cure or manufacture date, expiration date and storage temperature and special handling conditions and requirements. In addition to marking requirements for the material the seller shall record the same information on any certifications and shipping documents. The limited-calendar-life material shall still have an 85% life cycle remaining at the time of shipment.

- **Hazardous Materials**

Hazardous materials, as defined by the EPA, shall be packaged and clearly identified in such a manner as to include any and all special handling, packing, storage, environmental or other requirements imposed by statute or regulation. All hazardous materials shall be required to have a legible copy of the most current Material Safety Data Sheet or Safety Data Sheet.

- **Nonconforming Materials**

The supplier shall notify Naval Systems of any nonconforming product. The cause of the nonconformance, disposition suggestions and the corrective actions taken shall be submitted to Naval Systems for approval. Further work shall not be performed until approved by Naval Systems.

- **Unapproved / Counterfeit Parts**

Seller shall have in place a System for Detecting and Reporting Suspected Unapproved Parts per the Advisory Circular 21-29C. Seller shall permit Buyer to review and audit Seller's Counterfeit Electronic Part Detection and Avoidance System procedures, practices, employee training, processes and related documents to determine whether the Seller's System meets the requirements of DFARS clause 252.246-7007.

- **Government DPAS Rated Order**

All suppliers that receive a DPAS Rated Purchase Order will handle and prioritize the order in accordance with the Code of Federal Regulations Title 15 Part 700 Defense Priorities and Allocations System. This provision ensures that priority treatment is given to the rated order by suppliers and or sub-tier suppliers throughout the procurement chain.

- **Raw Material Certification**

Each shipment shall be accompanied by at least one legible and reproducible copy of the Raw Material Certification. The Certification shall be from the Mill Source and shall list the actual test values.

- **Requirement for the qualification of personnel**

The supplier's Quality System shall assure all relevant Purchase Order requirements and all applicable processes affecting the final quality of the product in the Purchase order were rendered by qualified personnel.

- **Control of Nonconforming Product**

If the supplier determines that nonconforming product may have been shipped they must notify naval Systems immediately. The supplier must provide a system for disposition of nonconforming product found during manufacturing to prevent return to production or shipping.

- **Product and Process Control**

The suppliers Quality System shall have processes and procedures in place for the manufacture and approval of products and materials. The supplier shall maintain records that are adequate to ascertain the quality level of production processes and shall be able to provide records upon request by Naval Systems. Records shall be retained for a minimum of 4 years from the date of shipment.