

Supplier Quality Requirements (ASQR)

DEFINITIONS

- PEI: PRECISION ENGINEERING INC
- QMS: Quality Management System
- PO: Purchase Order
- Supplier: Supplier, seller, vendor, subcontractor, etc.

GENERAL REQUIREMENTS - *Applicable to All Purchase Orders*

A. SURVEILLANCE

To assure that materials, supplies, &/or services acceptably meet procurement requirements, PEI reserves the right to:

- conduct periodic audits of Supplier's Quality Assurance inspection system;
- witness and/or conduct inspections and/or tests;
- review corrective action activities and other records that reflect on product or service quality.

B. CHANGES

Supplier shall not accept verbal changes to specifications, drawings, or PO requirements. All changes must be supported by written confirmation from PEI.

C. DISCREPANCIES

Any deviations from established drawings, specifications, or other requirements must be reported to PEI and must be approved by PEI, in writing, prior to shipment. Repairs are not to be undertaken without prior written approval from PEI.

Unless otherwise specified on the PO, the Supplier and/or any of their suppliers/subcontractors shall not process "USE-AS-IS", "REPAIR", "STANDARD REPAIR PROCEDURES (SRPS)" or "NON-SRPS" via their Material Review Board (MRB). These dispositions, as well as deviations and requests for waivers, requiring MRB disposition, shall be submitted to PEI for approval. This does not include REWORK or SCRAP.

The Supplier/Subcontractor shall utilize its appropriate nonconforming material disposition form or equivalent and submit/notify it to PEI approval.

D. CORRECTIVE ACTION

Upon request, the Supplier shall perform a corrective action investigation, when discrepant material is received by PEI or PEI's customer. A specific and conclusive written report shall be furnished to PEI upon request, within a stipulated time period, to prevent a recurrence of the discrepancy (nonconformance).

E. DOCUMENTATION/CERTIFICATIONS

If the Supplier fails to submit certifications or other documentation, which are specified in the PO, PEI shall reject those items.

F. PRESERVATION AND PACKAGING

Unless special packaging requirements are referenced in the PO, the Supplier shall:

- use best commercial practices for preservation and packaging of articles, supplied to PEI or PEI's customer;
- identify each package with the PO number, date shipped, and packing slip number.

G. COUNTERFEIT PARTS

Counterfeit parts are a serious issue, worldwide. Acceptance of the PO obligates the Supplier to only send authentic parts. Any product that cannot be verified as authentic to its manufacturer will be treated as counterfeit. The item(s) will not be returned to the Seller; rather, governmental oversight may be final determination.

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SUPPLIER QUALITY REQUIREMENTS / CLAUSES - *Applicable when specified*

When noted by number or letter code on the PO, the following specified requirements/clauses become a part of the PO.

SQR-0:

- a. **RoHS documentation**
- b. **Country of Origin**
- c. **Certificate of Compliance**
- d. **Material Certification (example: mill certifications, etc.)**

SQR-1: QUALITY SYSTEM

Supplier shall implement and maintain a QMS that complies with the requirements of ISO9001 or AS9100, unless otherwise directed by PEI. Supplier shall promptly notify PEI if it is noncompliant to QMS requirements (e.g., loss of 3rd party certification).

SQR-2: GOVERNMENT SOURCE INSPECTION

Government inspection is required, prior to shipment from your (the Supplier's) facility. Upon receipt of the order, promptly notify the government representative, normally servicing your facility, to accomplish the appropriate planning. If a government representative does not service your facility, notify PEI or the nearest Defense Contract Administrative Office, for direction.

SQR-3: SOURCE INSPECTION

PEI shall conduct Source Inspection at the Supplier's facility or where designated on the PO, prior to shipment. The Supplier shall perform inspection/test of the items, which shall be subjected to witness by PEI. PEI shall elect to do a sample of the units, up to 100% (total) inspection/test. If a sample is elected, the sample will be selected by PEI.

Upon request, Supplier shall have available and present documented evidence of in-process and/or final inspection/test data. Required documentation, for shipment, must be completed and signed by Supplier's Quality Assurance Manager or authorized designee, and it shall be made available for PEI's review.

SQR-4 CERTIFICATE OF CONFORMANCE

A Certificate of Conformance shall accompany each shipment, signed by the Supplier's Quality Assurance Manager or authorized designee, stating that:

- the supplied product is in full conformance with all physical configuration and functional test specifications;
- all raw material, used in/on the product, conforms to applicable specifications;
- physical/chemical analysis and inspection/test data (in-process & final) are on file, subject to review by PEI, upon request.

At a minimum, the Certificate of Conformance shall be legible and include:

- Manufacturer's name & address;
- Date;
- Country of Origin;
- PEI purchase order number;
- PEI job order number (if specified on the PO);
- Part number and revision letter/number (unless otherwise specified on the PO);
- Quantity;
- Material or process specifications, including RoHS compliance (as applicable);
- Serial and/or lot number(s), if applicable;
- Mill heat number(s), as applicable (example: metal suppliers);

When multiple lots of material are used in completing a shipment, parts shall not be mixed, and all material lot numbers or mill heat numbers shall be reported. When processing is performed against an RDS job order, parts shall not be mixed and traceability shall be maintained to the work order.

- Other – as specified on PEI's purchase order.

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SQR-5 CHEMICAL AND PHYSICAL TEST REPORTS

For raw material shipments, or where material was supplied by the supplier, physical and chemical test report certifications shall be supplied with each shipment and/or lot. Test reports must be traceable to the material and shall be legible and include:

- the material designation, specification, & revision letter (*must be certified to latest revision in effect at time of shipment*);
- results of all specified testing requirements;
- the mill heat and/or lot number;
- any other requirements specified on the PO.

SQR-6 INSPECTION SHEETS AND TEST REPORTS – *Applicable subsection will be specified*

With each shipment, the Supplier shall submit inspection reports, data sheets, test reports, etc., as applicable. Reports shall be legible and identified with the applicable:

- drawing/specification number;
- revision;
- PEI purchase order number;
- Supplier's lot identification number.

“Out of Tolerance” dimensions shall be identified on an inspection report. The Supplier shall not deliver parts that are out of tolerance to PEI, unless approved, in writing, by PEI.

SQR-6 Subsection:

- Inspection reports shall cover all physical and dimensional characteristics for the item, as called out on the drawing or in the applicable specification. The Supplier shall report the actual dimensions of each inspected part. The inspection results shall be traceable by serial number or other identification method, to the actual part inspected.
- Inspection reports shall cover all physical and dimensional characteristics for the item, as called out on the drawing or in the applicable specification. The Supplier shall report the dimensional range and average of inspected parts. The inspection results shall be traceable to the lot of inspected parts.
- Inspection reports shall list the physical and dimensional characteristics of the items. Sample inspection shall be performed to verify that critical dimensional characteristics of the lot of parts are within drawing specification limits. Actual dimensions do not have to be reported, except where specific dimensions are requested.
- Test reports for special tests such as tensile strength, vibration, shock, rain, sand and dust, pressure, environmental, EMI, ATP and others shall be supplied by the Supplier.
- Destructive Testing Analysis (DTA) report is required. The Supplier shall permanently identify the parts that have gone through DTA and which are no longer suitable for intended use. The tested parts shall be delivered to PEI.

SQR-6A RECORD RETENTION AND RIGHT OF ACCESS – *NON-AEROSPACE*

Supplier shall retain all records pertaining to material, manufacturing processes, special processes, testing, and inspection for a minimum of three (3) years, as applicable. Supplier shall notify PEI prior to destruction. Supplier shall provide PEI, PEI's customers, and/or regulatory authority access to all applicable records, upon request.

SQR-6B RECORD RETENTION AND RIGHT OF ACCESS – *AEROSPACE*

Supplier shall retain all records pertaining to material, manufacturing processes, special processes, testing, and inspection for a minimum of ten (10) years, as applicable. Supplier shall notify PEI prior to destruction. Supplier shall provide PEI, PEI's customers, and/or regulatory authority access to all applicable records, upon request.

SQR-7 FIRST ARTICLE INSPECTION (*FAIR = First Article Inspection Report*)

Supplier shall perform and document a comprehensive inspection and test of the article, to assure the item(s) conform(s) to all specification requirements. First Article inspections shall be performed in accordance with aerospace standard AS9102. First Article inspection is required on a part representative of the production process to be used in the manufacture of the specified parts. A copy of the First Article document must accompany the first shipment of parts. If two years have elapsed since the last shipment of this part number, a new First Article Inspection is required.

If an AS9102-compliant FAIR is not required, an equivalent supplier form may be used and shall include the following:

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- PEI part number and revision level;
- All print requirements, including notes, features, tolerances;
- Actual measured value, method of gauging, and Accept/Reject indication.

Where physical testing is required, the results of the test(s) must be recorded. Where special processes are required, verification of each special process must be recorded. Applicable certifications must be retained. Records/certifications must be made available for review (or submitted with the FAIR, if requested by PEI). The inspection date and the signature/title of the person performing the inspection(s) must also be included.

SQR-8 SURVEY/AUDIT RIGHTS

Upon request, PEI, PEI's customers, &/or regulatory agencies shall have access to the Supplier's facilities and the right to conduct surveys and perform surveillance, in order to evaluate the Supplier's capability to comply with contractual requirements.

SQR-9 SPECIAL PROCESS APPROVAL

Heat treating, welding, electroplating, laser cutting, EDM, ECM, non-destructive testing, etc. are considered special processes and require approval by PPG-RDs Facility, prior to use. The Certificate of Conformance shall include the specification number and revision of all special processing performed. Once approved, special processes may not be changed without PEI's written approval of the changes.

SQR-10 APPROVED INSPECTION PLAN

When requested, the Supplier shall submit a detailed inspection plan to PEI. Facility for approval before manufacturing begins. Supplier inspection shall be in accordance with the PEI approved inspection plan for the part number ordered.

SQR-11 APPROVED SOURCE OF MATERIALS

All material used in fulfilling the order must be supplied by a supplier approved by PEI, unless specifically authorized in writing to the contrary.

SQR-12 SHELF LIFE DATA

For each item shipped, the Supplier shall furnish the date of manufacture, useable shelf life, and expiration date of useable shelf life, any special storage conditions, and any safety warnings. If applicable, a material safety data sheet (MSDS) must be included with each shipment. PEI will not accept items where remaining shelf life is less than 75% of total shelf life.

SQR-13 IDENTIFICATION AND CONTROL BY LOT

Traceability of items shall be by lot number, rather than by individual serial number. Supplier shall assign a common lot number to all items in a specific manufactured lot.

SQR-14 IDENTIFICATION AND CONTROL BY SERIAL NUMBER

Supplier shall identify all items, which are shipped to PEI, by individual serial numbers; and the serial numbers shall appear on the certification(s). Serial numbers shall be assigned by PEI. The method of marking will be specified on the PO or on a furnished manufacturing drawing. The Supplier shall maintain traceability of each serialized item to raw materials used in its manufacturing processes.

SQR-15 TEST AND INSPECTION REPORTS

Test and inspection reports, with measured data (as required by the applicable procurement specification), must accompany each shipment.

SQR-16 SPECIALTY METALS

DFARS 252.225-7014 Preference for Domestic Specialty Metals (Apr 2003) applies to this order, if specialty metals are being furnished. For the purpose of this contract/purchase order, aluminum is considered a specialty metal and the domestic preference applies. Contact PEI's purchasing department for clarification or applicability, if necessary.

SQR-17 BUYER (PEI) FURNISHED MATERIAL

When PEI furnishes material, the Supplier's management system shall provide for the following:

1. Examination, upon receipt, for transit damage;
2. Verification of quantity;
3. Storage against damage, improper use, or disposition.

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The Supplier must furnish certification that the materials used were those furnished by PEI and no un-authorized substitution was made.

SQR-18 APPROVED SUPPLIERS

All PEI-approved suppliers are responsible for maintaining a list of their approved suppliers and shall have the list available for review by PEI, upon request. Information shall include name, address, nomenclature of parts or services provided, part numbers and other pertinent information requested by PEI. Suppliers shall only purchase aircraft-related parts from suppliers which are controlled by PEI, by approval or inspection.

SQR-19 CHANGES TO WORK

The Supplier shall make no changes to work under the PO/contract, including any change in design, manufacturing process, materials, or otherwise which may affect form, fit, or function of the work, without prior notification to and approval by PEI. Such notification shall consist of detailed drawings, clearly defining such changes, and the date such changes are proposed to be effective. Such notification shall not constitute approval of the proposed change nor relieve the Supplier of the obligation to comply with requirements contained in the PO/contract. If the proposed change is approved, the change approval shall be documented.

SQR-20 MOVEMENT OF WORK

The Supplier agrees that the manufacturing and/or fabrication of work being delivered under this P O will not be moved to another production facility, without the express written approval of PEI.

SQR-21 CALIBRATION SYSTEM COMPLIANCE OF INSPECTION, MEASURING AND TEST EQUIPMENT

A system for the maintenance and calibration of inspection, measuring, and test equipment shall be maintained. ANSI/NCSL Z540-1 is applicable to calibration activities. (Acceptable alternative: MIL-STD-45662A "Calibration System Requirements".) All calibration standards must be traceable back to NIST (National Institute of Standards and Technology) and the NIST test number shall be included on the Certificate of Conformance. If any measuring equipment is found to be out of tolerance, "As Found, As Left" data shall be included.

SQR-22 FOREIGN OBJECT DEBRIS (FOD)

Supplier shall comply with NAS412, to prevent Foreign Object Damage (FOD) to manufactured products. Supplier shall establish and maintain an effective FOD prevention program through a continual improvement approach that proactively addresses and controls the events (conditions and actions) leading to FOD.

SQR-23 EXPORT/IMPORT CONTROLS

Supplier shall control the disclosure of and access to technical data, information, and other items, including hardware received under this PO, in accordance with U.S. export control laws and regulations, including but not limited to the International Traffic in Arms (ITAR) and the U.S. Department of Commerce, Bureau of Industry and Security (BIS), and Export Administration Regulations. Contact PEI's purchasing department for clarification or applicability, if necessary.

SQR-23a 15 CFR §758.6 of the EAR

"These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to US Law prohibited."

SQR-23b 22 CFR §123.9(b) of the ITAR

"These commodities are authorized by the US Government for export only to (country of ultimate destination) for use by (end user). They may not be transferred, trans-shipped on a non-continuous voyage, or otherwise be disposed of in any other country, either in their original form or after being incorporated into other end-items, without the prior written approval of the US Department of State."

SQR-24 CERTIFICATE OF AIRWORTHINESS

A copy of a certificate, issued by the cognizant civil aviation authority (e.g., EASA Form 1, FAA Form 8130-3) and certifying that the part conforms to the applicable regulatory requirements, should be supplied to PEI.