

<b><i>La Machine Shop, Inc.</i></b>	Document #: <b>548</b>
Title: <b>AS9100 Purchase Order Terms &amp; Conditions</b>	Pages: 1 of 9
Owner: Joe LaBonne/Lynn Mason	Revision Date: 01/07/2021

## **Purpose**

This document defines the minimum quality requirements for La Machine Shop's approved suppliers necessary to satisfy all customer requirements.

## **Scope**

Section A: These terms and conditions apply to all suppliers of product, process and manufacturing (raw materials, machine component parts, calibration and special processes) as determined by La Machine Shop to directly affect the quality of products we supply to all of our customers. Section A is referenced on all purchase orders.

Section B: These terms and conditions include aerospace requirements. Section A General Quality Requirements and Section B Aerospace Quality Requirements must be followed for all suppliers that provide process and manufacturing for aerospace components as described in the purchase order. Section B will be referenced on the purchase order as applicable.

Section C: These term and conditions include quality requirements for all raw material suppliers. Section C will be referenced on all purchase orders for raw material orders.

Section D: Specific Aerospace Quality Requirements contains flowed down quality requirements that pertain to aerospace components. Suppliers shall follow specific clauses in Section D when it is referenced on the purchase order.

## **Section A – General Quality Requirements for All Suppliers**

### **1.0 Purpose**

Section A describes the minimum quality requirements for La Machine Shop's approved suppliers necessary to satisfy our customer requirements.

### **2.0 Scope**

By accepting our purchase order, it is understood that your organization agrees to meet the following requirements

## **General Requirements**

### **3.0 Standards of Business Conduct**

La Machine Shop is committed to conducting its business with the highest standards of ethics and in accordance with the laws of the United States and other countries in which it operates, all who conduct business with La Machine Shop are expected to operate in the same manner with the highest standards of integrity.

#### **3.1 Compliance with Statutes, Laws, and Regulations**

Supplier warrants and certifies that in performance of this order, it will comply with all applicable statutes, rules, regulations, and orders of the United States, and of any state or political subdivision thereof, including laws and regulations pertaining to labor, wages, hours, and other conditions of

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employment and that the product delivered shall be produced in compliance with the Fair Labor Standard Act, Equal Opportunity Clause and confirm compliance to the Prohibition of segregated facilities (Ref: FAR 52.222-21). Supplier shall comply with all applicable Federal, State, and local laws, Government orders, and regulations in performing this purchase order.

Supplier's delivery of product constitutes suppliers certification of compliance with all applicable requirements. Supplier shall provide La Machine Shop, its customers and/or regulatory authority with all information necessary to enable us to comply with the laws and regulations applicable to our customer's requirements.

### **3.4 FAR Compliant**

FAR52.211-5 Supplier represents that the supplies and components are new as defined in FAR52.211- 5, including recycled (not used or reconditioned) items, and are not of such age or so deteriorated as to impair their usefulness or life expectancy.

### **3.5 Right of Access**

La Machine Shop, its customers and/or any regulatory authority shall have the right of access to the supplier's facility and all applicable records for parts/services purchased by La Machine Shop. We reserve the right to perform an audit or inspection at the supplier's facility.

### **3.6 Notification of Change**

Suppliers agree to notify La Machine Shop of all changes in regards to changes in products, services, suppliers or process definition affecting form, fit or function and where required obtain approval prior to delivery.

Suppliers agree to notify La Machine Shop of changes in business climate such as changes in ownership, company name, location and any activity that may impact the quality or delivery of purchased product.

Suppliers initially approved for use via Certification (ISO, AS9100, ISO 17025, AS9120, Nadcap etc.) Suppliers providing Nadcap certified services must provide current documentation of these services and shall notify La Machine Shop of certification changes such as process, scope, revision and audit failures that may affect current and prior orders.

### **3.7 Right of Approval**

La Machine Shop reserves the right to review and approve the Suppliers Quality Management System.

La Machine Shop reserves the right of final approval of product, procedures, processes, and equipment.

### **3.8 Flow Down Requirements**

Information contained herein that is pertinent and applicable to the supplier must be flowed down to their sub-tier suppliers. Suppliers shall maintain on file and make available a list of approved sub-tier suppliers to La Machine Shop, its customers and regulatory authorities.

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### **3.9 Prohibited Out Sourcing**

Out sourcing work to another source is prohibited unless defined within the purchase order scope of work to be performed or is pre-approved by La Machine Shop. Work must not be sub-contracted without prior written approval, especially special processes.

### **4.0 Product Identification & Traceability**

To ensure product identification and traceability, La Machine Shop requires material certificates, certificates of conformity, and/or supporting documentation from its suppliers as is appropriate. These requirements will be specified on the purchase order. Supplier agrees to maintain records of complete traceability from the original manufacturer.

### **4.1 Packaging**

Suppliers shall provide packaging in accordance with the best commercial packing methods, to protect the product from damage and for safety in handling during the shipping process or, per specific instructions as noted on the purchase order.

Suppliers shall assure that all articles are packaged in a manner and with materials necessary to prevent deterioration, corrosion, or damage. Requirements for packaging shall consider conditions affecting the article while at the supplier's plant and transportation to La Machine Shop. Supplier shall provide sufficient packaging for articles sensitive to handling damage.

### **4.2 Foreign Object Debris (FOD)**

Supplier shall take necessary steps during processing and packaging to prevent addition of any foreign object debris or contaminates. Maintenance of the work area and control of tools, parts, and material shall preclude the risk of FOD incidents. The supplier shall document and investigate all FOD incidents assuring elimination of the root cause. Supplier shall have a F.O.D. prevention and training program adequate enough to ensure compliance.

### **4.3 Documentation Corrections**

The use of any method that causes the original data of documents to be obliterated and unreadable (ie, the use of correction fluids, correction tape, or write-overs) to correct, modify or otherwise alter the data on any certifications or test reports is prohibited. Corrections may be made on records providing it is clearly obvious that a correction was made and it is signed (initialed) or stamped and dated by an authorized individual.

### **4.4 Non-Conforming Product / Corrective Action**

La Machine Shop may require a Corrective Action Report from its suppliers when nonconforming material/product/service is discovered. Specific actions may be implemented where timely and/or effective corrective actions to a supplier issue are not achieved. These actions may include, but are not limited to, removal of the supplier from the approved supplier list.

Suppliers must notify our organization of nonconforming product immediately upon discovery, including any latent defects in products in products already delivered to La Machine Shop.

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Suppliers must notify La Machine Shop of suspected nonconforming product having been shipped within 24 hours of detection.

Suppliers must obtain our organizational approval for nonconforming product disposition. All parts that are dispositioned as nonconforming must be identified with a discrepant part tag or other means of identification.

#### **4.5 Military Standards and Process Specifications**

The Suppliers Quality System shall assure that the latest applicable drawings, specifications, and quality requirements are compatible with the purchase order and are available and in use by the Supplier's manufacturing and inspection areas. Military Standards and Specifications utilized shall be to the latest revision in effect on the date of the purchase order, unless otherwise specified.

#### **4.6 Confidential Property**

Drawings and any other confidential property received by Supplier shall be controlled as regulated by the Export Administration Regulations (EAR) or Director of Trade Controls (DOTC) and International in Arms Regulations (ITAR).

#### **4.7 Government Orders**

Supplier agrees that receipt of any purchase order noting it is for a US Government Contract and has an associated priority rating shall be executed in accordance with the Defense Priority and Allocation System Program.

#### **4.8 Calibration Service Supplier Requirements**

All Suppliers providing calibration services must be certified to ISO17025 (or equivalent). All calibration certificates must identify standards used and must be traceable to NIST (National Institute of Standards Technology).

### **Section B – Aerospace Requirements for Special Process**

#### **1.0 Purpose**

Section B describes the minimum quality requirements for La Machine Shop's approved suppliers necessary to satisfy aerospace requirements.

#### **2.0 Scope**

By accepting our purchase order, it is understood that your organization agrees to meet the following AS9100 requirements whenever Section B is specified on a La Machine Shop purchase order.

These terms and conditions apply to all suppliers of process (special processes) as determined by La Machine Shop or its aerospace customer(s) to directly affect the quality of products we supply to our aerospace customers.

#### **3.0 Requirements for Special Processors**

When special processes are specified by the drawing or purchase order, special processes must be

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performed by sources approved by La Machine Shop and/or its customer and be NADCAP certified by an accredited certification body. Suppliers providing special processes include all plating processes, anodizing, passivation, NDT, liquid penetrant, magnetic particle inspections and heat treating.

All special processes required by this purchase order must be performed by qualified personnel.

Suppliers must process and handle and package each lot separately when processing more than one lot. Documentation and control identification must be able to provide traceability to the supplier's records.

### **3.1 Record Retention**

Supplier shall maintain on file and make available to (upon request) La Machine Shop, its customers and/or regulatory authority, all quality data/records such as certificates of material and/or processes, acceptance test reports, inspection records, control plans and other applicable quality control data for a minimum of 15 years from completion of purchase order that directly affects quality of products we supply to all of our customers.

### **3.2 Eye Examinations**

Unless otherwise specified, Supplier shall have a process for on-going verification of visual acuity and color vision for individuals performing product inspection.

### **3.3 Acceptance Authority Media**

Supplier shall comply with the AS/EN/JISQ 9100 requirements and 14CFR Part 21.2 regarding the application of Acceptance Authority Media (AAM) requirements. Supplier shall, within its organization and its supply chain, ensure that the use of AAM is clearly defined within its Quality Management System.

### **3.4 Insurance Coverage**

Supplier agrees to secure and maintain the following minimum insurance coverages and limits:

- ✓ Workers' Compensation Insurance, in an amount sufficient by law and jurisdiction in which the work or any portion of the work is performed and Employer's Liability Insurance in the minimum amount of \$1,000,000 for any one occurrence;
- ✓ Commercial General Liability Insurance and Umbrella Liability Insurance, including Premises Liability and Contractual Liability, in which the limit of liability for property damage and bodily injuries, including accidental death, shall be at a minimum, a combined single limit of \$5,000,000 for any one occurrence

All such insurance shall be issued by companies authorized or permitted to do business under the laws of the State or jurisdiction in which all or part of the Services are to be performed, and must have an AM Best financial rating of A- or better or an equivalent rating as produced by another rating agency.

In no event will the Supplier's liability be limited to the extent of the minimum limits of the insurance required herein.

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### **3.5 Destruction of Technical Data**

Upon the completion of performance under an Order, and the expiration of recordkeeping obligations. Supplier shall destroy or return to La Machine Shop all technical data and all controlled goods & items as instructed by La Machine Shop.

Technical Data destruction applies to both physical copies and electronic copies, which must be permanently deleted from all IT systems, and include archived copies. Destruction of the foregoing must render such items useless beyond repair, rehabilitation and restoration, destroying any capabilities, recognition characteristics and unique identifiers (e.g., cutting, crushing, tearing, mangling, shredding, melting, burning, scrapping, etc.).

## **Section C - Raw Material Distributor Supplier Requirements**

### **1.0 Purpose**

Section C describes the minimum quality requirements for all raw material distributors.

### **2.0 Scope**

By accepting our purchase order, it is understood that your organization agrees to meet the following supplier requirements when supplying raw material to La Machine Shop, Inc.

### **3.0 Record Retention**

Distributors must keep the OEM certifications on file for a minimum of 10 years from the OEM shipment. The Distributor's record retention system should be readily accessible by La Machine Shop, its customers and/or regulatory authority, those records must be available within 24-48 hours.

### **3.1 Conflict Minerals**

Certain regions, where several minerals used in the electronics industry originate, have been identified as "conflict" regions. The Democratic Republic of the Congo and adjoining countries are identified as conflict regions due to reported human rights abuses, environmental concerns and actions against citizens. Certain minerals that originate (are mined) from this region have been identified as "

"Conflict minerals" from certain identified regions include gold (Au), tantalum (Ta), tungsten (W) and tin (Sn). Suppliers of raw materials are required to undertake due diligence in reviewing / assessing their supply chain to assure that these minerals, if they are contained within the product supplied, are not sourced from mines that are in this conflict region which are controlled by non-government military groups, or unlawful military factions.

### **3.2 Raw Material Distributor Certification Requirements**

Raw Metallic Material Certificates Raw metallic materials (including castings and forgings) supplied shall include a copy of the original mill certificate or material test report (certification). The mill certificate should meet the intent of the material specification. Raw material mill certifications may not be altered.

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The certificate shall also include the physical or mechanical properties as specified on the drawing or material specification.

### **3.3 Counterfeit Policy**

Distributors must have a counterfeit policy and provide it upon request. The counterfeit policy must include provisions of supplying product from the Original Component Manufacturer or qualified distributor. Supplier shall notify La Machine Shop immediately upon discovery of any delivery of counterfeit parts/components/materials. Supplier will be responsible for monetary damages to La Machine Shop and/or its customers for any losses or damages arising from the delivery of counterfeit parts/components or materials.

### **3.4 DFARS Compliant Requirement**

DFARS252.225-700 applies. DFARS compliance statement must be stated on the supplier's certificate of conformance.

## **Section D – Specific Aerospace Quality Requirements**

**Section D references specific customer requirements. The purchase order will reference the applicable requirement by the Q code or by statement of the purchase order as stated below. Please contact the quality department at La Machine Shop for current revisions of these quality requirement documents.**

### **Q1: UTC ASQR-01– for Raytheon end use products**

Suppliers of product, material, processes, or services where this quality clause is referenced on purchase orders are responsible to comply with all applicable requirements defined within UTAS SQR01, and to flow this requirement down to any sub-tier supplier.

### **Q2: COL-ASQR-PRO-003 & RMT-ASQR-PRO-003 For Raytheon end use products**

Suppliers of product, material, processes, or services where this quality clause is referenced on purchase orders are responsible to comply with all applicable requirements defined within COL-ASQR-PRO-003 & RMT-ASQR-PRO-003, and to flow this requirement down to any sub-tier supplier.

### **Q3: MSD 601 for Raytheon End Use Products**

Suppliers of product, material, processes, or services where this quality clause is referenced on purchase orders are responsible to comply with all applicable requirements defined within MSD 601, and to flow this requirement down to any sub-tier supplier.

### **Q4: Process Freeze**

Suppliers are to adhere to this clause as defined on the purchase order. For the purpose of this clause, a process is defined as any procedure, system or practice used during the manufacture or production of a deliverable item (i.e. machining, de-burring, heat treating, soldering, cleaning, finishing, etc.). Examples of process changes are as follows, but not limited to:

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- ✓ Change in inspection and/or testing methods.
- ✓ Changes in product or processing of components used in the manufacture of the end item including components manufactured by the Supplier or a sub-tier Supplier.
- ✓ Change of sub-tier Suppliers.
- ✓ Production from new or modified tools, dies, molds including replacements (excluding perishable tools).
- ✓ Moving work from one production facility to another production facility, including facility moves of sub-tier suppliers.
- ✓ Changes in cleaning processes.
- ✓ Changes in deburring processes, including instructions, tooling and materials.
- ✓ Changes in Heat Treating; Equipment, Profiles, or Atmospheres.
- ✓ Changes in materials used in production, including materials consumed and not part of the Bill of Materials.
- ✓ Examples of process changes are as follows, but not limited to: procedure changes including routers, work instructions. Including; Sequence of an operation, Method of an operation, Adding or deleting an operation.
- ✓ Rework, refurbishment or replacement of any portion of the tooling

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### Revision History Record

Date	Description of Changes
03/18/2015	draft 01 all pages
05/24/2017	Added 40 year retention period; added 24 hour notification requirement
08/22/2017	Added requirement to comply with AAM requirements
01/11/2018	Added reference to ASQR01, MSD601 and UTAS-SCM-PRO-001-01
02/23/2018	Revised completely, added Sections A, B and C
1/1/2019	In 3.3 Removed detailed requirements for eye examinations
01/24/2019	Renumbered sections A & B, replaced section B 4.0 with section C. Added all of Section E US Government Contract, moved DFARS req from section B to section C, added purpose and scope to section C and D.
02/21/2019	Removed Section E: Orders under US Government Contract
01/07/2021	In Section A deleted "These terms and conditions apply to all suppliers of product, process and manufacturing (raw materials, machine component parts, calibration and special processes) as determined by La Machine Shop to directly affect the quality of products we supply to all of our customers."; in Section A 3.6 added "and audit failures that may affect current and prior orders" to last ppg; In Section B removed "and calibration suppliers"; in Section B 3.1 removed reference to 40 year record retention; in Section B added 3.4 Insurance coverage and added 3.5 Destruction of Technical Data, In Section D replaced UTAS SQR01 with "UTC ASQR-01 and added "Raytheon end use"; replaced UTAS SCM Pro-003 with COL-ASQR Pro 003 and RMT ASQR Pro 003. Removed Q4 ROHs Compliant, changed Q5 Process Freeze to Q4 Process Freeze per customer quality requirements document review & CPA 10117.