



Quality Clauses

Form: QSF-07-21
Revision: B
Issue Date: 5/26/2009
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CAGE: 1BH50

Prepared by: SD

Approved by: DM

THE FOLLOWING CLAUSES APPLY TO ALL PURCHASE ORDERS:

1. **FLOW DOWN OF REQUIREMENTS.** Quality system requirements, as defined in LIGI's Quality Assurance Manual and restated on this form, apply to all purchase orders. The supplier shall flow down to their suppliers the applicable requirements of this purchase order, including any key characteristics.
2. **SURVEILLANCE.** Designated representatives of regulatory authorities and the buyer (including its direct and indirect customers) shall have the right to review and monitor the quality assurance system of the seller. Accordingly, after being given reasonable notice, the seller is expected to grant a designated representative access to his facility where the production of the items covered by this purchase order is taking place.
3. **DISCREPANCIES.** During performance against this purchase order, any deviations noted from the established drawings must be reported to the buyer immediately. No deviation will be considered approved without written confirmation of the fact from the buyer. Under no circumstances are repairs to be undertaken without written approval from the buyer.
4. **CORRECTIVE ACTION.** Acceptance of this purchase order obligates the seller to perform, upon request, a corrective action investigation when discrepant material is received by the buyer. A written report shall be furnished, within a reasonable time period, which is specific and conclusive to prevent a reoccurrence of the discrepancy.
5. **FOREIGN OBJECT DEBRIS / DAMAGE.** The supplier shall develop and maintain a Foreign Object Debris/Damage ("FOD") Prevention Program to prevent introduction of foreign objects into any item delivered under this purchase order. The supplier shall employ appropriate housekeeping practices to assure timely detection and removal of residue/debris generated, if any, during manufacturing operations and/or normal daily tasks. All occurrences of product rejections due to FOD shall be documented and investigated to determine the root cause of the FOD and implement actions to prevent any recurrence. The supplier shall determine if sensitive areas that may have a high probability for introduction of foreign objects should have special emphasis controls in place appropriate for the manufacturing environment. The supplier shall implement a FOD prevention program and shall provide initial and periodic FOD prevention awareness training programs. Whenever and/or wherever FOD entrapment or foreign objects can migrate, the seller shall ensure that the applicable Quality Clause FOD requirements are flowed down to the supplier's sub-contractor at every tier. The FOD prevention program shall include Sellers periodic shelf assessment.
6. **PACKAGING.** As a minimum, the supplier shall package all material in a manner that will ensure protection against corrosion, oxidation, deterioration and physical damage during shipment to LIGI. Items damaged due to inadequate packaging will be rejected and returned to the supplier.
7. **RIGHT OF ACCESS TO ALL FACILITIES.** LIGI, LIGI's customer and/or regulatory authorities shall have right of access to all facilities involved in this order and to all applicable records.
8. **TEST AND INSPECTION RECORDS.** Test data readings and/or inspection measurements of items on this order must be taken and documented as indicated below. Particular emphasis shall be given to those characteristics which cannot normally be inspected upon receipt at LIGI (hidden measurements). The above record shall be adequate to ascertain the quality level of required articles and of the production processes used in manufacture of parts on this order. The use of electronic media is encouraged. These records must be maintained for a minimum of 3 years. Records must be legible, retrievable and accessible to LIGI and/or LIGI's customers upon request.
 - A. Inspection measurements (Variable data is preferred)
 - B. Test Data
 - C. Retain at Supplier
 - D. Submit with shipment.

THE FOLLOWING ADDITIONAL CLAUSES APPLY IF SPECIFICALLY REFERENCED BY NUMBER IN THE MAIN TEXT OF THE PURCHASE ORDER:

9. **GOVERNMENT INSPECTION.** Government Inspection is required prior to shipment from your plant. Upon receipt of this order, promptly notify the Government Representative who normally services your plant so that appropriate planning for Government Inspection can be accomplished.

On receipt of this order, promptly furnish a copy to the Government Representative who normally services your plant or if none, to the nearest Army, Navy, Air Force, or Defense Supply Agency inspection office. In the event the representative or office cannot be located, our purchasing agent should be notified immediately.

All work on this order is subject to inspection and test by the Government at all times (including the period of performance) and places, and in any event, prior to shipment. The Government Representative who normally services your plant should be notified forty-eight (48) hours in advance of the time articles or processes are ready for inspection or test.

10. **QUALITY SYSTEM**
 - A. Quality System – The supplier shall maintain a quality system that meets the requirements of ISO9001:2000 or AS9100. The system may be subject to a quality review by LIGI TOOL & ENGINEERING, INC. unless third party registration can be provided.
 - B. Quality System for Distributors – the distributor shall maintain a system to ensure the products or services they provide meet the requirements of the Purchase Order. Raw material and/or certification from the manufacturer shall be maintained by the distributor for at least 3 years and be made available to LIGI upon request.



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11. **SUPPLIER DESIGN/PROCESS CHANGES.** The Supplier shall notify and obtain approval from LIGI for changes in design, manufacturing or assembly processes, manufacturing location or source of supply of their products, whenever such changes affect applicable LIGI orders, prior to the contemplated change, regardless of magnitude.
12. **CERTIFICATE OF COMPLIANCE.** The Supplier shall include in each shipment of parts or materials a Certificate of Compliance indicating that the items have been manufactured, inspected, and/or tested, and meet the requirements of the Purchase Order. The minimum information on the Certificate of Compliance shall include the following: 1) date, 2) purchase order number, 3) supplier's name, 4) part number, drawing number and/or specification number including revision, 5) statement of compliance to the terms of the purchase order, 6) signature of authorized company representative, 7) lot, batch, serial number (s) or other identification.
A copy of this certification shall accompany packing list.

Distributors only – A copy of a Certificate of Conformance from the distributor specifying date code, lot/batch code or serial number(s) and the manufacturer's name shall be shipped with each order.
13. **LIGI SOURCE INSPECTION.** Prior to shipment from your plant, you are requested to notify the Buyer three days in advance of shipment so that arrangements may be made for source inspection. Seller will provide LIGI Quality Assurance Representative with the facilities to inspect the article(s).
14. **TEST & INSPECTION.** LIGI, LIGI's customer, and the Government have the right to inspect and test all supplies called for by the contract, to the extent practical, at all places and times including the period of manufacture, and in any event before acceptance. FAR Clause 52.246-2, inspection of supplies – fixed price, is hereby incorporated by reference.
15. **APPROVED PROCESS SUPPLIERS.** All processing such as welding, heat treating, electroplating, cleaning, anodizing, chemical filming, etc. shall be accomplished by NADCAP or LIGI approved process suppliers as reflected in the applicable Approved Supplier List.

Shipments to LIGI must be accompanied with a certification demonstrating compliance with all applicable specifications as defined by the drawing and/or purchase order.
- 15 (A) If this is a Boeing part; any special process source/laboratory used to make or test this component/assembly must be an approved supplier of Boeing Company, per Document D1-4426 (Boeing Approved Process Sources).

The LIGI subcontract, as well as their suppliers and processing sources must supply LIGI with certification of Compliance that processes performed conform to Boeing Document D1-4426.
16. **CHEMICAL REPORTS.** A chemical and physical analysis report shall be supplied with each shipment per purchase order.
17. **DESTRUCTIVE ANALYSIS.** A specimen of suitable size and configuration for destructive analysis shall accompany each shipment made against this order. The specimen shall be of the same material and shall have been processed with the lot it represents through all special processes (e.g.: heat treat, electroplating, paint finish, etc).
18. **LIMITED SHELF LIFE ITEMS.** The supplier shall identify each item, package or container with the date of manufacture and shelf life expiration date. Rubber products shall be identified as to the cure and sold date.
IN NO CASE SHALL MATERIAL BE SUPPLIED WITH LESS THAN 80% OF ITS SHELF LIFE REMAINING WITHOUT PRIOR WRITTEN APPROVAL BY LIGI BUYER
19. **MATERIAL REVIEW AUTHORITY.** NCM identified prior to shipment – Supplier does not have material review authority for parts that cannot be reworked to meet LIGI requirements: the supplier shall prepare an e-mail request to LIGI for deviation.

NCM identified subsequent to shipment – The Supplier shall provide for timely reporting of delivered nonconforming product that may affect reliability or safety. Notification shall include a clear description of the nonconformity, which includes as necessary parts affected, customer and/or organization part numbers, quantity, and date(s) delivered.
20. **TRACEABILITY REQUIRED.** Traceability is required on all raw material to the manufacturing source. Components need to be traceable to lot numbers during manufacturing.
21. **FIRST ARTICLE INSPECTION.** During the initial production of an item, a First Article Inspection shall be performed IAW AS9102, using AS9102 forms. The supplier must list all drawing dimensions, locations and tolerances along with the actual measurements as defined by the drawing.
22. **CERTIFICATE OF CALIBRATION.** The calibration service shall provide a certificate of calibration for each item calibrated. The certificate must include the date of calibration, readings "as-received" and "after adjustment" if applicable, calibration due date, model and serial number of the equipment used in the calibration and a statement that all equipment/standards used are traceable to the National Institute of Standards and Technology (NIST). The certificate must also include the LIGI tool number, model number and serial number of the item calibrated.
23. **STATISTICAL PROCESS CONTROL.** SPC shall be implemented and maintained as part of this purchase order agreement. The supplier's SPC program shall be documented and include provisions for: selection and identification of key characteristics and/or processes, statistically based control charting, demonstration of continuous improvement, management supervision, corrective action, training, and flow down to sub-tier supplier. The requirement for and establishment of SPC key characteristics and/or key processes may be based on similar parts or processes.