



## Quality Form QD 7.4.2-1

### P.O. Quality Clauses

Revision 9.0

Effective Date: 02/13/18

## PURCHASE ORDER SUPPLEMENT

The following supplementary provisions as noted on the purchase order shall be applicable to the furnishing of the goods and services covered by the attached purchase order. The Seller in accepting this order agrees to be bound by the paragraphs specified on the purchase order and comply with the required provisions in all respects. ARMS Precision reserves the right to schedule and perform an onsite audit.

- 1) A test report is required with material to show actual content to stated specification and must contain at least the following information;
  - a) Material Description and Specification
  - b) Lot, Heat or Batch Number
  - c) Source of Procurement
  - d) Origin of the material
  - e) Name and location of melt facility
  - f) Name and location of mill
  - g) Mill Certification
- 2) Certification of conformance is required for each shipment. The C of C shall contain the following information; Purchase Order number, Supplier's name and address, Specification number or Drawing and revision, Material identification, Production date or Serial number., Specification requirements, Actual test results including individuals and averages, Batch or lot number, Signed by authorized agent. Exemption from this requirement may be granted from ARMS Precision. Prior to approval, supplier must provide objective evidence to ensure applicable records and test data can be retrieved from archives upon request within a reasonable period of time. Retention of all applicable inspection and test data, for ARMS Precision, must be retained for a minimum of 12 years.
- 3) Receipt of supplies and services applying to this order is interpreted as certification by you and/or your suppliers, if applicable, that you have conformed to the requirements of this purchase order. Your records or your supplier's records must contain test results and quality data in sufficient detail to substantiate conformance to requirements, a copy of which will be sent to ARMS Precision upon special request.
- 4) Government inspection is required prior to shipment from your plant. Upon receipt of this order, promptly notify and furnish a copy to the Government Representative normally servicing your plant so Government Inspection can be appropriately planned. If a Government Representative does not service your plant, contact the nearest Defense Contract Administration Services Office (DCASO). If you cannot locate the Government Office, our Purchasing Manager will be notified immediately.
- 5) Source Inspection Required – Notify ARMS Precision Buyer when material is ready for source inspection.
- 6) During performance on this order, your Quality Control or Inspection System and Manufacturing processes are subject to review verification, and analysis by authorized Government, ARMS Precision and ARMS Customer representatives. Government and/or ARMS Precision Customer inspection or release of product prior to shipment is not required unless you are otherwise notified. A copy of this order will be furnished to your Government Representative upon request.
- 7) Supplier's Quality Control system must conform to ISO 9000 or AS 9100.
- 8) Supplier's Calibration System must conform, at a minimum, to ISO 10012.
- 9) Functional test data reports to accompany each item when material is shipped. (Note: Failure to comply or receive permission to deviate will result in material not being accepted at our Receiving Dock. Material not accepted on our Receiving Dock will be returned at Supplier's expense).
- 10) Design changes or material substitution must be approved by ARMS Precision, prior to implementation. In the event of a Manufacturing or Assembly process change, a NEW 1<sup>st</sup> article (per Para. 16, this supplement) must be submitted to ARMS Precision for approval. Supplier is to notify ARMS Precision of non-conformances and procedure changes affecting Quality. Supplier shall implement a recall process to include a form of notification, deviation form and disclosure to be approved by ARMS Precision prior to shipment. (Note: Failure to comply or receive permission to deviate will result in material being rejected and returned at Supplier's expense).
- 11) In accordance with U.S. Government Specifications, Engineering Data may be required later under separate negotiations.
- 12) All referenced specifications shall be interpreted to mean compliance with the revision in effect on the date which this order was entered.
- 13) Material, equipment, and/or gaging furnished by ARMS Precision shall be returned with each shipment.
- 14) If time sensitive material is being shipped, a statement listing manufactured date and shelf life date is required. The statement will also note any special storage procedures such as temperature, etc. All parts having a shelf life requirement must have a minimum of 50% of the shelf life remaining upon receipt at ARMS Precision. Articles with a remaining shelf life less than 50% will be subject to rejection.



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- 15) Electrostatic Sensitive Device: Use precautionary procedures for handling, packaging, and shipping parts. Unit packs shall be enclosed in an ESO protective material to provide protection from electrostatic voltage sources in the form of fields or direct discharge (Ref. DOD-STD-1686). This device will be measured for static charge at receiving inspection. No potential shall be allowed.
- 16) First Article inspection data must accompany parts. First Article inspections shall be in compliance with AS9102 requirements unless otherwise noted. Every characteristic of one production part shall be verified and recorded. The vendor's standard form is acceptable provided it complies with the AS9102 format. ARMS Precision's standard form can be provided at your request. Data shall include actual findings to stated specification. Examples:  
Physical Dimensions per drawing specifications – Raw Material Composition - Functional Characteristics - Plating - Weight - Soldering - Heat Treating - Others as Necessary  
Special Process certification will be included as applicable. In any specific instance when an approved inspection fixture is employed to verify conformance (go/no go type data), the fixture number will be furnished instead of an actual value.
- 17) Material furnished under this order shall be free from contamination by presence of mercury or any other toxic substance without prior approval from ARMS Precision.
  - A. In the event of any accident involving mercury or any other toxic substance contamination of the material being furnished on this Purchase Order or suspicion of such contamination, ARMS Precision shall be notified immediately.
  - B. Your subcontractors must be notified of, and must comply with the requirements of this notice.
- 18) Statistical Process Control Data for each key characteristic to accompany material when shipped. Key Characteristics are identified on our customer prints with a letter designation as the following: "C"= Critical; "M"= Major; This data shall demonstrate process control to a capability level of 1.67 CPK for "C" Critical and 1.33 CPK for "M" Major.
- 19) Supplier's Calibration/Material Testing lab System must conform to Guide 25 / ISO 17025.
- 20) Supplier shall use Special Process Suppliers approved by ARMS Precision or one of ARMS Precision's tier one customers. (Example, Boeing, Lockheed, Government, etc)
- 21) When the suppliers facility is performing lot inspection sampling, instead of 100% lot inspection, then the C=0 sampling plan is to be invoked.
- 22) Supplier agrees to comply with U.S. Guidelines for Regulating Wood Packaging Materials in International Trade, 7 CFR Part 319, and shall indemnify ARMS for any fees, costs or penalties assessed by the U.S. Animal and Plant Health Inspection Service, USDA, or any other governmental agency for non-compliance with these regulations.
- 23) If any portion of the material being supplied contains specialty metals as defined by DFARS 252.225-7014 Alt 1, the following requirements are applicable. These requirements must be flowed down to all supplier tiers; Specialty metals must be melted in the U.S. or a qualifying country, or they can be melted anywhere but must be "incorporated in an article manufactured in a qualifying country". The clause allows a qualifying country to manufacture parts from metal that was melted anywhere, provided it meets specifications, but a U.S. company can only use metal that was melted in the U.S. or a qualifying country.
- 24) Material furnished under this order shall be free of Foreign Object Debris, including but not limited to machining chips, debris from finishing processes, lubricants and other contaminants.
- 25) Dimensional Inspection record to be provided with shipment as evidence of in-process inspection and dimensional conformity. Please indicate personnel responsible for acceptance authority for the processing performed.
- 26) Right of Access by Arms Precision, our customer's, and regulatory authorities is a requisite condition. Applicable to all primary and sub-tier facilities involved in the order and all their associated records.
- 27) INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR) – Documents and data supplied by ARMS may contain technical data within the definition of the International Traffic and Arms Regulations (ITAR) and is subject to the Export Control Laws of the U.S. Government. All documents identified as "ITAR Controlled" shall be identified and maintained in a Document Control environment. Transfer of this data by any means to a foreign person or foreign entity, whether in the United States or abroad, without an export license, ITAR exemption or other approval from the U.S. Department of State is prohibited.
- 28) If the process specification listed on the print or purchase order is obsolete, the Certificate of Conformance shall list the new specification with a statement that the blueprint specification has been superseded. For all process specifications listed on the blueprint and purchase order, the latest revision shall be utilized unless otherwise specified.
- 29) NADCAP approval required for all process referenced on this purchase order.
- 30) Partial deliveries will not be accepted without the express written consent of ARMS Precision, Inc.
- 31) Raw materials provided must be sourced from domestic agencies or qualifying countries as listed in DFARS 225.872-1, this applies to all materials including metals not governed by DFARS requirements.
- 32) Product or services furnished under this order shall meet the applicable and pertinent requirements of S-1005. A copy can be provided upon request or by visiting ARMSPRECISION.com



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33. **OBSOLESCENCE** – Is defined as occurring when material is no longer in production by the manufacturer. If an obsolescence issue occurs, the Seller shall notify ARMS Precision of this condition within 90 days upon identification. Seller assumes responsibility for identification, notification, and resolution of obsolescence issues to ARMS Precision. The Seller shall abide by the following:
- The Seller shall immediately define the shortage by providing ARMS Precision with the part number.
  - The Seller shall provide evidence that an effort was made to identify and implement an alternate part / material. If alternate part was implemented, the Seller shall provide the alternate manufacturer part number (OEM).
  - If an alternate part / material was not identified and implemented, the Seller shall determine whether there is an opportunity for a last time buy. The Seller shall provide the last time buy date and notification.
34. **Counterfeit Goods.** For purposes of this Article, Goods consist of those parts deliverable under this Agreement that are the lowest level of separately identifiable items (e.g., articles, components, goods and assemblies). “Counterfeit Goods” means Goods that have been misrepresented as having been designed and/or produced under an approved system or other acceptable method. Counterfeit Goods include, but are not limited to: (i) Goods that are an illegal or unauthorized copy or substitute of an Original Equipment Manufacturer (OEM) item; (ii) Goods that do not contain the proper internal or external materials or components or are not manufactured in accordance with the OEM design; (iii) Goods that are used, refurbished, or reclaimed but that Seller represents as being new; (iv) Goods that have not successfully passed all OEM required testing, verification, screening, and quality control but that Seller represents as having met those requirements; (v) Goods with a label or other marking intended, or reasonably likely, to mislead a reasonable person into believing a non-OEM Good is a genuine Good when it is not, and (vi) Goods that are an unauthorized copy or substitute that have been identified, marked, and/or altered by a source other than the item’s legally authorized source and has been misrepresented to be an authorized item of the legally authorized source.
- Seller warrants and certifies that Goods delivered pursuant to this Agreement, unless otherwise specifically stated on the face of the Order, shall (i) be new, (ii) be and only contain materials obtained from the OEM or an authorized OEM reseller or distributor, (iii) not be or contain any Counterfeit Goods, and (iv) contain only authentic, unaltered OEM labels and other markings. Seller shall provide to Purchaser the OEM’s certificate of conformance for any Goods acquired from an authorized OEM reseller or distributor. Goods shall not be acquired from independent distributors or brokers unless specifically authorized in writing by Purchaser.
  - Seller shall maintain a method of item traceability that ensures tracking of the supply chain back to the manufacturer of all Electrical, Electronic, and Electromechanical (EEE) parts included in assemblies and subassemblies being delivered per this Agreement. This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the product for Seller, and shall include the manufacturer’s batch identification for the item(s) such as date codes, lot codes, serializations, or other batch identifications. When requested by Purchaser, Seller shall provide OEM documentation that authenticates traceability of the affected items to the applicable OEM.
  - Seller shall immediately notify Purchaser and the GIDEP system if it knows or suspects that it has provided Counterfeit Goods.
  - In the event Goods delivered under this Agreement constitute Counterfeit Goods, Seller shall at its expense promptly replace such Goods with genuine Goods conforming to the requirements of this Agreement. Notwithstanding any other provision of this Agreement, Seller shall be liable for all costs relating to the removal or replacement of Counterfeit Goods, including without limitation Purchaser’s or Purchaser’s customer’s costs of removing such Counterfeit Goods, reinserting genuine Goods, and any testing necessitated by the reinstallation of any Goods after Counterfeit Goods have been exchanged. Purchaser reserves the right to turn over suspected Counterfeit Goods to US Governmental authorities (Office of Inspector General, Defense Criminal Investigative Service, Federal Bureau of investigation, etc.) for investigation and reserves the right to withhold payment for the suspect items pending the results of the investigation. The remedies available under this Article are in addition to any other remedies Purchaser may have available to it in law or in equity, or in any other provisions in this Agreement.
35. External providers shall ensure that persons are aware of:
- Their contribution to product or service conformity
  - Their contribution to product safety
  - The importance of ethical behavior



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**REVISION CONTROL**

<b>Revision Level</b>	<b>Date</b>	<b>Approval</b>	<b>Reason</b>
1.0	05/03/11	L. O'Banion	Original Release
2.0	11/28/2011	L. O'Banion	Added right of access clause. Reformatted test report content listing. Removed Mill Certification exception statement " (Exceptions; aluminum, copper, brass and non-metallic items)"
3.0	02/14/14	S. Tonelli	Added ITAR Requirement
4.0	4/20/15	S. Tonelli	Added Clause 28, superseded / obsolete specs
5.0	09/24/15	L. O'Banion	Added Clause 29/NADCAP approval req'd. Change designator to QD (Quality Document)
6.0	01/09/17	J. Diaz	Added Clause 30 - Partial deliveries will not be accepted without the express written consent of ARMS Precision, Inc."
7.0	01/25/17	J. Diaz	Added Clause 31 – Raw materials provided must be sourced from qualifying countries
8.0	03/20/17	J.Diaz	Added Clause 32, 33, and 34
9.0	02/13/17	J Diaz	Added clause 35