

## QUALITY REQUIREMENTS SELLER QUALITY REQUIREMENTS

---

Notice: A hard copy of this document may not be the document currently in effect. The current version is always the version on the Lockheed Martin network.

\* REVISED

\*\* ADDED

### A. GENERAL REQUIREMENTS

1. Seller shall maintain an International Organization of Standards ("ISO"), Aerospace Standard ("AS") or Military Standard equivalent quality system acceptable to Buyer for the Items (including "items" and "Work" as such terms may be used in this purchase order's definitions) covered herein. Seller should use widely recognized Government or Industry Quality System standards as guidelines. Upon Buyer's request therefor, Seller shall provide to Buyer documentation that describes Seller's quality system.

Seller's documented quality system shall consist of Internet access for obtaining requirements of this purchase order("PO").

2. Seller shall require control of quality at all points necessary to assure conformance to this PO's requirements, whether performed by Seller or by Seller's sub-tiers.
3. Seller's documented quality system shall provide for the review of this PO to ensure that quality requirements are incorporated into manufacturing planning, and inspection and test instructions, as applicable, to assure compliance with this PO.
4. Seller shall utilize written instructions for all manufacturing, processing and inspection operations. Instructions may be in the form of planning, manufacturing operation sheets, work orders, shop orders, travelers or any other identifying document. Such instructions shall identify in sufficient detail, the controls and conditions of manufacturing peculiar to the Item being manufactured,

assembled, inspected and tested. Changes to work instructions shall be traceable and approved prior to use.

5. Seller shall establish controls to prevent the use of non-certified materials when certified materials are required.
6. Seller shall establish controls to ensure that material subject to age control, shelf life, or environmental controls are properly identified, monitored and maintained.
7. Seller shall control drawings, specifications and supplemental instructions and changes thereto to the extent necessary to ensure that only documents of the revision specified in this PO are utilized.
8. Seller shall maintain a system to ensure removal of obsolete documentation from the manufacturing, inspection and test areas.
9. Seller shall provide and obtain for Buyer, Buyer's Customers, and appropriate regulatory agencies access to any and all facilities, including those facilities of Seller's subcontractors, where work on Items is being performed or is scheduled to be performed under this PO. Buyer shall have the right to perform in-process inspection, audits, and system surveillance at Seller and Seller's subcontractors' facilities as part of verification of conformance to the requirements of this PO.

Work under this PO is subject to Buyer's periodic audit of Seller's compliance with Seller's internal procedures and other documents applicable to this PO.

Seller shall provide, at no increase in price, cost or fee to Buyer, Government or appropriate regulatory agencies, suitable facilities at Seller and Seller's subcontractors' manufacturing locations for Buyer, Government, and regulatory agency representatives to perform compliance verification.

Seller shall provide Buyer's Field Representative with internet access via one of the following methods:

- Direct Non-Digital telephone line

- ISDN Line
- DSL Line
- High-Speed Internet Access via Seller's Network

Seller shall include the provisions of this paragraph A.9 in each purchase order, if any, with each of its subcontractors where work is being performed or is scheduled to be performed in connection with this PO, and shall require that this paragraph A.9 is inserted in all subcontracts at every tier, and noting that the term Buyer refers to Lockheed Martin Corporation acting through its Lockheed Martin Aeronautics Company business unit.

**B. Distributor Quality Requirements**

If Seller is a Buyer approved "Distributor", Seller shall comply with the requirements of Appendix QR and QCS-122 (Distributor Quality Requirements), latest revision.

**C. Calibration**

1. Seller shall maintain a calibration system that is compliant with the requirements in ISO 9001, ISO 10012-1, MIL-STD 45662A, or ANSI Z540.

**D. Government Industry Exchange Program (GIDEP)**

Seller shall establish membership in GIDEP and notify Buyer and applicable assigned Buyer Field Representative upon issuance and/or receipt of a GIDEP Alert or Advisory that affects products shipped to Buyer.

**E. Selection and Control of Seller's Sub-tier Sources**

1. Seller's documented quality system shall include procedures for determining the capability of sub-tier suppliers, prior to issuance of Seller's purchase order to any such sub-tier supplier.
2. When Seller performs a Quality System Survey or Evaluation for a sub-tier supplier facility, Seller shall document the results of each survey or evaluation.

3. Seller is responsible for ensuring all materials, services and components it procures for incorporation into the Items conform to all requirements of this PO.
4. Seller shall define and establish a program for determining the need for periodic re-audit or re-evaluation of Seller's sub-tier suppliers to ensure compliance with this PO.
5. Prior to production and award of subcontracts, Seller shall institute a program that will ensure control of the quality of all Items procured by Seller in support of this PO.
6. Seller shall include the applicable portions of this PO in each of its purchase orders, if any, with each of its sub-tiers where work is being performed or is scheduled to be performed in connection with this PO and require that, where applicable, such portions are inserted in all subcontracts at every tier.
7. Seller shall include in its purchase orders to sub-tiers the applicable revision or amendment level for referenced Buyer specifications and other documents.
8. Seller shall include a complete description of Buyer requirements in purchase orders issued to its sub-tiers.
9. Seller shall maintain a documented Receiving Inspection function to ensure material received from Seller's sub-tiers is inspected to and meets the requirements of this PO. Verification of Item conformance to drawings, specifications and requirements of this PO shall be per inspection sampling plans, audits, and certifications of conformance at Seller or Seller's sub-tier facilities, as appropriate. Seller shall properly segregate inspected Items from Items awaiting inspection.
10. Seller shall identify and document incoming material as to acceptance or rejection status. Seller shall ensure that such material is identifiable to this PO and material certifications.

**F. Selection, Control and Contract Flow Down to Quality Control Specification (QCS)-001 Sources**

1. QCS-001 is used to identify both the process sources and the processes that require Buyer approval, prior to use for Items delivered to Buyer. A controlled process is an operation performed on an Item where the operation is not readily inspectable subsequent to its conclusion. Controlled processes have verifiable controls inherent to the process i.e. heat treat, plating, nondestructive testing, etc.
2. The controlled processes listed in QCS-001 are not applicable to standard hardware (nuts, bolts, washers, etc.) that is ordered to military, federal or industry specifications or standards (e.g., MS, AN, NAS, etc.) or to metallic raw material (plate, sheet, bar, extrusion, etc.) that is purchased from a mill.
3. Buyer accepts Seller's use of all Nadcap approved sources for Industry Standards controlled by QCS-001. Seller shall ensure that a source is currently approved by Nadcap, prior to a source performing work on Buyer's items. Seller can access Nadcap approved sources @ <http://www.pri.sae.org> or <http://www.eauditnet.pri.sae.org>. Upon request by Buyer, Seller shall provide Buyer with objective evidence that Seller selected and used a currently approved Nadcap source. Buyer does not mandate Nadcap and shall not be responsible for any cost associated with Nadcap accreditation or the use of a Nadcap approved source or process. Buyer reserves the right to validate, using normal survey, audit practices, any Nadcap approved source or process.
4. The list of both Buyer-controlled processes and Buyer-approved sources can be found on Buyer's Internet Home Page at: <http://www.lockheedmartin.com/material-management/>
  - Highlight "Quality Requirements"
  - Select "Supplier Quality Management System"
  - Select "Supplier Quality Management" and follow instructions
5. Seller shall use Buyer-approved sources for Buyer-controlled processes.
6. Seller shall review the list of Buyer-approved sources for Buyer-controlled processes, prior to using a process

source for a controlled process listed in QCS-001, and select process sources that are approved by Buyer.

7. If Seller performs or directs Seller's sub-tier to perform work controlled by QCS-001 without Buyer's approval, Buyer may disapprove Seller's quality system.
8. Seller's utilization of Buyer-approved sources does not relieve Seller from the obligations to ensure subcontracted sources are in full compliance with applicable process specifications and to deliver conforming Items. Upon request by Buyer, Seller shall provide objective evidence that such compliance was attained and that such conforming Items were delivered.
9. Seller shall be responsible for ensuring that Seller or QCS-001 sources have the appropriate revision level of the process standards/specifications prior to performing work in connection with the Items.
10. Seller shall maintain objective evidence that each Buyer-approved process source selected by Seller is being monitored to ensure compliance with all applicable process specifications. Upon request by Buyer, Seller shall provide Buyer with objective evidence of such compliance.
11. Seller shall ensure process controls are established and required process control tests are accomplished at required intervals to ensure continued compliance to process specifications.
12. Seller shall ensure all Seller purchase orders to Buyer-approved process sources include the following statements:
  - a) A statement with the words, "Work to be accomplished in performance of this purchase order is directly related to a Lockheed Martin Aeronautics Company purchase order and must be accomplished in accordance with process specification on this purchase order and Lockheed Martin Aeronautics Company Appendix QJ."
  - b) A statement for Seller's supplier to file and maintain a copy of all purchase orders containing the above statement and make these available for review by Buyer, upon request.

c) A statement for Seller's supplier to submit a Certificate of Conformance "C-of-C") with a unique certification number containing the following information:

1. title and specification number (including revision letter) of the process;
2. name and address of the process or NDT facility;
3. Lockheed Martin assigned processor number;
4. date the C of C was issued;
5. purchase order part number;
6. quantity of parts (to include quantity accepted/rejected);
7. signature and title of authorized quality agent of seller; and
8. fracture durability classification or serialization when required.

d) A statement to ensure parts are suitably wrapped, boxed or racked to guard against shipping damage and to apply rust or corrosion protection.

e) A statement to identify specification(s) title and specific revision level(s) and drawing(s) requirement(s) to be performed by a QCS-001 source.

13. Seller shall review testing lab C of C to ensure all required testing has been accomplished and meets all requirements of the testing specification.

14. Seller shall submit all requests for additional QCS-001 process approvals in writing to Buyer.

#### **G. Seller's Performance of QCS-001 Processes**

1. Seller shall, when performing QCS-001 Controlled Processes in Seller's facility, accomplish QCS-001 processes in accordance with the applicable process specification(s) and Lockheed Martin Aeronautics Company Quality Appendix QJ. Quality Appendix QJ can be found at:

<http://www.lockheedmartin.com/material-management/>

- Highlight "Quality Requirements"
- Select "Quality Appendices"

#### **H. QCS-001 Requirements for Seller-Designed items**

1. Seller has the responsibility and authority to approve and control its own processing sources, including in-house processes.

Seller shall notify Buyer when Seller and/or any of their sub-tiers are found to be non-compliant to Buyer specifications, disapproved by Seller and/or a Government Agency, or a GIDEP Alert is required.

2. Seller shall ensure that the assignment of personnel is commensurate with their respective levels of experience, training and proficiency.
3. Buyer shall have the right to review and maintain surveillance of Seller's system for approval and control of Buyer-approved processes, including those performed in-house. If Buyer determines Seller's system has failed to control processing or testing, Buyer shall have the right to withdraw Seller's authority to approve and control Buyer-approved processes listed in QCS-001. In the event of withdrawal of such authority, Buyer shall have the right to direct Seller, at no increase in price, cost or fee to Buyer, to use Buyer-approved sources listed in QCS-001.
4. Seller design shall include Buyer drawings identified as Source Control Drawings or Specification Control Drawings for purposes of Paragraph H.

**I. Control and Processing Nonconforming Material and Corrective Action**

1. Seller shall implement and maintain a documented quality system, which provides for identification, documentation, segregation and disposition of nonconforming material and shall ensure effective, positive corrective action is taken (including repetitive nonconformances dispositioned "Use As Is" by Buyer's or Seller's material review board ["MRB"] actions) to prevent, minimize, or eliminate nonconformances. Seller's quality system shall ensure that non-conforming material is not used for production purposes.
2. Seller shall maintain records of all nonconforming material, dispositions, assignable causes, corrective



actions, and effectiveness of corrective actions for the period specified in this PO.

3. Seller shall evaluate each nonconformance for its potential to exist in previously produced or delivered Items. If a nonconformance exists, Seller shall notify Buyer, in writing, within 24 hours for issues impacting flight safety, and, in writing, within 5 working days for all other issues.
4. Seller shall respond to all Buyer requests for corrective action. When requested by Buyer, Seller shall provide trend data and findings for Buyer returned Items.
5. Seller shall assess all Buyer identified nonconformances and take the appropriate actions to ensure causes of nonconformance are corrected. Seller shall notify Buyer in accordance with the instructions at:

<http://www.lockheedmartin.com/material-management/>

- Highlight "Quality Requirements"
  - Select "Forms"
  - Select "Supplier Confirmation/Action Report(SCAR)" to view and print the form.
6. If Seller does not respond by Seller Confirmation Action Report ("SCAR") within 30 days of receipt by Seller of the nonconforming Item, Seller shall be deemed to have accepted responsibility for the identified nonconformance.

Seller shall provide component removal/replacement data for all functional items returned by Buyer. Data shall be recorded and provided using the SCAR.

#### **J. Material Review Authority**

##### **Material Review Authority (MRA) for Seller-Designed Items**

1. Seller has Material Review Authority, except for nonconformances that affect a parameter controlled by Buyer drawing or specification, where form, fit, function, interchangeability or reliability is affected. Seller shall submit dispositions of nonconforming Items, if any, regarding any such parameter(s) to Buyer for approval.

##### **MRA for Buyer-Designed Items**

2. Seller disposition authority is limited to scrapping of Items, eliminating the nonconformance by rework to engineering, or returning to vendor. On Items of Buyer design, Seller shall document nonconforming Items for submittal to Buyer's MRB for dispositions as required by this PO. Seller's continued processing, prior to Buyer's MRB disposition, of any Buyer-designed Items containing a nonconformance prior to Buyer's MRB disposition will be at Seller's risk.
3. If Buyer has authorized "delegated MRA" to Seller on Buyer-designed Items, Seller shall exercise such MRA except for nonconformances of a parameter that affects form, fit, function, interchangeability or reliability.

Seller shall submit requests for MRA on Buyer-Designed Items in writing to Buyer.

#### **Material Review Board Submittals**

4. Seller's request for Buyer MRB disposition of Seller or Buyer-designed Items shall be submitted in accordance with Buyer instructions located at:  
  
  - <http://www.lockheedmartin.com/material-management/>
  - Highlight "Quality Requirements"
  - Select "Corrective Action" and follow instructions
5. Seller shall not incorporate any nonconforming Items into any product, process, procedure or data that affects a parameter controlled by Buyer drawing or specification or has an affect on form, fit, function, interchangeability or reliability unless and until Seller has received prior written approval from Buyer to do so.
6. Buyer and Buyer's customers shall each have the right to refuse to accept any nonconformances. When Government source inspection is a requirement of this PO, and Buyer's customer has delegated MRA to Sellers cognizant Government source representatives, Seller shall submit material review dispositions to Seller's local Government representative for concurrence.
7. Prior to delivering Items that have Buyer MRB dispositions, Seller shall ensure that root cause analysis and corrective action plan for that discrepancy has been initiated and/or completed. Corrective Action Plan shall

be submitted to the Buyer with other final acceptance paperwork.

**K. Product Certifications and Acceptance**

1. Seller's documented quality system shall provide a means for maintaining the indications of inspection status.
  - a. Seller shall use inspection stamps of a design distinctively different from inspection stamps used by Buyer and Buyer's Customers.
  - b. Seller's documented quality system shall provide a method for the control and issuance of inspection stamps and for the prevention of unauthorized use of such stamps.
2. Seller shall prepare a C-of-C stating that Items provided under this PO meet all requirements of this PO. This C-of-C shall be included with Seller's shipping document to Buyer.
3. If and when Buyer's customer requires source inspection, Seller shall obtain objective evidence of Buyer's customer representative's inspection by signature and title or by stamp on any shipping documents required by this PO.

**4. Buyer @ Source Requirements**

Seller shall not increase PO price, cost or fee, when Buyer acceptance is imposed on PO.

If and when this PO imposes Buyer at Source, Seller shall obtain evidence of Buyer's Field Representative's acceptance, prior to shipment. Seller shall notify Buyer's Field Representative within five (5) days of receipt of this PO and provide the Buyer's PO number, part number and scheduled ship date as well as whether any special clearances are required.

Seller shall also notify Buyer's Field Representative a minimum of 48 hours, prior to when the Item(s) are ready for shipment.

A directory of Seller's assigned Field Representative(s) may be obtained at:

<http://www.lockheedmartin.com/material-management/>

- Highlight "Quality Requirements"
  - Select "Corrective Action"
  - Select "LM Aero Supplier Quality Management System"
  - After LOG-IN, select "Supplier Summary"
5. If Seller has received Buyer delegation, Seller must ship product under the guidelines of the specific delegation. When any of the following conditions exist, Seller shall obtain evidence of Buyer's Field Representative's final acceptance on the applicable Procured Material Report (PMR) or DD250, prior to shipment:
- The Item(s) require First Article Inspection ("FAI")
  - The Item(s) require Government Inspection at Source
  - The Item(s) were rejected by Buyer and return to Seller for rework/repair and/or replacement

**L. Tooling as a Media of Acceptance**

Seller shall utilize mandatory/required tooling provided by Buyer and designated as "Production Type" tooling to be utilized for Item Manufacture as Seller's media of inspection and for Buyer Source Acceptance for those part features created by, or depicted by, such tooling, e.g., contours, hole locations, and profiles.

**M. Interchangeable Replaceable Program Requirements**

Seller shall conduct Interchangeable Replaceable ("I/R") demonstrations in accordance with the requirements of 16PP026 for those parts listed in 16PR100 for F-16 Program and 5PD00753C and 5PD00040 for F/A-22 Program. Seller shall comply with I/R requirements specified in this PO as well as Tooling Manual (TMS-MC-015), Appendix A, C and G.

**N. Buyer-Furnished, Seller-Manufactured or Seller-Owned Tooling**

1. Buyer-Furnished Tooling

Seller shall comply with the requirements of Tooling Manual (TMS-MC-015) concerning Buyer-furnished controlled tooling, tooling tools and production tools.

2. Seller-Manufactured Tooling

Where Seller manufactures tooling for Buyer-Designed Items, Seller shall comply with the requirements of Tooling Manual (TMS-MC-015) concerning Seller-manufactured tooling that is identified as a non-recurring cost in this PO.

3. Seller-Owned Tooling

Seller shall comply with the requirements of Tooling Manual (TMS-MC-015) concerning Seller-owned tooling used in the production of product for this PO.

4. Seller's documented quality system shall include written procedures for the control, maintenance and calibration of special tooling, jigs, inspection and test equipment, and other devices used in manufacturing processes.

**O. Changes to Seller's Operations**

1. Seller shall notify Buyer, in writing, of any change in status of its documented quality system as a result of any Government or regulatory agency action.
2. Seller shall also notify Buyer within 48 hours, in writing, upon any relocation or transfer of manufacturing operations, or organization change (change in Owner, President, Quality Vice-President, Director and/or Manager, NDT Level II or III or Chemist) or procedure change that could impact Item quality.
3. Seller shall notify Buyer's Field Representative of product changes which result in either an initial or delta FAI.

**P. Records**

1. Seller shall maintain complete records of all manufacturing, inspecting and testing in connection with the Items. At Buyer's election, and at no additional price, cost or fee, Seller shall provide such records to the Buyer, Buyer's Customers and/or appropriate regulatory agencies during the performance of this PO and for at least three (3) years after completion of this PO or for such longer periods, if any, as may be specified elsewhere

in this PO. Upon Buyer's request therefor, Seller shall forward such records to Buyer at no price, cost or fee to Buyer.

For at least seven (7) years after completion of this PO, Seller shall maintain and provide to Buyer, upon request, records of all QCS-001 process control tests, e.g. monthly or by lot and inspection, of processed items performed by Seller.

2. Seller shall maintain activity data on each Buyer-approved process performed for Buyer or any QCS-001 Source utilized, if any, compile a quarterly report and submit it to Buyer at <http://elli.lmtas.lmco.com/qads/QCS001Menu.asp>. Seller shall submit the quarterly report within fifteen (15) calendar days of the end of each calendar quarter. The report shall contain the following information:
  - a. QCS-001 source name;
  - b. Buyer's assigned QCS-001 Source number;
  - c. process specification used by specification number;
  - \* d. quarterly frequency of use, and
  - e. details (such as specification, noncompliance and date work was performed) on all Seller rejections associated with work performed by a QCS-001 source
  
3. Seller shall maintain documented records of tool control whether the tooling is furnished by Buyer, or manufactured by Seller and/or Seller's sub-tier, or is Seller-owned.