Intermountain Turbine Services, Inc. (ITS) Quality Clauses for Purchasing

1. Q-001 Current Design Authority

All documents provided to suppliers from past Production Approval Holders (PAH), referring to Honeywell/Avco Lycoming/Allied Signal/etc., will henceforth be considered part of Intermountain Turbine Services, Inc. documents, and will be treated as ITS technical documentation. Unless otherwise stated, drawings, specifications, instructions, etc. from past PAH, will be used as current documentation until revised by ITS.

CURRENT DESIGN ACTIVITY
CAGE CODE 38MN1
INTERMOUNTAIN TURBINE SERVICES, INC.
LINDON, UTAH, 84042.

This CAGE Code, 38MN1, is to be used wherever Current Design Activity (CDA) is listed or required.

2. Q-002 Flow Down Requirements

The supplier and all in the supply chain shall flow down to their suppliers the applicable requirements of this purchase order, including any key characteristics. Suppliers are required to apply appropriate controls to their direct and sub-tier external providers, to ensure the requirements of the purchase order are met.

3. Q-003 Quality System

The supplier shall maintain a quality/inspection system which is in conformance with, or equal to, the requirements of ISO9001 to include: Receiving, In-Process and Final Inspection including Inspection and Test Records. This is to ensure the quality of product and/or service. The quality management system may be subject to a quality review by ITS. Personnel providing a product or service under this purchase order or contract must ensure personnel awareness of their contribution to product or service conformity, product safety, and the importance of ethical behavior.

4. Q-004 Surveillance

Designated representatives of regulatory authorities and the buyer including its direct or indirect customer shall have the right to review and monitor the quality system of the supplier. ITS will coordinate with supplier, mandatory surveillance points. Supplier shall give ITS reasonable notice prior to start of any processing, manufacturing or assembly relative to the purchase order. The supplier is expected to grant a designated representative access to the facility where the production of contracted items takes place.

5. Q-005 Discrepancies

During performance against this purchase order, any deviations noted from established drawings or specifications must be reported to the buyer within 48 hours or the next business day. The supplier shall also notify ITS within 48 hours, or the next business day of any nonconforming product found in inventory from which product may have been delivered to ITS. No deviation will be considered approved without written confirmation of the fact from buyer. Under no circumstances are changes or repairs to be undertaken without written approval from buyer.

6. Q-006 Corrective Action

Acceptance of this contract or purchase order obligates the supplier to perform, upon request, a corrective action investigation when discrepant material is received. A written report shall be furnished, within a reasonable time period, which is specific and conclusive to prevent a reoccurrence of the discrepancy.

7. Q-007 Records Retention

Suppliers shall establish a documented procedure to define the controls needed for identification, storage, protection, retrieval, retention and disposition of records. Retain all item records pertaining to materials or services provided under this contract for a period of five (5) years (if not otherwise specified). Records include all forms of documented information.

8. Q-008 Right of Access

ITS and regulatory authorities have the right to access the facilities, all levels of the supply chain, all applicable records where the processing/manufacturing and assembly of the product is performed.

9. Q-009 Standards of Workmanship

The supplier must maintain written standards of workmanship directly applicable to the nature and level of work performed under the Purchase Order. A copy shall be supplied upon request.

10. Q-010 Supplier Design / Process Changes

The Supplier shall notify and obtain written approval from ITS for changes in design, manufacturing, assembly processes, location, or source of supply of their products.

11. Q-011 Specifications

Suppliers are required to identify and work to Regulatory, Industry, and ITS specifications. When a specification revision is listed on an engineering drawing, only that specification and revision shall be used. When no specification revision is listed on an engineering drawing, suppliers are required to identify the current specification and revision using Aerospace Specification Index (ASI) and to work to that specification and revision. Material substitutions are not allowed without written Engineering approval, with exceptions provided in some site-specific alternate material substitution documents.

12. Q-012 First Article Inspection

The Supplier holding the Honeywell Purchase Order is responsible for assuring completion of the First Article Inspection Report (FAIR) per AS9102 and this Quality Clause for all ITS design characteristics generated by the supplier or their sub-tiers. The supplier shall input and maintain FAIR status in the Net-Inspect© First Article system. First Article Inspection is required at supplier's facility. The First Article Inspection must be documented on form AS9102 or equivalent, so long as the equivalent form contains the same information required by AS9102.

First Article Inspection shall be performed on all new first production lots of a specific part number prior to shipment. New First Article Inspections are also required when any changes occur in characteristics or dimensions which affect the original First Article. The report must accompany the identified part.

13. Q-013 Source Inspection

Source Inspection is required for all materials and services supplied under this Purchase Order, prior to assembly and throughout all processing and testing. Evidence of source inspection must accompany each shipment.

14. Q-014 Objective Evidence of Dimensional Inspection

Supplier shall provide objective evidence with each shipment that all goods furnished under this purchase order/contract were dimensionally inspected for compliance with drawing and other purchase order/contract requirements. Objective evidence shall consist of records of actual readings taken during the inspection of each part, with the dimension and its tolerance noted.

15. Q-015 Nondestructive Inspection and Functional Test

Seller shall include with each shipment a certificate of inspection that list the Nondestructive inspections performed and must include the inspector's signature and stamp and Nondestructive test. The supplier shall perform functional test prior to shipment to ITS, and shall provide certified test coverage report and results in accordance with the Functional Test SOW in place for the purchased product.

16. Q-016 Traceability/ Part Identification

The Supplier shall maintain a method of traceability that ensures tracking of the supply chain back to the manufacturer of all Items included in the product being supplied. Traceability is required on all raw materials to the manufacturer's source. Components need to be traceable to lot numbers during manufacturing.

Method of Part identification must be approved by ITS. The Supplier shall comply with drawing requirements for part numbers, serialization, and lot control marking. If there are no marking requirements on the drawing, marking shall be in accordance with AS478 Method 30, 35, or 37. The Supplier of any component assembly shall be able to, upon request, provide a list of all material utilized in the creation of said assembly.

17. Q-017 Counterfeit Parts Control Plan

Suppliers shall implement a Counterfeit Items Prevention Control Plan. Suppliers shall perform periodic audits to verify compliance to the requirements of their Counterfeit Parts Control Plan. Plans and records of their audits and results shall be maintained and provided to ITS or regulatory agencies upon request.

18. Q-018 Packaging and Package Identification

The Supplier must ensure that all items are packaged and preserved adequately to guarantee that the hardware is delivered to ITS undamaged and free of corrosion. Unless otherwise specified, all hardware shall be packaged and preserved in accordance with the drawing, applicable specifications, or purchase order requirements. If there is no drawing or specification requirement, hardware shall be packaged and identified in accordance with Aerospace Industry Standards (ATA Spec 300, ASTM-D- 3951-98 and MIL-STD-2073).

19. Q-019 Foreign Object Damage Prevention Program and Part Cleanliness

The Supplier shall conduct production processes appropriate to prevent, detect, and remove all FOD from product(s) during manufacture and provide parts clean and free of all FOD prior to shipment to ITS. FOD contamination will be cause for rejection of material. Supplier shall maintain a FOD Prevention Program in accordance with Aerospace Standard AS9146, or equivalent.

20. Q-020 Control of Items with Limited Shelf-Life

This Quality Clause defines remaining life requirements and the communication of date control information on items that require shelf-life control per their product specification. The supplier of any limited shelf-life item will be required to provide all required shelf-life information to prevent products from being used past their expiration date. Shelf life shall apply per manufacturer expiry date or "use-by" date but not supersede applicable specs.

21. Q-021 Certificate of Compliance/FAA Form 8130-3

A Certificate of Compliance shall accompany all shipments. Certificate of Compliance must be signed by an authorized representative with title. The COC must reflect all information necessary to identify the product, quantity, current revisions and all services or processes performed. Suppliers shall maintain certifications (COC's) from all sub-tier suppliers/processors. Unless specifically required per purchase order, the Supplier's lower-tier supplier/processor COCs shall be made available to ITS, authorized Government Representative, or any other applicable regulatory or statutory agency upon request.

The Supplier shall include all inspections necessary to show that the article conforms to the proposed type design data and shall document the inspections and make the documentation available as objective evidence upon request.

In addition to the required documents listed above, and if applicable, Suppliers holding an FAA production approval shall ship parts with FAA Form 8130-3 reflecting newly manufactured certification.

22. Q-022 Calibration System

Supplier's calibration system shall meet the requirements of: ANSI-Z540 or equivalent. The system shall ensure the timely recall and calibration of all company measurement and test equipment used for product acceptance. Suitable records shall be maintained and be available for review.

23. Q-023 ITS Owned Tooling

When applicable, property supplied by ITS, its customer(s), and/or their representatives to be incorporated into the Supplier's finished product shall be inspected upon receipt for evidence of acceptance and will be maintained and accounted for throughout the manufacturing process. ITS property/tooling will be returned to ITS when production agreements have been terminated.