

F041-01-01
Purchasing & Supplier Quality
Terms and Conditions



Purpose: This document specifies the terms, conditions and performance expectations of goods and services supplied to Avionica, LLC (customer); and to assure the supplier's conformity to Avionica's supplier requirements and applicable regulatory requirements.

NOTES: a) The provisions herein do not negate any other contractual requirements as applied to specific Part Number(s) or Purchase Order(s).

b) Line items beginning with an *(asterisk) within this document are required for Electronic, Electro-magnetic and Electrical products (EEE).

c) *All electronic & mechanical assemblies MUST use "leaded" (Pb) solder per Avionica W085 (No RoHS – "lead-free" solder allowed).

1. Quality System Requirements

- 1.1. Avionica prefers that suppliers have a formal Quality Management System (QMS) that complies with the ISO 9001 as a minimum, with full AS9100 certification the preferred model. However, Avionica may approve a supplier that does not have a quality system.
- 1.2. A supplier that is certified / registered to a quality system standard via a third party and subsequently changes to a different standard / certified registration body (CRB), loses its registration status, or is put on notice of losing its certified status shall notify Avionica, LLC. within 15 days of receiving notice from its CRB.

2. Record Retention, Traceability & Disposition

- 2.1. Lot Tracking records required (supplier to maintain traceability records).
 - 2.1.1. Non-Serialized products: As a rule, the supplier shall retain/maintain lot records (lot date, numbers, batches, etc.) of all inspections and tests for ten (10) years.
 - 2.1.2. Serialized Products: When product serialization is specified through customer or Avionica requirements, the supplier shall retain/maintain all inspections and tests by serial number for a period of ten (10) years (unless specified differently in writing from Avionica).
- 2.2. These records shall be available to Avionica and/or Regulatory Agencies upon request, and shall include but not be limited to, such items as Receiving records, Receiving Inspection, First Article Inspections, In-Process and Final Inspection results, Traceability and Serialization, Calibrations, Manufacturing and Quality Plans, Material Test Reports/Certifications (for materials used to manufacture parts), Test data of all qualification, functional, interchangeability and acceptance tests performed, and any other applicable inspection documents.
- 2.3. Unless specified otherwise, all shipments shall follow the FIFO (first in / first out) process. Use up oldest material (older revision) first, prior to shipping newest revision level of the product.
- 2.4. Avionica's suppliers shall flow the appropriate purchasing and quality requirements down through their sub-tier supply chain.
- 2.5. Unless specified otherwise, the supplier may use recognized statistical techniques, but the supplier must be able to trace the lot/batches that utilized this inspection method.
- 2.6. After the records retention period has expired; the supplier (and/or sub-tier supplier) may choose any suitable method of disposal. However, the method chosen to dispose of the records should ensure that no inadvertent disclosure of confidential information occurs during or after record disposal.

3. Nonconforming Material and Material Review Board (MRB) & Corrective Action

- 3.1. NC Material: The supplier shall maintain a system of material identification and segregation to ensure that non-conforming material is not intermixed with conforming material.

3.2. **MRB: The supplier is not authorized to perform material review board (MRB) actions or dispositioning of nonconforming material with the intent of delivering such material without the express written authorization from Avionica's Quality Management.**

3.2.1. Dispositions of NC product must be forwarded to Avionica Quality Management for written approval prior to shipment.

3.2.2. Previous material dispositions shall not be considered precedence for acceptability.

3.3. Corrective Action: Avionica may request supplier to submit root cause(s) and corrective action on discrepancies related to an order.

3.3.1. Any material rejected by Avionica and resubmitted by supplier (with Avionica's written approval), shall be clearly identified as resubmitted material and must reference the Avionica original rejection document and detail all actions taken to correct and prevent recurrence of the discrepancy.

4. Configuration Control

4.1. The supplier shall be responsible for controlling / tracking the actual configuration (revision) of the parts and components shipped to Avionica.

4.2. When a *design* record is updated to a new revision, the supplier shall ensure the product meets any new specified functional, physical and visual requirements. (This includes any part or component manufactured to Avionica's requirements.)

4.2.1. If the change is initiated by Avionica, the supplier shall acknowledge they received the change request via email. Change timing and delivery details will be accomplished by working with the purchasing agent.

4.2.2. The supplier shall clearly identify the first shipment of a new revision with an obvious marking on the outside of the container, packaging and accompanying paperwork.

4.2.3. First Article Inspection documentation may be required. See First Article Inspection section below.

4.3. Configuration Control requirements apply to all sub-tier suppliers in the supply chain.

5. Notification of Changes (Deviations or Variations from Normal)

5.1. The Supplier shall notify Avionica immediately and prior to making any changes (deviations or variances from the norm) that may affect purchase order requirements. This includes any sub-tier supplier changes that may affect purchase order requirements.

5.1.1. A change is defined as any changes in company ownership, materials, configuration, process, sub-tier suppliers, inspection testing methods, techniques and/or facility changes.

5.1.2. Changes also include notifying Avionica immediately of any potential parts, component or material availability issues, including market obsolescence.

5.2. Such changes or events may negate all previous Avionica supplier qualifications, certifications, approval status, and may require re-qualification or re-submittal of a First Article Inspection (FAI). Supplier FAI reports are to be submitted to Avionica, per the P.O. requirements (see section FAI below).

5.3. Where Avionica has the final design authority, any supplier changes must have a written approval from Avionica's Quality Management prior to proceeding with a change.

5.4. **No material or process substitutions, quantity variations or splits from the Purchase Order may be made without prior written authorization from Avionica's Purchasing Agent.**

6. Surveillance & Source Inspection

6.1. Work under Purchase Order (PO) is subject to regulatory, Avionica, or customer surveillance/inspection at the supplier's facility (and possibly the sub-tier supplier's facility). If a surveillance/inspection is to be conducted by the regulatory, Avionica or customer, the supplier will be notified prior to this event.

- 6.2. If a Customer Source Inspection is required by the PO, notify the Purchasing Agent prior to shipment of articles from the supplier's facility.
- 6.3. The supplier shall make available all applicable drawings, specifications, procedures, statement of work, Customer Order, test software, and changes thereto, related inspection and/or test equipment, and such other information as may be required to satisfactorily perform inspections and tests required.

7. Product Identification & Receiving Compliance

- 7.1. Each article received under Purchase Order must be marked with a Part Number and the Part Number Revision Letter (not the Engineering Drawing revision letter), and any other identification in agreement with the article ordered.
 - 7.1.1. Commercial off the Shelf items (COTS) are excluded from the Part Number Revision requirement.
- 7.2. The supplier shall ensure that any special labeling requirements shall also be listed in the appropriate shipping documents and on each package.
- 7.3. *Electrical Test Results must be provided if stated on the P.O.

8. Packaging, Handling & Shipping

- 8.1. The supplier shall be responsible for risk mitigation by ensuring that items provided under the Purchase Order are packaged in a robust manner. Packaging used must ensure that the product integrity is preserved, contamination and corrosion are prevented, no physical damage occurs, and that it prevents damage, deterioration or loss of function in transit. Supplier is responsible for packaging unless customer-specified packaging is invoked via the PO (see next section).
 - 8.1.1. *The supplier must take special packaging precautions when shipping Electronic, Electro-magnetic, and electric sensitive components. The use of caps, plugs or other anti-ESD methods are permitted to protect components and keep items free of FOD.**
- 8.2. Packaging, when specified in the PO, shall be in accordance with the "customer-specified" requirement that will be distributed to the supplier.
- 8.3. Flammability Code must be marked on the part (if applicable).
- 8.4. When "Moisture Protection" is required, bags/containers must be appropriately labeled as such and contain a desiccant prior to sealing.

9. First Article Inspection

- 9.1. When shipping an item to Avionica for the first time a FAIR (First Article Inspection Report) will be required. (Note: FAI's are not required for Commercial-off-the-shelf (COTS) or catalog items.)
- 9.2. When required by the purchase order (P.O.), suppliers may be required to perform a First Article Inspection (FAI) and submit it to Avionica for approval.
- 9.3. When a FAI is required by the P.O., please ensure the following:
 - 9.3.1. Clearly identify of the part number and design revision level (also on sub-assemblies if applicable).
 - 9.3.2. Include inspection results of each measurable characteristic and feature required by design data and demonstrate the product meets the all tolerance limits.
 - 9.3.3. The FAI must be performed by qualified persons and accepted by the supplier's quality and/or inspection function.
- 9.4. When performance or other testing is required, the parameters and results of the tests shall be recorded in the same manner as explained in the adjacent section above.
- 9.5. The First Article Inspection Report must show evidence of written acceptance by the supplier's quality assurance representative (or their designate).
- 9.6. The First Article(s) shall be produced on production equipment and processes which will be utilized in production.

NOTE: Supplier should be aware that FAIs may be made available to customers or regulatory agencies if requested.

10. Certificates of Compliance/Conformity, Certificates of Analysis, Material Certifications and other data requirements

- 10.1. Suppliers shall provide the appropriate certifications with each shipment to attest that the parts, assemblies, subassemblies, detail parts, and raw materials used (when required), conforming to Avionica's order requirements. Certifications must contain the following:
 - 10.1.1. Part Number (Item or Product Number)
 - 10.1.2. Part Revision Letter/Number (Not Engineering Drawing Revision number)
 - 10.1.3. Name and address of the supplier
 - 10.1.4. Manufacturer's lot, batch, production date code
 - 10.1.5. Serial numbers (if applicable).
 - 10.1.6. Conformity Statement that confirms the item conforms to required specifications and purchase order requirements.
 - 10.1.7. When required by the Purchase Order a FAA Form 8130-3, Airworthiness Approval Tag, will be provided.
 - 10.1.8. Must be signed and dated by an authorized agent of the company.
- 10.2. Suppliers will be required to provide material certifications or certificates of analysis (test reports) for the following upon request:
 - 10.2.1. "Special Processes" such as soldering, brazing, welding, and coatings, finishes and surface treatments (e.g.; Anodization, Paint, Powder Coat, Chromate, Plating, Chem Film, Heat treatment, etc.).
 - 10.2.2. Materials specified within the Engineering Design Data.
 - 10.2.3. If the supplier is unable to attain the proper documentation, a 3rd party may be necessary for material analysis (at the supplier's cost).
- 10.3. Suppliers will be required to provide data as defined within the Engineering Design Data for the following upon request:
 - 10.3.1. Critical Characteristic
 - 10.3.2. Performance testing
 - 10.3.3. Non-Destructive Testing
 - 10.3.4. *Electrical / Electronic Testing

11. Supplier Performance / Scorecard – Supplier Feedback

- 11.1. Supplier performance will be tracked by Avionica's QA & Purchasing departments. On-Time-Delivery & Quality will be tracked, and Scorecards will be distributed to suppliers a minimum of once per year. (**Note: Not all suppliers will receive a scorecard. Suppliers that did not deliver product during the year will not be scored)
- 11.2. OTD (On-Time-Delivery) expectation: A product received no more than 30 business days early and no more than 5 business days late is considered compliant.
- 11.3. Quality Performance expectation: Suppliers are expected to deliver 96% or better material conformity percentage.
- 11.4. If a supplier falls below "Good" target range, a warning email or a formal SCAR (Supplier Corrective Action Request) will be sent depending on the severity of the non-conformance.
- 11.5. Formal SCARs will be tracked until closure by the Quality Department.

12. Supplier Awareness Requirements

- 12.1. The supplier must ensure that all persons involved with Avionica products / services are aware of:
 - 12.1.1. Their contribution to quality / conformity
 - 12.1.2. Their contribution to product safety
 - 12.1.3. The importance of ethical behavior

- 12.2. ***The supplier shall plan, implement, and control processes for the prevention of counterfeit or suspect counterfeit parts use and their inclusion in product(s) delivered to Avionica.**

13. Conflict Minerals Policy Statement

- 13.1. Suppliers to Avionica are required to be or become “conflict-free” (which means that the supplier does not source conflict minerals) and sourcing only from conflict-free smelters.
- 13.2. Each supplier to Avionica is required to provide completed CFSI declarations evidencing such supplier’s commitment to becoming conflict-free and documenting countries of origin for the tin, tantalum, tungsten, and gold that it purchases.
- 13.3. For more information on conflict minerals program contact <http://www.conflictreesourcing.org>.