

# GENERAL DYNAMICS

## Ordnance and Tactical Systems

### Healdsburg Supplier Quality Requirements

**QR-0001**

| Revision | Date              |
|----------|-------------------|
| <b>B</b> | <b>09/16/2021</b> |

## General Requirements

### Revision History

| REV. | CN #  | DATE INCORP. | NOTES                             |
|------|-------|--------------|-----------------------------------|
| -    | 40764 | 02/27/2019   | Initial Release                   |
| A    | 73749 | 04/07/2021   | See PDM                           |
| B    | 75258 | 09/16/2021   | Counterfeit Goods Language Update |

### Requirements

#### **1 APPLICABILITY**

Upon receipt of the Purchase Order, the requirements specified in this and other SQRs specified on the PO shall be communicated to appropriate personnel within the Seller's organization. When cited as requirements in the Purchase Order or Request for Quotation, these documents establish the quality requirements of the procurement.

Specific sections of this document, or the entire document may apply, determined by SQR on the PO as noted below:

**SQR 1** – All Sections

**SQR 1A** – Sections 1, 2, 3.11, 3.12, 3.13, 4.6 & 6

**SQR 1B** – Sections 1, 2, 3, 5 & 6

**SQR 1C** – Sections 1, 2, 3.5, 3.10, 3.11, 3.12, 3.13, 4.6, 5 & 6

**SQR 1D** – Sections 1, 2, 3.1, 3.2, 3.3, 3.5, 3.9, 3.11, 3.12, 5 & 6

Similarly, other SQRs may be called out, for example, as SQR # or SQR #A, with the letter designation having some distinct requirements difference from the base SQR.

#### **1.1 Order of Precedence**

Unless otherwise specifically noted, the order of precedence shall be as described below:

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- Specific language directly on the purchase order may take precedence over this SQR and other SQRs specified on the purchase order (ie; SQRs may be modified or selectively applied on the PO)
- Specific SQRs on the PO take precedence over this document
- If specifically noted, language on the purchase order or in a SOW may take exception to specific drawing or specification requirements
- Unless specifically noted, requirements of this document and other SQRs should not take exception to any drawing or specification requirements

## 2 DEFINITIONS AND ACRONYMS

- **“Purchase Order”** (or PO) refers to the Purchase Order, Sub-Contract, or other written agreement between the Buyer and the Seller (Supplier), in which this document is incorporated by reference.
- **“Buyer”** refers to the GD-OTS Procurement agent issuing the Purchase Order.
- **“Seller”** refers to the legal entity that is the contracting party with the Buyer with respect to the Purchase Order. The Seller is the supplier to the Buyer.
- **SQR** – Supplier Quality Requirement
- **SOW** – Statement of Work
- **QMS** - Quality Management System
- **MRB** – Material Review Board
- **PWA/PWB** – Printed Wiring Assembly/Board
- **GD-OTS** – General Dynamics, Ordnance and Tactical Systems
- **AR** – Aerojet Rocketdyne
- **LM** – Lockheed Martin (MFC – Missiles and Fire Control)
- **RMS** – Raytheon Missile Systems
- **QE** – Quality Engineer
- **SQE** - Supplier Quality Engineer
- **CofC** – Certificate of Conformance
- **NDT** – Nondestructive Test

## 3 REQUIREMENTS FOR THE SYSTEMATIC CONTROL OF QUALITY

### 3.1 Quality Management System

The Seller shall establish a system of internal quality controls sufficient to assure that all items, materials, and services submitted to the Buyer conform to contract and Purchase Order requirements, whether manufactured or processed by the Seller, or procured from subcontractors or sub-tier suppliers. The Seller shall perform any inspections and/or tests necessary to substantiate product conformance to drawing, specification, or Purchase Order requirements.

**3.2 Drawing and Specification Control**

The Seller's system shall assure that only correct, current drawings and specifications as specified in the contract and/or Purchase Order are used for fabrication, processing, inspection and testing.

**3.3 Buyer furnished data, models configuration control**

Representations of hardware i.e. CAD models and software are considered process aids, unless explicitly stated otherwise. Buyer provided aids shall be verified to be the latest release prior to use. In the event of conflicts between a manufacturing aid provided and the fabrication drawings, documentation, the documents listed on the PO shall prevail.

**3.4 CNC Fabrication Programs and Software**

Software and programs used to fabricate deliverable parts shall be controlled to prevent changes and alterations without approvals. The supplier shall assure that the part numbers and revisions of software and programs are documented and controlled to mitigate the risk of using the incorrect software.

**3.5 Measuring and Test Equipment**

The Seller shall provide and maintain any measuring and test equipment necessary to assure that items and materials conform to requirements. To assure continued accuracy, such equipment shall be regularly checked for accuracy, and precision equipment shall be calibrated at established intervals against certified standards traceable to the National Institute of Standards and Technology (NIST). GD-OTS encourages its suppliers to utilize the guidelines of ISO 10012 or ANS/ISO/IEC 17025:2005 as a model for calibration and maintaining inspection equipment and tools.

**3.6 Control of Nonconforming Material**

The Seller shall establish and maintain an effective and positive system for identifying, segregating, securing and controlling material found not to conform to requirements. An initial report to the Buyer of any material considered for MRB action is required within 2 business days of rejection. The Seller is advised that the authority to make Material Review Board (MRB) dispositions for assemblies, sub-assemblies, or components that comprise items listed on the Purchase Order is not granted. The Seller does not have the authority to perform any repairs or make substitutions. Any decisions to scrap any items made from Buyer supplied material must have the written consent of the Buyer.

Rework to drawing requirements is permitted unless otherwise noted.

Authority to "Repair" or "Use-As-Is" is not granted.

“Rework to Print” and “Repair” are defined as follows:

**Rework to Print:** The reprocessing of nonconforming items, in the same manner as originally performed, to bring them completely into conformance with drawings, specifications, and/or Purchase Order requirements.

**Repair:** The subjection of nonconforming material to an approved process designed to reduce but not completely eliminate the nonconformance. The purpose of repair is to bring nonconforming material into some degree of functionally acceptable condition. Repair is distinguished from rework in that the item after repair does not completely conform to the applicable drawings, specifications, or contract requirements. Only the GD-OTS Buyer can approve any repair activity.

### **3.7 Supplier Corrective Action Request**

Seller agrees to provide a formal response to any Supplier Corrective Action Request (SCAR) within the timeframe indicated on the SCAR. Seller is also requested to contact the Buyer of record when the material associated with a SCAR investigation has not been returned by Buyer to Seller or more time is required to adequately perform an investigation. Failure to provide a formal response to a SCAR within the established due date may adversely affect supplier approval status for future procurements.

### **3.8 Request for Changes / Deviations / Waivers**

The Seller shall not incorporate any change, deviation, or waiver which affects the Buyer’s, Seller’s, or the Buyer’s customers’ specifications or drawings prior to receipt of written authorization from the Buyer. This will also include any Acceptance Test Procedure or process specification changes or other requirements imposed for the acceptance of the item as described in the Purchase Order.

Additionally, the Seller is not authorized to process any items “at the Seller’s risk” by incorporating the proposed change into deliverable items prior to:

- a. Submitting to the Buyer a Request for Change, (supplier may use form DD1694 Request for Deviation / Waiver or equivalent),
- b. Informing the Buyer in writing that the Seller intends to proceed with the change described “at their risk” prior to receiving the Buyer’s full acceptance of the change,
- c. Receiving in writing from the Buyer permission to proceed “at the Seller’s risk”.
- d. Unrelated changes/deviations/waivers shall not be submitted on the same Request for Change form. Each change must be submitted separately to the Buyer.

- e. Each Request for Change from the Seller shall be accompanied by supporting evidence to justify and adequately describe the change/deviation/waiver.

### **3.9 Rounding and the Reporting of Inspection Data**

Unless otherwise specified, the Seller shall, during the course of inspection of items under the Purchase Order, utilize the standard practice of ASTM E29 (latest revision) with respect to rounding of digits (reference section 6). The accuracy of acceptance is a ratio of 10:1 greater than the tolerance of the feature being inspected. It shall be this last digit that is employed to determine the rounding of the other significant digits. In the case of MAX callout for a feature, rounding shall not be utilized and the absolute method shall be employed. Additionally, the Seller shall report all inspection data, whether in their format or that of GD-OTS, to the same number of decimal places as required by the drawing or within the specification.

### **3.10 Use of Controlled of Shelf Life Materials**

The Seller shall have and maintain an effective system for controlling items that have limited acceptability due to shelf life constraints. The system must include a method for identifying the age of such items and provide for the rotation of stock (FIFO) as well as provisions for any special storage and handling conditions required by the manufacturer of the controlled shelf life item. The Seller shall not under any circumstances use or incorporate into any item materials that have lapsed beyond the shelf life expiration date.

### **3.11 Conflict Minerals**

GD-OTS requires compliance with the SEC ruling to adopt the Dodd-Frank Act (H.R. 4173) as it relates to Conflict Minerals Country of Origin. If your part contains any amount of the following minerals you are required to provide Country of Origin for the minerals and any smelting processes.

- Cassiterite (Tin)
- Columbite-tantalum (tantalum)
- Gold
- Wolframite (tungsten)

**3.12 Cleaning and Packaging**

Unless otherwise stated on the Purchase Order/Specification/Drawing/Quality Notes, cleaning and packaging shall be based on “the best commercial practices.” The Supplier shall assure that there is adequate packaging procedure in place and appropriate packaging materials being utilized, for the parts to arrive at their destination undamaged.”

Supplier shall not mix parts from separate PO’s in the same package.

Supplier may not use ultrasonic cleaning for electronic parts and assemblies.

**3.13 Obsolete Materials**

The supplier shall monitor the life cycle status and availability of parts and materials through the duration of the contract. Parts and materials determined to be unavailable or identified as “unavailable for new designs,” shall be reported to the buyer within seven working days of obtaining this designation.

**3.14 Flow Down GD-OTS Supplier Requirements to Sub-tier Suppliers**

Suppliers shall ensure flow down to, and compliance with, all applicable Purchase Order and Engineering requirements to their sub-tier suppliers, including special process providers.

**4 PROHIBITED PRACTICES**

The Seller shall ensure that all persons within their organization are aware of the importance of ethical behavior, including the Seller’s sub-tier suppliers, by complying with the following requirements:

**4.1 Unauthorized Repairs**

The Seller may not repair parts damaged or found to be non-compliant during fabrication.

**4.2 Change in Approved Systems, Processes, Materials, or Procedures**

The Seller shall not change any process, material, or procedure without prior written consent of the GD-OTS Buyer if such process, material, or procedure was originally subject to approval by GD-OTS. If formally qualified by the Buyer or the Buyer’s customer, the Seller shall not change product design, composition, configuration, materials or fabrication processes, Seller’s subcontractors, facility of manufacture or outside processing sources cannot be changed without prior notification and subsequent written approval by the Buyer. All requests for change shall be submitted in writing. The Seller shall flow down this requirement to subcontractors as applicable.

**4.3 Improper Resubmittal**

Items rejected by GD-OTS and subsequently resubmitted to the Buyer shall be clearly and properly identified as resubmitted. The Seller's shipping documents shall state that the items are replacements or reworked items and shall also reference, by number, the Buyer's rejection document.

**4.4 Unauthorized Subcontracting**

The Seller shall not subcontract work or processing (including that required by drawing or specification), or procure materials to be supplied to the Buyer (other than raw materials or catalog items), or release technical information included with the Request for Quotation or Purchase Order to other subcontractors or sub-tier suppliers without specific written approval of the GD-OTS Buyer. Restrictions upon control and/or selection of special process sources may be required by the Purchase Order.

**4.5 Unauthorized Facility Change**

If formally qualified by the Buyer or the Buyer's customer, the Seller shall not relocate any production, manufacturing, and/or processing facilities during performance of the Purchase Order without prior notification and approval of such relocation to the GD-OTS Buyer, and affording the Buyer an opportunity to examine such facilities for compliance with Quality Assurance requirements.

**4.6 Counterfeit Prevention**

Seller shall not deliver products that contain counterfeit items (such as, but not limited to, software, material and electrical/mechanical parts /assemblies). SAE AS5553 provides guidance for counterfeit prevention. The supplier shall have a counterfeit detection process that complies with the requirements of AS5553 for electronic parts and AS6174 for all other materials. The Seller's counterfeit avoidance and detection systems are subject to Buyer and/or Buyer's customer audit and approval.

**Terms and Conditions**

- SELLER represents and warrants that any and all Goods delivered hereunder are new and not refurbished or used, are being supplied by the Original Manufacturer (OM) (Original Equipment Manufacturer (OEM), Original Component Manufacturer (OCM), Contract Manufacturer) or their expressly authorized dealers (Authorized Aftermarket Manufacturer, Authorized Dealer, Authorized Supplier, as defined in DFARS 252.246-7007 and 252.246-7008), agent or distributor, and that Seller has documented traceability of the Goods or components to the aforementioned sources. SELLER represents and warrants to

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GD-OTS Healdsburg that all parts/components delivered under this contract are traceable back to the OEM/OCM. SELLER must maintain, make available to GD-OTS, at GD-OTS' request, and deliver as applicable to GD-OTS drawings and specifications, OEM/OCM documentation that authenticates clear traceability of the parts/components to the applicable OEM/OCM. Purchase of parts/components from Non-Franchised Sources is not authorized unless first approved in writing by GD-OTS. SELLER must present complete and compelling support for its request and include in its request all actions to ensure the parts/components thus procured are legitimate parts. GD-OTS' approval of SELLER request(s) does not relieve SELLER's responsibility to comply with all Contract requirements, including the representations and warranties in this paragraph.

- Seller must have a counterfeit avoidance program and process (including inspection, testing, and authentication) in conformance with AS5553. Seller shall maintain a documented system (Standard Practice, procedure, or other documented approach) that provides for prior notification and Buyer approval before parts/components are procured from sources other than OMs or the OMs authorized dealers. Seller must provide the following with shipment of the items upon request of Buyer:
  - (1) Certificate of Conformance (C of C), certifying the items are genuine and meet all Purchase Order and original manufacturer requirements.
  - (2) Traceability information to original manufacturer.
  - (3) Results from any additional inspections, tests, and examinations as required by this Purchase Order.
- If it is determined that counterfeit parts or suspect counterfeit parts were delivered to GD-OTS Healdsburg by SELLER, the suspect counterfeit parts will not be returned to the supplier. GD-OTS Healdsburg reserves the right to quarantine any and all suspect counterfeit parts it receives and to notify the Government Industry Data Exchange Program (GIDEP) and other relevant government agencies. SELLER shall promptly reimburse GD-OTS Healdsburg for the full cost of the suspect counterfeit parts and SELLER assumes responsibility and liability for all costs associated with the delivery of suspect counterfeit parts, including, but not limited to, costs for identification, testing, and any corrective action required to remove and replace the suspect counterfeit parts. The remedies in this section shall apply regardless of whether the warranty period or guarantee period has ended, and are in addition to any remedies available at law or in equity. All counterfeit parts received by Seller must be reported to Buyer immediately.

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- If the procurement of materials under this contract is pursuant to, or in support of, a contract, subcontract, or task order for delivery of goods or services to the Government, the making of a materially false, fictitious, or fraudulent statement, representation or claim or the falsification or concealment of a material fact in connection with this contract may be punishable, as a Federal felony, by up to five years' imprisonment and/or substantial monetary fines. In addition, trafficking in counterfeit goods or services, to include military goods or services, constitutes a Federal felony offense, punishable by up to life imprisonment and a fine of fifteen million dollars.
- SELLER shall flow the requirements of this Supplier Quality Requirement to its subcontractors and suppliers at any tier for the performance of this Contract.

#### Definitions

- Authentic – shall mean (A) genuine; (B) purchased from the Original Equipment Manufacturer (“OEM”), Original Component Manufacturer (“OCM”) or through the OEM’s/OCM’s authorized dealers; and (C) manufactured by, or at the behest and to the standards of, the manufacturer that has lawfully applied its name and trademark for that model/version of the material.
- Authorized Dealer – A dealer or distributor that purchases directly from the OEM or OCM and is authorized or franchised by the OEM or OCM to sell or distribute the OEM’s/OCM’s products.
- Counterfeit Part – A part that is an unauthorized copy or substitute that has 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 part of the legally authorized source. This definition includes used parts represented as new parts.
- Original Component Manufacturer (OCM), Original Equipment Manufacturer (OEM) – An organization that designs and/or engineers a part or equipment and is pursuing or has obtained the intellectual property rights to that part or equipment.
- Non-Franchised Source – Any source that is not authorized by the OEM or OCM to sell its product lines. Non-franchised sources may also be referred to as brokers or independent distributors.
- Suspect Counterfeit Part – A part that GD-OTS Healdsburg becomes aware, or has reason to suspect, meets the definition of “counterfeit part”, as defined above.

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For purposes of this document, the terms “counterfeit part” and “suspect counterfeit part” will be used interchangeably. If any individual part from a lot is determined to be counterfeit or suspect counterfeit, the entire lot of parts will be considered to be suspect counterfeit.

#### 5 RESPONSIBILITY FOR CONFORMANCE

Neither surveillance inspection and/or tests performed by the Buyer, or their representative, at either the Seller’s or Buyer’s facility, or the Seller’s compliance with all applicable Quality Assurance Requirements shall relieve the Seller of the responsibility to furnish items that fully conform to the provisions of the Purchase Order in its entirety.

The Seller’s system shall assure the flow down of all applicable quality and technical requirements of the Purchase Order and shall verify the subcontractor’s capability to produce items and methods for assuring compliance to requirements. The Seller’s subcontractors shall be required to flow down and verify requirements of supplies and services to their suppliers.

#### 6 DOCUMENTATION

The Buyer may refuse to accept items delivered under the Purchase Order if the Seller fails to submit the certification documentation, test data, inspection documentation, and reports specified in the Purchase Order. Documentation includes source inspection records when such source inspection is performed. All submitted documentation, including signatures and stamps, must be legible. Electronic signatures and dates on supplier-submitted documentation are acceptable.

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