

**1. CPI-MALIBU (MALIBU), MONITORING: INSPECTION AT DESTINATION (MALIBU):** Articles defined in the schedule of this contract are subject to inspection at destination and will not be accepted if the contractor fails to submit the certification, documentation, test data, and/or reports specified in the contract. (See clauses 3, 6, 6A, 7, 12) Notwithstanding the inspection rights granted to Purchaser under the clause entitled "Quality System/Inspection Requirements", representatives of Purchaser, Purchaser's customer, and regulatory authorities, if required, shall be granted the right of access to all the Seller's facilities, including sub-tier suppliers, at reasonable times for the purposes of reviewing applicable records to the Purchase Order.

**2. QUALITY SYSTEM/ INSPECTION REQUIREMENTS:** The MALIBU supplier shall maintain a Quality Assurance Program meeting the requirements of this document, which is derived from ISO 9001. The system shall assure that all parts and assemblies submitted to MALIBU conform to applicable drawings, specifications, and other Purchase Order requirements. The supplier will be responsible for all inspections and tests required to substantiate product conformity. The supplier shall execute this responsibility not only during his own production operations, but also in any procurement made in fulfillment of a MALIBU Purchase Order. The supplier shall provide objective evidence of product conformity, regardless of the manufacturing source.

The supplier's Quality/Inspection System as a minimum shall comply with following requirements: Materials and Parts Control, Measuring and Testing Equipment Control (Calibration), Product Inspection – Testing (Receiving In-process and Final), Procurement Control, Nonconforming Material Control, Control and Issuance of Inspection Stamps, Handling, Storage, Packaging and Records.

**3. CERTIFICATE OF COMPLIANCE: A statement of conformance to the purchase order must accompany each shipment or partial shipment.** When certificates of compliance ("certs", certificates of conformance, CoC, etc.) are required by MALIBU purchase order, they must display, as a minimum, the following elements:

**Lot Specific** - the certificate must make specific reference to the part number (or process specification number if a process), the MALIBU purchase order number, and the quantity of units so that it cannot be confused with another lot of parts. While it's preferred to have a unique shipper or certificate number, it's not required.

**Statement of Quality** - a statement to the effect that the parts are of the required configuration, have been manufactured or processed to meet the requirements of the referenced order, specification, etc., must be present. This can take many forms using various words, but the essence of the statement must be that the parts do conform to the applicable requirements. Where tests are required to be performed in accordance with the purchase order, simply stating test values or results is insufficient.

**Dated Signature** - the certificate must be signed (a reproduction, stamp, or printed facsimile of a specific individual's signature is acceptable), and the signature dated. Often the date will appear elsewhere on the page, which is acceptable. Certifications that do not display a signature with a date are unacceptable. The certificate should be signed and dated by an official of the company. The official's name must be typed or printed next to the signature.

The following statement of conformance may be used as a guide: "We certify that all materials/parts, and or assemblies shipped herewith conform in specifications and associated documents, as referenced on the MALIBU order. We further certify that the chemical, physical, electrical acceptance inspections and test covering the material/parts and processes used to manufacture the final product will be available to **MALIBU**, upon request."

**FIRM NAME:** \_\_\_\_\_ **P.O. NUMBER:** \_\_\_\_\_  
**SIGNATURE:** \_\_\_\_\_ **TYPED/PRINTED:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**4. MALIBU, SOURCE INSPECTION:** If MALIBU inspection is required at the source of manufacture ("Source Inspection", as noted on the MALIBU purchase order) the following activities must take place:

Upon completion of the parts, the supplier must contact the MALIBU Source Inspection Coordinator to schedule Source Inspection by FAX at: **(805) 383-9289**. The supplier must allow 48 hours for such coordination. The supplier's own inspection of the completed articles must be complete, including all certifications and other paperwork. The supplier must make available any required drawings, specifications, or other related documents. The supplier must make available any tools, gages or other inspection instruments necessary to establish conformance of the articles. This includes personnel with the requisite skills to operate such devices. The supplier shall provide reasonable assistance and facilities to the MALIBU and/or Government/FAA representatives engaged in the activities related to MALIBU procurement.

Any deviations from the design data must be approved by a completed **Supplier's Discrepancy Action Request" (SDAR). This form may be obtained through Quality Assurance or Purchasing.**

**5. CERTIFICATE OF CALIBRATION:** Certificate of calibration prepared in accordance with MIL-STD-45662A (or equivalent industry standard, e.g., ANSI Z 540-1) Calibration System Requirements" must accompany shipment.

**6. FIRST ARTICLE INSPECTION:** MALIBU has adopted the **AS 9102, Aerospace First Article Requirement**, as the standard for first article inspection of purchased product. Adoption of this standard improves the process for and consolidates multiple MALIBU first article inspection requirements. A first article Inspection (FAI) shall be performed on new product of the first production run in accordance with SAE AS 9102. All FAI shall be recorded on the forms in the appendix of SAE AS 9102. They can also be obtained from the Internet through most search engines. The First Article Inspection report must accompany the product.

**6A. FINAL INSPECTION** of shippable product shall include the following with each shipment:

- a. a copy of the final acceptance inspection report showing all dimensions and drawing notes verified.
- b. all material certifications, NDT reports, process certifications and functional test reports when applicable.
- c. copies of SPC charts or 100% inspection documentation of all "Key Characteristics" as indicated on the MALIBU drawing.

**NOTE:** All "Critical Dimensions" (dimensions with a tolerance of .001" or less) shall be 100% inspected and documented on your inspection report.

**7. MATERIALS CERTIFICATIONS:** One (1) copy of the **CHEMICAL AND/OR PHYSICAL TEST REPORTS** (as required by specification for each lot/batch/heat) must be attached to the packing slip and must accompany each delivered shipment. The report must be identifiable to the product being delivered and must show that the material/parts delivered are acceptable.

**8. PROCESS CERTIFICATIONS:** Process certifications must accompany parts with each shipment made against this purchase order. Each certification must list the process specification shown on the Drawing and/or the Purchase Order.

**8. A Lockheed Martin Processes:** All processing must be performed by a Lockheed Martin approved processor. CPI Malibu suppliers must contact our QA group (805-383-1829 ext 351 or 140) prior to using the LM processors to assure that processor is currently valid. This includes heat-treating, plating, painting, NDT etc. Lockheed Martin Processor are found at [http://supplier.external.lmco.com/supplier/specproc\\_certs/specproc\\_cert\\_index.html](http://supplier.external.lmco.com/supplier/specproc_certs/specproc_cert_index.html)

**9. REPAIR REPORT:** A Repair Report is required for each item. Supplier will supply an itemized listing of all reworked or replaced items by part number, name, and quantity. The report shall be signed by an authorized member of the firm's management.

**10. FAILURE ANALYSIS REQUIRED:** Analysis should be very specific and address the primary cause of the failure. Supplier must indicate the corrective action taken to preclude failures of this nature. This requirement will apply to any product returned on this purchase order.

**11. RECORD RETENTION:** All records of test and inspection results, and administrative quality documentation required by contract or subordinate specifications (quality records) shall be retained by the supplier for a period of not less than **10 years** after the creation of the record unless a longer period is specified on the MALIBU purchase order. If the supplier subcontracts the record creation (for example: the supplier sending a part out for radiography), the supplier shall impose this same record retention period on their subcontractor.

**12. TEST REPORTS:** Actual inspection/test reports must be attached to the packing slip for each shipment. These reports must reference the purchase order number, supplier's name and address, part number, part name and, where applicable, serial numbers, and date and run time of units, including actual results. These reports must be validated by an authorized QA representative. If equipment of sufficient capacity to inspect/test the articles is not available on-site, the items must be inspected/tested in a laboratory approved by MALIBU. In addition the supplier must reference the P.O. and part number on their certification.

**13. SHELF (CURE DATE) LIFE ITEMS/ELASTOMERIC IDENTIFICATION:**

Unit packs shall be marked by stenciling, printing, stamping or by the use of labels or tags with the following information as a minimum: manufacture user's name, manufacturer's part number, MALIBU part number, revision level of the MALIBU part number that the parts were manufactured to, nomenclature of the MALIBU part number, quantity in each package, lot traceability number or serial number, cure date, expiration date and manufacture date (If different from the Cure Date). All items must have a minimum of **80%** shelf life remaining.

**14. MATERIAL SAFETY DATA SHEETS:** Where Material Safety Data Sheets (MSDS) exists, the supplier shall provide a copy with each shipment. See also 13.

**15. ELECTROSTATIC SENSITIVE DEVICE (ESD):** To establish the requirements for safe handling of **electrostatic discharge sensitive (ESDS)** devices, circuit, assemblies and units containing ESDS devices, for protection from static-electricity induced damage, based on the requirements of MIL-STD-1686. Assemblies and equipment susceptible to damage by static electricity must be manufactured and controlled, with an Electrostatic Discharge Control Program (ESD), in accordance with MIL-STD-1686. Electronic parts susceptible to damage from electrostatic discharge and or electromagnetic forces must be handled and packaged using MIL-STD-1686 or ANSI/ESD 20.20 as a guide.

**16. DFARS 252.225-7014, PREFERENCE FOR DOMESTIC SPECIALTY METALS.** Requires the delivery of items containing specialty metals, requires that any specialty metals incorporated in deliverables be melted in the United States, in a qualifying country or incorporated in an article manufactured in a qualifying country. Required Certification shall state the origin of the specialty metals. Fasteners: Fasteners are all screws, nuts, bolts, washers, rivets, studs and fastening devices **and are exempt from the Domestic Specialty Metals clause.** This includes parts in Federal Stock Classes (FSC) 5305, 5306, 5307, 5310, 5320 and 5325, or North American Industry Classification System (NAICS) 2002 code 332722, but excludes cotter pins, dowel pins, hose clamps, spring pins and turnbuckles.

**17. UK RED/BLACK PROGRAM CERTIFICATION** Statement of conformance cert must list part numbers and make reference to the RED/BLACK Program.

**18. F.O.D. FOREIGN OBJECT DAMAGE PREVENTION: To establish the requirements for the prevention of contamination or foreign objects from becoming entrapped in the supplier's product during manufacturing, assembly, testing or handling.**

This requirement applies to all manufacturing personnel and work areas pertaining to FOD prevention. It applies to all design and manufacturing processes, performance measurements, training, material handling and parts protection, housekeeping, tool accountability, hardware accountability, lost items and physical entry into FOD critical areas. **F.O.D.:** Foreign object debris/damage (FOD) is that damage which downgrades or renders the aircraft system or equipment unusable or unsafe for operation. The equipment, by definition, includes the MALIBU product as well as the customer's product.

**19. CALIBRATION OF MEASURING AND TEST EQUIPMENT:** The supplier must maintain a calibration program, meeting the requirements of MIL-STD-45662 (or equivalent industry standard, e.g., ANSI Z 540-1 or ISO 10012-1). The system must ensure the timely recall and calibration of all company and employee-owned measurement and test equipment used for product acceptance. Suitable records must be maintained and be available for review.

**20. CHANGES:** During the performance on the contract, the supplier is required to give Malibu written notice when making any changes to the manufacturing, assembly, testing or handling, that could affect form, fit or function.

**21. NONCONFORMING MATERIAL:** The supplier must maintain a documented system to ensure nonconforming products are immediately identified as nonconforming and segregated as size permits, from conforming products and withheld in a designated and controlled area for review and disposition.

The supplier is delegated Material Review authority for all article characteristics contained in supplier drawings, which are not specified requirements of the MALIBU procurement drawings or purchase agreement, and do not have a direct affect on fit, form, function, and interface dimensions.

Any departures from drawings, specifications, or other procurement requirements shall be submitted to MALIBU purchasing for review and consideration. Any deviations from the design data **must be** approved by a completed **Supplier's Discrepancy Action Request" (SDAR)**. This form may be obtained through Quality Assurance or Purchasing.

**22. PACKAGING/PACKING: Newsprint shall not be** used for wrapping of parts or as dunnage due to its acidic nature. **Staples shall not** be used at any time due to the possibility of foreign object damage (**FOD**). The supplier shall ensure that all items are adequately packed and packaged to prevent damage or contamination during the normal course of shipment and to assure acceptance by common carrier. Best commercial practice may be used unless otherwise specified in the purchase order.

**23. FUNCTIONAL MERCURY:** Each shipment is to be accompanied by one legible and reproducible certification stating that the delivered item does not contain any **functional** mercury (i.e. mercury that is required for the proper operation of the item), and is free from **mercury contamination** (i.e. during processing the item has not come in direct contact with mercury or any of its compounds).

**24. COUNTERFEIT PARTS PREVENTION:** The Seller shall ensure that only new materials are used in products required to be delivered to Malibu. To further mitigate the possibility of the inadvertent use of counterfeit parts, the Seller must only purchase components and parts procured directly from the Original Equipment Manufacturers (OEMs), through the OEM's authorized distribution chain, or if through an Independent Distributor, Seller must make available to Buyer (if Malibu so requests) OEM documentation that authenticates traceability of the components to that applicable OEM. If the required items cannot be procured from these sources, use of product without appropriate traceability documentation from independent distributors (brokers) or other sources is not authorized unless first approved in writing by Malibu. The Seller must present complete and compelling support for its request and include in its request all actions to ensure the parts procured are legitimate parts.

**25. SUPPLIER CORRECTIVE ACTION REQUEST (SCARS)**

All CPI Malibu requests for Supplier Correction Action shall be responded to. These notices reflect Quality/Inspection concerns, and responses must properly address containment actions, root cause, corrective actions, verification, and actions to prevent recurrence that are instituted at the supplier's facility. The response must be returned within 30 days. Failure to respond to these requests may jeopardize continuation of business.