

Midway Machining Co., LLC

Procurement Quality Clauses

REVISION: 06

QC 1 Midway's supplier shall implement and maintain a Quality System, which conforms, as a minimum, to the requirements of AS9100, or to the extent imposed by the provisions of applicable drawings, specifications, and purchase orders. Midway Machining Co., Inc. (herein known as Midway) and its customers reserve the right to audit the supplier for compliance to this requirement. During the performance of such audits, the supplier shall provide reasonable facilities and resources to effectively conduct the audit.

QC 2 Midway's supplier shall implement and maintain a Quality System, which conforms, as a minimum, to the requirements of SQRM 001 (Bell Helicopter QMS), or to the extent imposed by the provisions of applicable drawings, specifications, and purchase orders. Midway and its customers reserve the right to audit the supplier for compliance to this requirement. During the performance of such audits, the supplier shall provide reasonable facilities and resources to effectively conduct the audit.

QC 3 Midway's supplier shall implement and maintain a Quality System, which conforms, as a minimum to the requirements of ISO9001, or to the extent imposed by the provisions of applicable drawings, specifications, and purchase orders. Midway and its customers reserve the right to audit the supplier for compliance to this requirement. During the performance of such audits, the supplier shall provide reasonable facilities and resources to effectively conduct the audit.

QC 4 Midway, its customer, and any regulatory authorities will be allowed the right of entry to all of your facilities during normal business hours to review performance of this order, including product, manufacturing processes, delivery schedules, quality, and associated documentation during the performance of this order.

QC 5 Your Quality System and manufacturing processes are subject to review, verification, and analysis by authorized government representatives during performance of this order. Government inspection or release of product prior to shipment is not required unless you are otherwise notified.

QC 6 The supplier shall maintain documented information (records) for a minimum of ten (10) years for the item identified in this order. The records shall be made available to Midway or its customer upon request. Disposition of the documented information is to be per your system requirements.

QC 7 The supplier shall submit a certificate of conformance in accordance with applicable specification for each lot/batch number and reference Midway's purchase order number for traceability with each shipment. The certification shall be signed by a member of the supplier's quality department or designee and entered on the shipping document or included as a separate document. Product defined in this purchase order is

subject to inspection at Midway and will not be accepted if the supplier fails to ship Certificates of conformance. Midway reserves the right to return non-conforming articles to the supplier at supplier's expense.

QC 8 The supplier shall send one copy of test reports indicating chemical composition and/or actual physical properties, lot/batch number, list the parameters tested, the results obtained, and shall be validated by a member of the supplier's quality department or designee with each shipment.

QC 9 In addition to test reports indicating the chemical composition and actual mechanical properties for each lot number submitted, the applicable inspection/test data listed below will be submitted for each lot of castings/forgings as required by the governing specification or contract. Certification for magnetic particle inspection, fluorescent penetrant inspection, ultrasonic inspection, pressure test, and grain flow will be submitted with order. Radiographic inspection results including film for each casting will be supplied.

QC 10 Calibration shall be performed in accordance with ISO 10012-1, ANSI/NCSL Z540-1, or others as applicable. All certifications performed shall be traceable to National Institute Standards Technology. "Certificate of Calibration" traceable to each item furnished by Midway for calibration is required with your return shipment to Midway.

QC 11 Sampling inspection is allowed per MIL-STD-105 C=0. Sampling plans shall be submitted to Midway for its customer to approve prior to implementation.

QC 12 The supplier shall submit an inspection report listing the drawing, revision, and inspection results for 100% of characteristics identified on the engineering drawing for the entire lot of parts being shipped. The inspection report shall list the actual ranges of measured characteristics for that lot of parts only.

QC 13 A first article inspection report is required to be furnished under this order. The report shall meet AS9102 requirements. The first article part shall be identified and returned with the first shipment to Midway for verification.

QC 14 The first article shall be witnessed/verified at the supplier's facility by a member of Midway's quality department. The supplier shall notify the applicable Midway purchasing agent five (5) working days prior to the date on which parts will be ready for FAI.

QC 15 Prior to shipment, the material or parts under this order are subject to mandatory source inspection at the supplier's facility by a member of Midway's quality department. The supplier shall notify Midway's purchasing agent five (5) working days prior to the date on which parts will be ready for source inspection. When Midway's Quality representative has accepted the product it is released for shipping.

QC 16 Prior to processing, the material or parts under this order are subject to before process mandatory source inspection at the supplier's facility by a member of Midway's quality department. The supplier shall notify Midway's purchasing agent five (5) working days prior to the date on which parts will be ready for source inspection. When Midway's Quality representative has accepted the product it is released for processing.

QC 17 Prior to shipment, the material or parts under this order are subject to mandatory source inspections at the supplier's facility by Midway's customer or customer representative. The supplier shall notify Midway's purchasing agent five (5) working days prior to the date on which parts will be ready for source inspection. When the customer or customer's representative has accepted the product it is released for shipping.

QC 18 Prior to shipment, the material or parts under this order are subject to mandatory source inspection at the supplier's facility by a government source inspector. The supplier shall promptly notify the government source inspector that normally services your facility five (5) working days prior to the date on which parts will be ready for source inspection.

QC 19 Special process requirements of the drawing (NDE, NDI, Welding, Heat Treat, x-ray, precision cleaning, applied finishes, etc.) and/or customer requirements are to be performed by Midway's customer specification approved sources only. This includes any sub-tier processors used by you, to perform the requirements of this purchase order. The supplier shall list on the packing list or certificate of conformance accompanying each shipment the name(s) and address(es) of the sub-tier processor(s) who performed the process(es) and a copy of the sub-tier packing sheet and/or certificate of conformance for the process(es) performed.

QC 20 Supplier must perform mandatory first piece inspection for each line item on this purchase order prior to producing the remaining balance of the line item.

QC 21 Coordinate Measuring Machine (CMM) reports shall be prepared and submitted with each part. CMM reports shall include part number, date, serial number, drawing revision, and data set revision and inspection verification as a minimum, if required.

QC 22 Orders having a government priority rating shall be identified and scheduled in accordance with the defense priorities and allocation system (DPAS).

QC 23 Items on this purchase order are either Primary, Critical, or Flight Safety parts and require the supplier to control them through the governing specification on this purchase order.

QC 24 The use of Statistical Process Control is required on this purchase order for key characteristics/process parameters identified by the drawing or specification. The supplier is responsible for implementing a control plan, appropriate process control charts, and submitting this data to Midway upon shipment.

QC 25 All Time and Temperature Materials that have a manufacturer or specification shelf life of less than 75% remaining when delivered to Midway's receiving dock will not be accepted. If a manufacturer/distributor cannot provide material in compliance with this policy, two requirements are mandatory, (1) a pricing concession will be made to Midway for the expired shelf life of the materials offered, and (2) the manufacturer/distributor must have written approval by Midway's purchasing and Quality departments prior to shipping these aged materials.

QC 26 The supplier shall notify Midway's quality department of all non-conforming product and make arrangements for Midway's approval of the nonconforming product.

QC 27 Item(s) on this purchase order require the supplier to notify Midway's quality department of changes to processes, products, or services including changes of their external providers or location of manufacture and obtain Midway's approval of such changes. Midway flows down the applicable requirements including customer requirements through Midway's purchase order to external providers. You are required to flow down this information to your sub-tier suppliers.

QC 28 The supplier is responsible for ensuring that all specifications listed on the purchase order are accomplished and certified to the latest and greatest revision available.

QC 29 PREFERENCE FOR DOMESTIC SPECIALTY METALS

(A) Definitions. As used in this clause-

(1) "Qualifying country," means any country listed in subsection 225.872-1 of the Defense Federal Acquisition Regulation Supplement.

(2) "Specialty metals" means-

(i) Steel-

(A) With maximum alloy content exceeding one or more of the following limits: manganese, 1.65%; silicon, 0.60%; or copper, 0.60%; or

(B) Containing more than 0.25% of any of the following elements: aluminum, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, or vanadium;

(ii) Metal alloys consisting of nickel, iron-nickel, and cobalt base alloys containing a total of other alloying metals (except iron) in excess of 10%;

(iii) Titanium and titanium alloys; or

(iv) Zirconium and zirconium base alloys.

(B) Any specialty metals incorporated in articles delivered under this contract shall be melted in the United States or its outlying areas.

(C) This clause does not apply to specialty metals melted in a qualifying country or incorporated in an article manufactured in a qualifying country.

(D) If any article delivered under this order is comprised of or incorporates specialty metals, the contract clause in Federal Acquisition Regulation 52.247-64 (Preference for Privately Owned U.S.-Flag Commercial Vessels) applies and is incorporated herein by reference.

- (E) A Domestic Non-Availability Determination (DNAD) may apply to Articles furnished under this order. Seller must provide sufficient information to establish DNAD applicability. In the event that the Buyer or US Government determines that a DNAD does not apply, Seller must furnish compliant Articles.
- (F) The Contractor shall insert the substance of this clause, including this paragraph (F), in all subcontracts for items containing specialty metals.

QC 30 The supplier is responsible for ensuring it has a process in place for the approval of competence and any required qualifications of personnel.

QC 31 The supplier is responsible for ensuring personnel are aware of their contribution to product conformity, product safety and the importance of ethical behavior.

QC 32 The supplier is responsible for having a counterfeit program in place to prohibit the use of or sale of counterfeit parts