

PROCUREMENT CLAUSES

Purpose

This document establishes the Procurement clauses (P-Codes) that are applicable to the extent specified in the procurement document.

Definitions

Buyer – Jacobs Space Exploration Group (JSEG)

Seller – The legal entity that is the contracting party with Buyer and respect to the procurement document.

Procurement document – The purchase order or subcontract between the Buyer and Seller.

Item - The product or service contracted for by the procurement document.

Procurement Requirements –The following Procurement Clauses are a requirement of the procurement document when expressly specified by Clause Number.

P01 SPECIAL PROCESS CERTIFICATION

Certain special processes are required to comply with this order. Special processes shall be performed only by sources that have been surveyed and qualified or approved by the Seller and/or buyer to perform the processes. The Seller shall provide to the buyer upon request all documentation showing evidence of special processor qualification and/or certification to perform special manufacturing, assembling, and test processing as required by the order. The Seller may elect to use only buyer-approved sources.

A special process certification shall be provided with each shipment of items delivered on this order. Special process certifications may be in Seller format and shall include the following:

- a. Buyer's order number
- b. Part number
- c. Serial and/or lot numbers of the hardware processed, if applicable
- d. Material process specification and revision
- e. Objective evidence demonstrating compliance with the applicable process; e.g., temperature charts and hardness test results for heat treatment, destructive test results, shop travelers,
- f. A certification stating that the special process was performed per the applicable drawing or specification requirements
- g. Seller's name and address

When the special processor is other than the Seller, provide a certification of compliance from the special processor stating that the special process was performed per applicable drawing or specification requirements. Certifications must include the processor's name and address and must be signed and dated by a company official.

Each certification must be signed and dated by a company official of the Seller and/or processor attesting to the acceptance of the processes performed to the required specification.

The Seller shall retain all records associated with the selection and approval of Seller-approved special process providers for a minimum of seven (7) years. Per order and/or Government agency requirements, these records shall be made available to the buyer and/or Government agency upon request. The Seller shall notify the buyer prior to destruction of records relative to this order.

The buyer shall insert the substance of this clause, including this sentence, in all lower tier subcontracts for work performed under this order.

P02 CHANGE CONTROL AUTHORITY

The Seller shall provide in writing advance notification to the buyer of any change to tooling, facilities, materials, or processes at the Seller's facility or the Seller's sub-tier that could affect the buyer's contracted product. This includes, but is not limited to, fabrication, assembly, handling, testing, facility location, or introduction of new sub-tier Seller.

P03 CRITICAL PROCESSES

The following shall apply to customer-designated critical processes performed by the Seller:

"The Seller shall notify the buyer of proposed changes in process definition and shall obtain approval from the buyer prior to implementing the change. Changes affecting processes, production equipment, tools, and programs shall be documented. Procedures shall be available to control their implementation. Records of the applicable process must be retained for a minimum of seven (7) years."

The following shall apply to Seller-designated critical processes that have been subcontracted:

"The sub-tier supplier shall notify the Seller of proposed changes in process definition and will obtain approval from the buyer prior to implementing the change. Changes affecting processes, production equipment, tools, and programs shall be documented. Procedures shall be available to control their implementation. Records of the applicable process must be retained for a minimum of seven (7) years."

P04 CONTROL OF QUALITY

The Seller shall provide and maintain a system that complies with AS 9100. Compliance with the provisions of this clause in no way relieves the Seller of the final responsibility to furnish acceptable products or services. This system shall be subject to audit by Buyer representatives.

P05 AS 9100/ISO 9001:2008 QUALITY SYSTEM REQUIREMENTS

Seller in performance of this order shall maintain a Quality System conforming to AS 9100/ISO 9001:2008 Quality System Requirement, latest revision. If the Seller is not currently certified to the AS 9100/ISO9001:2008 standard, Buyer may perform an audit to determine if any deficiencies exist. Any deficiencies identified by Buyer during the audit must be corrected by the Seller within an agreed upon time frame.

P06 QUALITY SYSTEM

When specifying compliance to AS9100 "The organization shall have a quality program that complies with International Organization for Standardization document SAE, AS9100 – Model for Quality Assurance in Design/Development, Production, Installation, and Servicing." Third party certification or registration is not required. "If the Buyer has accepted the Seller's AS9100 registration and the Seller subsequently changes registrars, loses their registration status, or is put on notice of losing their registration status, they shall notify the Buyer within three days of receiving such notice from their registrar."

When specifying compliance to ISO9001 "The Seller shall have a quality program that complies with International Organization for Standardization document ISO9001 – Model for Quality Assurance in Design/Development, Production, Installation, and Servicing." Third party certification or registration is not required. When awarding an order to an ISO9001 or AS9100 registered organization, "If the Buyer has accepted the Seller's

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third party quality registration and the Seller subsequently changes registrars, loses their registration status, or is put on notice of losing their registration status, they shall notify the Buyer within three days of receiving such notice from their registrar."

P07 NON-CONFORMING PRODUCT

During Seller performance, any deviations noted from established drawings or specifications by the Seller or sub-tier supplier must be reported to Buyer, immediately. No deviation will be considered approved without written confirmation from Buyer. Under no circumstances are repairs or changes to be undertaken without prior approval.

P08 FLOW DOWN REQUIREMENTS

This clause mandates that all applicable requirements that are invoked or applied to the buyer's order, including this clause, shall be flowed down to the Seller's sub-tier suppliers.

P09 CALIBRATION SYSTEM

The Seller shall have a documented calibration system that meets the requirements of ISO 10012, Quality assurance requirements for measuring equipment, or the American National Standard Institute (ANSI)/National Conference of Standards Laboratories Z540-1, General Requirements for Calibration Laboratories and Measuring and Test Equipment.

P10 GOVERNMENT, CUSTOMER OR REGULATORY AGENCY INSPECTION

Government Customer, or Regulatory Agency reserves the right to inspect or audit any or all of the work included in this Purchase Agreement at Seller's plant prior to shipment.

Verification by the customer shall not absolve the Seller of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by customer. Seller shall be notified prior to shipment if Government, Customer or Regulatory Agency inspection is required.

P11 CERTIFICATE OF COMPLIANCE

Seller shall provide a certification with each shipment to attest that the parts, assemblies, subassemblies, or detail parts conform to order requirements. The Seller must list original manufacturer and manufacture Date Code / Lot number associated with the materials being ordered. When applicable, the original manufacturer's lot, heat, batch, date code, and/or serial number must appear on the certification.

Certification must contain the following:

- a. Buyer's order number
- b. Line number
- c. Part number
- d. Specification
- e. Name and address of manufacturing or processing location
- f. Manufacturer's lot, heat, batch, date code, and/or serial number (Original manufacturer if Seller is a distributor)
- g. Quantity and unit of measurement; e.g., each, box, case, gallon
- h. Company official signature and date

The Seller shall perform inspection, as necessary, to determine acceptability of all articles under this order. All articles submitted by the Seller under this order are subject to final inspection at the buyer's facility.

P12 CERTIFICATE OF COMPLIANCE – RAW MATERIALS

The Seller shall include with each shipment the raw material manufacturer's test report (e.g., mill test report) that states that the lot of material furnished has been tested, inspected, and found to be in compliance with the applicable material specifications. The test report shall list the specifications, including revision numbers or letters, to which the material has been tested and/or inspected and the identification of the material lot to which it applies.

When the material specification requires quantitative limits for chemical, mechanical, or physical properties, the test report shall contain the actual test and/or inspection values obtained. For aluminum mill products (except castings), certifications for chemistry may indicate compliance within the allowed range. Certifications for physical properties shall show actual values.

When the Seller supplies converted material produced by a raw material manufacturer, the Seller shall submit all pre-conversion and post conversion chemical or physical test reports.

P13 ANALYTICAL DATA OF MATERIAL COMPOSITION

The Seller and manufacturer shall furnish a chemical or physical analysis test report with each delivery submitted on the procurement document. Testing may be performed by the manufacturer or an approved testing laboratory. At a minimum, the report shall contain chemical composition and/or actual physical properties identifiable to each lot, batch, or heat treat lot.

P14 CERTIFICATE OF COMPLIANCE CALIBRATION

The Seller shall submit for each item calibrated one reproducible record of actual calibration results, including applicable graphic and tabular data. Records shall be traceable to the individual item tested by part number, serial number, and buyer's order number for the item shipped. The Seller's calibration certificate shall include a unique calibration tracking number; tolerance range; and when applicable, environmental conditions for each parameter calibrated. The certificate shall also state the operating error per specification; degree of correction of out-of-tolerance condition; and remaining uncorrected out-of-tolerance, if applicable.

P15 CORRECTIVE ACTION

Acceptance of this procurement document obligates the Seller to perform, upon request, a corrective action investigation when discrepant material is received by Buyer. A written report shall be furnished, within thirty (30) days of request for corrective action, which is specific and conclusive to prevent a recurrence of the discrepancy. Records of the corrective/preventive action must be retained for a minimum of seven (7) years."

P16 INSPECTION REQUIREMENTS

QUALITY PROGRAM - Unless otherwise specified on the procurement document, this order shall be processed in accordance with the inspection system requirements of ISO90001:2008 or AS9100.

MATERIAL REQUIREMENTS - When material and/or process certifications are required by the procurement document, it is the responsibility of the Seller to control the authenticity of third party certifications.

INSPECTION EQUIPMENT - Unless otherwise advised by the Seller, it is understood that the Seller has all the necessary inspection and test equipment with which to control the quality of items being fabricated.

INSPECTION REQUIREMENTS - As a minimum, inspection is to be performed as follows: 1) All parts are to be examined 100% for all visual characteristics such as damage, cleanliness, and workmanship; 2) On each shipment lot, all drawing requirements specified on the procurement doc-

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ument or the print shall be inspected for conformance to requirements using single sampling per ANSI/ASQC Z1.4-2008, Level II, and 1.0 AQL. ACC 0, REJ1 or Z1.9, with 1.0 AQL, ACC 0, REJ 1. Records of the applicable inspections must be retained for a minimum of seven (7) years."

NON-CONFORMING PARTS OR ITEMS - Seller does not have authority to ship non-conforming parts or items fabricated for Buyer unless authorized in writing by Buyer. Seller request for approval of non-conforming items shall be submitted, in writing, to Buyer representative. All pertinent information and associated corrective action are required for Material Review Activity by Buyer. Non-conforming materials are to be packaged separately and identified to the approved authorization. Records of the applicable product must be retained for a minimum of seven (7) years."

HANDLING AND PACKAGING - Plated, anodized, or alodine parts; parts with smooth surface finishes; parts with external exposed threads; and parts requiring sharp external edges shall be packaged to prevent abrasion, chipping, damage or contamination.

P17 GOVERNMENT SOURCE INSPECTION

All work on this procurement document is subject to inspection and test by the Government at any time and any place. Government inspection is required on this order prior to shipment from the Seller's facility. Government inspections performed will be determined by the delegated Government inspection representative and may be conducted during processing, fabrication, or final inspection. Upon receipt of this procurement document, the Seller shall promptly notify the Government representative who normally services Seller's plant so that appropriate Government inspection planning can be accomplished. If the Seller's facility is not serviced by Government inspection and/or the area Government inspection representative or agency cannot be located, the Seller shall notify the buyer within forty-eight (48) hrs.

Note: The Seller shall not proceed with fabrication or manufacture processing until Government Mandatory Inspection Points (GMIPs) are added to the Seller's manufacturing planning. GMIPs shall not be bypassed unless authorized in writing by the Government inspection representative. The Seller shall request and include the documents specified in the Government delegation in the shipment.

The Government's request for source inspection shall specify the period and method for the advance notification and the Government representative to whom advanced notification shall be furnished. The request shall require 48 hours of advance notification of the Government representative in residence.

The Seller, without additional charge, shall provide all reasonably required facilities and assistance (applicable drawings, specifications, change orders, inspection and/or test equipment) for the Government representative to perform duties.

The Seller shall ensure that Government inspection acceptance is evident for every individual GMIP and that completion of Government inspection is evident on the Seller's shipping document or packing list. Evidence may be the signature of the Government inspection representative with printed name and office or application of the representative's stamp.

The Government shall accept or reject supplies as promptly as practical after delivery unless otherwise provided in the order. Government failure to inspect and accept or reject the supplies shall not relieve the Seller from responsibility or impose liability on the Government for nonconforming supplies.

When manufacturing processing affected by GMIPs is subcontracted by the Seller, the provisions of this clause shall be included verbatim in the Seller's procurement document.

P18 JSEG SOURCE INSPECTION

Buyer source inspection is required on this procurement document. The Seller shall notify the Buyer at least three (3) working days in advance of units being ready for Buyer inspection. Product shall not be shipped prior to completion of satisfactory source inspection.

P19 HAZARDOUS MATERIALS – SDS AND MARKINGS

1) The latest copy of the SDS, IAW Occupational Health and Safety Association (OSHA) CFR.1910.1200, Hazard Communication Standard, must accompany the material received at Marshall Space Flight Center (MSFC). An SDS must accompany all offers made for any product if other than the item identified. PO awards for an offer of other than the original product identified on the material request must be coordinated with Safety, Health, and Environmental Officer. Any material received without a SDS may be rejected and returned at Buyer's expense.

2) Chemical material shall contain a label in accordance with OSHA Code of Federal Regulations (CFR).1910.1200, Hazard Communication Standard. The label shall include the following items of information.

- Identity of the hazardous chemical(s)
- Appropriate hazard warnings
- Name and address of the chemical manufacture

Any chemical material received at MSFC not in compliance with OSHA CFR 1910.1200 and Code of Federal Regulation Title 49, Transportation, Parts 100-199, will be rejected.

P20 SPACE FLIGHT HARDWARE IDENTIFICATION

The Seller shall visibly mark all shipping containers used for space flight hardware with "SPACE FLIGHT HARDWARE" on the exterior of the container.

P21 TRACEABILITY TO ORIGINAL MANUFACTURER

If the Seller is a distributor of space flight hardware, the Seller shall provide objective evidence of the true manufacturer of the procured space flight hardware items as well as the Commercial and Government Entity (CAGE) code of the manufacturer if the manufacturer has a CAGE code.