

H & B Tool & Engineering Co., Inc.	Page No: 1 of 3	PROCEDURE W742-01
	Effective Date: 05/13/19	Revision Level F
Title: PURCHASING-QUALITY CLAUSES		

1.0 PURPOSE

This document provides a set of minimum quality assurance (QA) requirements (clauses) for use in specifying the level of quality control H & B Tool & Engineering Co., Inc. will exercise over suppliers on procurements.

2.0 DEFINITIONS

A) Buyer = H & B Tool & Engineering Co., Inc.

B) Supplier/Seller = The party to the purchase agreement supplying materials, parts, assemblies, subassemblies, systems, subsystems or services in accordance with the provisions of the purchase order.

C) Purchase Order = the document(s) that detail the entire purchase agreement. These may include, but is not limited to, procurement documents such as contract work orders, purchase agreements and referenced documents such as drawings, engineering sketches, specifications, and statements of work.

3.0 GENERAL

The Supplier/Seller is responsible for managing their organization, as well as their entire supply chain, to ensure compliance to all H & B Tool & Engineering Co., Inc. requirements as contained in, but is not limited to, the purchase order, flowed down prime source requirements, drawings, engineering sketches, electronic files, specifications, statements of work, and this document. In case of conflict with this document and any other requirements, the order of precedence shall be:

A) H & B Tool & Engineering Co., Inc. Purchase Order

B) Flowed down prime source requirements, drawings, engineering sketches, electronic files, specifications, statements of work.

C) This Document

4.0 APPLICABILITY

The requirements contained in this document shall apply to all H & B Tool & Engineering Co., Inc. suppliers.

Excluded are suppliers of stationary supplies, machine/machine tooling suppliers, and prime source directed hardware suppliers.

4.1 The Following are the minimum quality assurance (QA) requirements (clauses) applicable to all Purchase orders.

A) SUPPLIER QUALIFICATION

All suppliers of H & B Tool & Engineering Co., Inc. shall be qualified in accordance with H & B Tool & Engineering Co., Inc. qualification process. Suppliers qualified and approved by the prime source are automatically qualified and approved to H & B Tool & Engineering Co., Inc. qualification process. Suppliers qualified and approved by H & B Tool & Engineering Co., Inc. shall be invoked per W741-01 approved supplier list. New and approved suppliers shall allow H & B Tool & Engineering Co., Inc. personnel access to perform an on-site survey for qualification / requalification with the understanding that the supplier reserves sensitive and proprietary information. Supplier qualification does not waive supplier of the need to insure acceptable product and all product received by H & B Tool & Engineering Co., Inc. shall be reviewed, which may include but is not limited to any of the following, visual for handling damage, 100% dimensional checks, check of certification and PO requirements. A failure to the prior requirements or lapse in work for an extended period of time is cause for removal of supplier qualification.

B) SUPPLIER REQUIREMENTS QUALIFICATION OF PERSONNEL

The Supplier/Seller is responsible for managing their qualification of personnel and maintaining their own records of training and certification for their employees. The supplier/seller's personnel must be appropriately trained, qualified and or certified to the applicable work called for on the purchase order, flowed down prime source requirements, drawings, engineering sketches, electronic files, specifications, and statements of work. Personnel certification documents shall be supplied to H & B Tool & Engineering Co., Inc. upon request.

B.1) SUPPLIER ASSISTANCE

In the event that requirements are not completely clear, or where special assistance is needed, H & B Tool & Engineering Co., Inc. will provide personnel to consult with the supplier. Including (but not limited to) the clarification and communication for requirements related to the approval of product and services,; methods, processes, and equipment; design and development control; special requirements, critical items, or key characteristics; and the flow down of applicable requirements including customer requirements.

C) SUPPLIER QUALITY MANAGEMENT SYSTEM REQUIREMENTS

The Supplier/Seller shall, in performance of this purchase order, maintain a quality system that insures a quality product that meets requirements as contained in, but is not limited to, the purchase order, flowed down prime source requirements, drawings, engineering sketches, electronic files, specifications, statements of work is delivered to H & B Tool & Engineering Co., Inc.. The Supplier/Seller is responsible for managing the quality of their organization, as well as their entire supply chain, to ensure compliance to all H & B Tool & Engineering Co., Inc. requirements.

C.1) SUPPLIER CHANGE MANAGEMENT

The Supplier/Seller shall notify within (2) business days H & B Tool of any major changes to its production process or key personnel (GM,QA Manager, Etc.). The Supplier/Seller shall have a contract review process when changes to requirements are flowed down to verify changes shall not cause a nonconformance of product or effect delivery schedule.

D) REQUIRED SPECIFICATIONS

The supplier is responsible for obtaining all specifications needed to complete the purchase order. H & B Tool & Engineering Co., Inc. will, upon request, furnish any H & B Tool & Engineering Co., Inc. specifications needed and may assist in obtaining any other specifications required. All materials, parts, assemblies, subassemblies, systems, subsystems or services supplied to a specification must meet the latest published revision of the issuing agency unless otherwise specified in the purchase order. H & B Tool & Engineering Co., Inc. shall provide the latest revision for the referenced documents such as drawings, engineering sketches.

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E] SUPPLIER REQUIREMENTS FOR INSPECTION

The supplier shall inspect all dimensional requirements 100%, the use of statistical techniques for product acceptance is not allowed. All product received by H & B Tool & Engineering Co., Inc. shall be inspected for all dimensional requirements 100%.

F] SUPPLIER REQUIREMENTS FOR TEST SPECIMENS / TEST CERTIFICATIONS

The supplier shall forward copies of certification for all required testing and when required return all test specimens, X-rays and lab mounts to H & B Tool & Engineering Co., Inc. quality assurance. All certifications shall be reviewed by H & B Tool & Engineering Co., Inc. quality assurance to the purchase order, flowed down prime source requirements, drawings, engineering sketches, electronic files, specifications, and statements of work that apply.

- Materials: Supplier/Seller shall provide a copy of required certification / test reports, and MSDS for the material being supplied. For shelf life and age controlled materials the supplier/seller shall ensure that at least 75 % of the materials life is remaining at time of delivery, this requirement can be waived by H & B Tool & Engineering Co., Inc. purchasing manager.
- Calibration: Supplier/Seller providing calibration services shall provide a copy of required certification showing traceability to the National Institute of Standards And Technology (NIST).

G] SUPPLIER REQUIREMENTS FOR NONCONFORMING PRODUCT / PROHIBITED PRACTICES

Any nonconforming materials, parts, assemblies, subassemblies, systems, subsystems or services shall be documented and reported to H & B Tool & Engineering Co., Inc. within 24 hours. No deviation will be considered approved or be allowed to ship to H & B Tool & Engineering Co., Inc. without written confirmation from H & B Tool & Engineering Co., Inc. quality assurance. All nonconforming materials, parts, assemblies, subassemblies, systems, subsystems or services shipped to H & B Tool & Engineering Co., Inc. shall be clearly identified as such. H & B Tool & Engineering Co., Inc. quality assurance must be informed immediately (not to exceed 24 hours or the next business day) of suspect nonconforming product shipped regardless of destination.

PROHIBITED PRACTICES

- Material Substitution: Material substitution by supplier/seller is forbidden for all materials, parts, assemblies, subassemblies, systems, subsystems or services supplied by H & B Tool & Engineering Co., Inc.
- Scrap: The supplier shall return to H & B Tool & Engineering Co., Inc. any furnished materials, parts, assemblies, subassemblies, systems, subsystems or services that supplier has dispositioned as scrap. H & B Tool & Engineering Co., Inc. shall determine whether the proper disposition will be scrap.
- Repair: The supplier shall not repair a product without prior written approval of H & B Tool & Engineering Co., Inc. quality assurance.
- Rework: The supplier shall not perform rework outside of the specific specification limits. Dimensional rework by conventional machining is allowed.
- Use of Special Processes: The use of the following special processes is forbidden unless authorized by the H & B Tool & Engineering Co., Inc. purchase order or flowed down prime source requirements, drawings, engineering sketches, electronic files, specifications, statements of work. Heat treat, welding, brazing, soldering, and all non-conventional machining such as, but not limited to, EDMR, ECMR, LBMR
- Re-Submittal of Rejected Items: The supplier shall clearly identify items that were previously rejected by H & B Tool & Engineering Co., Inc. quality assurance and are being resubmitted to H & B Tool & Engineering Co., Inc.
- Use of Sub Tier Suppliers: The supplier shall not farm out work to a sub tier supplier unless authorized by the H & B Tool & Engineering Co., Inc.
- Notification of Location Change: The supplier shall notify H & B Tool & Engineering Co., Inc. prior to any change in location of manufacturing facility to allow H & B Tool & Engineering Co., Inc. quality assurance time , if required, to perform an on-site survey for qualification / requalification .

H] SUPPLIER REQUIREMENTS FOR RECORD RETENTION / RECORDS REQUIREMENTS

The supplier is responsible for retention of quality records to the latest requirements of H & B Tool & Engineering Co., Inc. supplier record attachment W424-01. All quality records are to be written in English, legible, reproducible and identifiable to the purchase order. All quality records (non electronic) shall be documented in ink or other permanent marking. Corrections to quality records must be recorded, dated and signed in ink or other permanent marking method with the original data being legible and retrievable after the change.

I] SUPPLIER REQUIREMENTS FOR RIGHT OF ACCESS

The supplier shall provide right of entry / access, to H & B Tool & Engineering Co., Inc. and/or its prime source customers, U.S. government, foreign government, quality assurance personnel and regulatory agencies personnel, appropriate for the specific purchase order and customer to any of the supplier's facilities where any work is or was performed. Access shall allow for inspection and surveillance to verify conformance to requirements, determine and verify quality of work, records, materials, validation of procedures to the specific requirements of the purchase order. Inspection and surveillance verification shall not absolve the supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by H & B Tool & Engineering Co., Inc. and/or its prime source customers

J] TERRORISM SANCTIONS

Supplier/Seller shall adhere to the directions provided in executive order (EO) 13224 for terrorist financing. This order authorizes the U.S. government to block the assets of individuals and entities that provide support, services, or assistance to, or otherwise associate with terrorists and terrorist organizations.

K] SUPPLIER AWARENESS

H & B Tool & Engineering Co., Inc. has methods in place for the monitoring of supplier performance, including but not limited to On-Time Delivery (OTD) and product conformity. Supplier performance is evaluated on a regular basis and can be the result of further action(s).

Suppliers are responsible for ensuring that all persons performing work are aware of:

- Their contribution to product and service conformity
- Their contribution to product safety
- The importance of ethical behavior
- Their contribution on Foreign Object Debris, Damage and Detection (FOD)
- The prevention of counterfeit parts

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REV	DATE	DESCRIPTION OF CHANGE	MODIFY BY
F	05/13/19	Replaced Procedure No. W742-01. Added section K "Supplier Awareness". Adjusted format.	T. Jennison