



**PROCUREMENT QUALITY REQUIREMENTS**

**REVISION HISTORY**

<b>REV.</b>	<b>CHANGE DESCRIPTION</b>	<b>DATE</b>	<b>REVISED BY</b>
131002	NEW RELEASE – ALL PQRS WERE COMBINED IN ONE DOCUMENT WHILE KEEPING THE TITLE, NUMBERING, AND CONTENT SAME AS LAST REVISION OF INDIVIDUAL PQR.	10/02/13	J. PATEL & R. WHITE
131018	PQR-002	10/18/13	J. PATEL
140106	ADDED PQR-037; REVISED PQR-002, 023, 024.	01/06/14	MARTIAL. N
140702	ADDED “(EACH PAGE)” TO PQR 29	07/02/14	R. WHITE
150618	REVISED PQR Code 001 TO INCORPORATE § 21.1 AND § 21.4 OF BOEING GTA-65BB-2790 DATED 01/01/2016	06/18/15	MARTIAL. N
150910	EXCLUDED “REQUIREMENTS OF THE LATEST REVISION OF GOODRICH DOCUMENT 300” FROM PQR Code 001W AND INCLUDED “CURRENT REVISIONS OF UNITED TECHNOLOGIES ASQR-01 AND UTAS LS-SBU- A001-SQA”. REVISED PQR Code 002 B TO EXCLUDE “MECHANICAL TESTING IS NEEDED TO BE DONE ON TOP AND BOTTOM OF INGOT.” REPLACED GOODRICH BY UTAS IN PQR Code 021F AND 020G. CHANGED FORMATTING.	09/10/15	MARTIAL. N
151016	REVISED PQR Code 031 and 032 to include revised articles 16 & 42 per Babcock & Wilcox Terms and conditions of purchase BW-3081(07-13)	10/16/15	MARTIAL. N
151116	Added “Fracture Critical Non Traceable” to PQR Code 029	11/16/15	MARTIAL. N
151216	Added PQR Code 021L for Aerojet Rocketdyne	12/16/15	MARTIAL. N
160224	Added PQR Code 029 Q “Fracture Critical Material Traceable”	02/24/16	MARTIAL. N
160428	Added PQR Code 029 R “Maintenance Critical Non Traceable”	04/28/16	ARMANDO S.
161006	Revised PQR 028 to add FOD flowdown. Updated links to Lockheed documents. PQR 028 reworded to clarify intent. Document has been reformatted.	10/06/16	E. GARDNER/ K. QUAN



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REV.	CHANGE DESCRIPTION	DATE	REVISED BY
170425	Revised 001P to replace ASQR-01 with SSQR-01	04/25/17	K. QUAN
170523	Corrected PQR "v" to "W" on PQR 001	05/23/17	E. GARDNER
170803	Added Corrective Action and Acceptance/Rejection PQR001 Added FOD quality system requirements to PQR 002	08/03/17	E. CORTES



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## PROCUREMENT QUALITY REQUIREMENTS

### **PQR Code 001 –QUALITY SYSTEMS**

THE FOLLOWING PARAGRAPHS APPLY TO SHULTZ STEEL COMPANY PURCHASE ORDERS IN ADDITION TO THE DESIGNATED QUALITY SYSTEM ALPHA CODE(S).

Right of Entry: Shultz Steel Company, its customer, prime customer or regulatory agencies shall be allowed Right of Entry to the supplier's facility to verify work, records or material, upon request.

Corrective Action: Where Seller is requested to submit a corrective action report, Seller shall submit its response within ten (10) business days of receipt of such request unless an extension is otherwise provided by Shultz Steel. When the corrective action report requires Immediate Containment, Seller shall submit its response within three (3) business days of receipt of such request. Any corrective action report submitted to Shultz Steel shall be in the format specified by Shultz Steel. If after submittal to Shultz Steel, Seller determines need for revision, Seller shall immediately notify Shultz Steel of such revision. In the event Seller is unable to respond within the allotted ten day time frame, Seller shall submit a request for extension which shall include the reason for the extension request and the time need to complete the corrective action report.

Acceptance/Rejection of Seller's Root Cause/Corrective Action: Shultz Steel reserves the right to reject any root cause and/or corrective action determination provided by the Seller, and may request subsequent investigation and/or additional corrective action. If the Seller is late in responding to corrective action requests by Shultz Steel, or if Shultz Steel requires subsequent corrective action, Shultz Steel reserves the right to withhold acceptance of shipments either at source or destination until Seller corrective action is submitted to Shultz Steel's satisfaction

Notification of Nonconformance: Shultz Steel shall be formally notified within two (2) business days of any nonconformance directly impacting product quality including after delivery.

Notification of Changes: Shultz Steel shall be notified and approval granted prior to implementation any changes in processes, products, or facilities used after issuance of contract.

Flow-down of Requirements to Sub-tier Suppliers: All requirements specified on the order shall be flowed down to any sub-tier suppliers, used to fulfill this order.

Record Retention: All records of special processes shall be retained for a period of seven (7) years minimum, unless otherwise specified by contract.

Specification Revisions: The supplier shall perform work, and/or provide material or services, to the latest revision of all specifications indicated or referenced, unless another specification revision is indicated on the Shultz Steel Company Purchase Order.

Note: If the supplier is aware of a more recent specification revision than that indicated on the order, then the supplier is to contact the Shultz Steel Company for instructions.

It is the responsibility of the approved supplier that the purchase order has been submitted to, to ensure that they have the necessary systems, equipment, and any other required resources to fulfill the purchase order requirements and comply with all of the PQR's indicated on the purchase order.

If the supplier the purchase order has been submitted to, discovers that they cannot comply with any of the purchase order requirements or PQR's indicated on the purchase order, the supplier is to immediately notify Shultz Steel Company Quality Assurance or Production Control and request additional instructions. (Reference PQR Code 19A)



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Additionally, it is the responsibility of the supplier to abide by the statutory and regulatory laws as stated below:

#### **COMPLIANCE WITH LAWS:**

The supplier shall be responsible for complying with the legal requirements, including, but not limited to the provisions of any statute, ordinance, rule, regulation, judgment, decree, order, permit approval, license or registration applicable to its performance under this purchase order. The supplier shall notify Shultz Steel Company of any aspect of supplier's performance that is prohibited under legal requirements, at the earliest opportunity, but in all events sufficiently in advance of supplier's performance of such obligation, so as to identify and implement alternative methods of performance.

The supplier shall notify Shultz Steel Company in writing at the earliest possible opportunity of any aspect of its performance, which becomes subject to any additional legal requirement after the date of execution of this purchase order or which the supplier reasonably believes will become subject to additional regulation during the term of this purchase order.

The supplier agrees to indemnify and to hold harmless Shultz Steel Company from any failure by the supplier to comply with any legal requirement. In addition, the supplier shall (i) comply with all applicable country laws relating to anti-corruption or anti-bribery, including but not limited



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to legislation implementing the Organization for Economic Co-operation and Development “Convention (OECD) on combating bribery of foreign public officials in international business transactions” (the “OECD Convention”) or other anti-corruption/anti-bribery convention; (ii) comply with the requirements of the Foreign Corrupt Practices Act, as amended, (FCPA) (15 U.S.C. §§78dd-1, *et. seq.*), regardless of whether the supplier is within the jurisdiction of the United States; and (iii) neither directly nor indirectly, pay, offer, give, or promise to pay or give, any portion of monies or anything of value received from Shultz Steel Company to a non-U.S. public official or any person in violation of the FCPA and/or in violation of any applicable country laws relating to anti-corruption or anti-bribery.

### **CODE OF BASIC WORKING CONDITIONS AND HUMAN RIGHTS:**

Shultz Steel Company strongly encourages the supplier to conduct operations in a manner that is fully compliant with all applicable laws and regulations pertaining to fair wages and treatment, freedom of association, personal privacy, collective bargaining, workplace safety and environmental protection. The supplier will promptly cooperate with and assist Shultz Steel Company in Shultz Steel Company’s implementation of and adherence to this Code. Further, any material violation by the supplier, of applicable laws relating to basic working conditions and human rights, including laws regarding slavery and human trafficking, of the country or countries in which the supplier is performing work under this purchase order may be considered a material breach of this purchase order for which Shultz Steel Company may elect to cancel any open orders between Shultz Steel Company and the supplier, for cause, in accordance with the provisions of this purchasing agreement, or exercise any other right for an event of default under this purchase order.

The supplier shall include the content of this clause, including this flow down requirement, in all subcontracts awarded by the supplier for work under this purchase order.

Certification requirements: Each supplier shipment shall be accompanied by a legible copy of the supplier process certification. Special Processes include, but are not limited to, Welding, Heat Treating, Nondestructive Inspection/Testing, and Plating. The special process certification shall contain the following information at a minimum:

1. Shultz Steel Company Purchase Order number.
2. Shultz Steel Job Number
3. Date
4. Applicable procedures and revisions
5. Applicable specifications and revisions
6. Applicable amendments
7. Type or Class (if applicable)
8. Total Lot Quantity
9. Serial numbers (if applicable)
10. Heat numbers (when parts are not serialized)
11. Quantities accepted (if applicable)
12. Quantities rejected (if applicable), plus serial numbers or heat numbers rejected
13. Reference to Shultz Steel Company customers' documents (when applicable)
14. Details of the procedure (temperatures, times, etc.)
15. Necessary surveillance stamps
16. Title and signature of authorized official
17. Heat treat lot numbers (as applicable)



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18. Calibration facility must confirm vision test to meet the requirement current revision of ASQR-01

**NOTE: OBSERVATIONS/PROBLEMS WHICH ARE NOT DIRECT VIOLATIONS OF SPECIFICATIONS/REQUIREMENTS SHALL BE REPORTED TO SHULTZ STEEL BOTH IN WRITING AND VERBALLY SO THAT THE ISSUES MAY BE PROPERLY RESOLVED IN A TIMELY MANNER.**

- A. QUALITY SYSTEM MUST CONFORM TO MIL-I-45208A AM#2.
- B. QUALITY SYSTEM MUST CONFORM TO ISO 9001:2000 9001: 2008 AND/OR AS9100 REV. B OR C.
- C. REMOVED
- D. QUALITY SYSTEM MUST CONFORM TO LATEST VERSION OF AS 9100.
- E. QUALITY SYSTEM MUST CONFORM TO THE CURRENT REVISION OF GENERAL ELECTRIC S-1000.  
NOTE: PARTS MANUFACTURED UNDER THIS P.O. ARE FOR GENERAL ELECTRIC END USE.
- F. QUALITY SYSTEM MUST CONFORM TO THE APPLICABLE SECTION OF GENERAL ELECTRIC S-1000 (HEAT TREATERS).  
NOTE: PARTS PROCESSED AND/OR MANUFACTURED UNDER THIS P.O. ARE FOR GENERAL ELECTRIC END USE.
- G. QUALITY SYSTEM MUST CONFORM TO THE CURRENT REVISION OF GENERAL ELECTRIC S-1000 AND S-400 (METALLURGICAL TEST LABS).  
NOTE: PARTS PROCESSED AND/OR MANUFACTURED UNDER THIS P.O. ARE FOR GENERAL ELECTRIC END USE.
- H. QUALITY SYSTEM MUST CONFORM TO THE CURRENT REVISION OF UNITED TECHNOLOGIES ASQR-01.PARTS MANUFACTURED UNDER THIS P.O. ARE FOR PRATT & WHITNEY AIRCRAFT END USE.
- J. QUALITY SYSTEM MUST CONFORM TO THE CURRENT REVISION OF UNITED TECHNOLOGIES ASQR- 01.PARTS MANUFACTURED UNDER THIS P.O. ARE FOR PRATT & WHITNEY ROCKEDTYNE END USE
- K. QUALITY SYSTEM MUST CONFORM TO THE REQUIREMENTS OF NCA 3800.





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- L. QUALITY SYSTEM MUST BE APPROVED BY SHULTZ STEEL COMPANY QUALITY ASSURANCE DEPARTMENT.
- M. QUALITY SYSTEM MUST CONFORM TO THE CURRENT REVISION OF BOEING D1-9000.
- N. QUALITY SYSTEM MUST CONFORM TO THE CURRENT REVISION OF BOEING D6-82479.
- P. QUALITY SYSTEM MUST CONFORM TO THE CURRENT REVISION OF SIKORSKY SSQR-01. PARTS MANUFACTURED UNDER THIS P.O. ARE FOR SIKORSKY AIRCRAFT END USE.
- Q. QUALITY SYSTEM MUST CONFORM TO THE CURRENT REVISION OF BOMBARDIER AEROSPACE QD-4.6-40.
- R. QUALITY SYSTEM MUST CONFORM TO THE CURRENT REVISION OF BOEING ST LOUIS A0436.
- S. QUALITY SYSTEM MUST CONFORM TO THE CURRENT REVISION OF LOCKHEED MARTIN APPENDIX QR.
- T. QUALITY SYSTEM MUST CONFORM TO THE CURRENT REVISION OF LOCKHEED MARTIN APPENDIX QX.
- U. QUALITY SYSTEM MUST CONFORM TO THE CURRENT REVISION OF LOCKHEED MARTIN APPENDIX QJ.
- V. THIS PURCHASE ORDER IS FOR A MESSIER DOWTY CONTRACT AND THE REQUIREMENTS OF SUPPLIER PRIDE APPLY.
- W. QUALITY SYSTEM MUST CONFORM TO THE CURRENT REVISION OF UNITED TECHNOLOGIES ASQR-01 AND UTAS LS-SBU-A001-SQA.



## PROCUREMENT QUALITY REQUIREMENTS

### PQR Code 002 - RAW MATERIAL and TEST REPORT CERTIFICATION REQUIREMENTS

THE FOLLOWING PARAGRAPHS APPLY TO SHULTZ STEEL COMPANY PURCHASE ORDERS IN ADDITION TO THE DESIGNATED RAW MATERIAL ALPHA CODE(S).

SELLER SHALL CONFORM TO THE CURRENT REVISION OF AS6174 REGARDING COUNTERFEIT MATERIAL PREVENTION (Reference PQR code 037).

SELLER SHALL MAINTAIN A FOD PREVENTION PROGRAM IN ACCORDANCE WITH THE CURRENT REVISION OF D6-85622 "Foreign Object Debris/Foreign Object Damage (FOD) Prevention Requirements for Boeing Suppliers AND NAS-412, "Foreign Object Damage/Foreign Object Debris (FOD) Prevention".

#### A. RAW MATERIAL CERTIFICATION

EACH SHIPMENT SHALL BE ACCOMPANIED BY A LEGIBLE MATERIAL CERTIFICATION. THE CERTIFICATION SHALL STATE THE MATERIAL SPECIFICATION AND REVISION LETTER OF THE MATERIAL. INCLUDED IN THE CERTIFICATION WILL BE THE STATEMENT, "**WE CERTIFY THE LISTED MATERIAL WAS USED TO FULFILL THE REQUIREMENTS OF PURCHASE ORDER AND THAT THE DOCUMENTED EVIDENCE IS ON FILE AND AVAILABLE FOR REVIEW UPON REQUEST**". THE CERTIFICATION SHALL BE SIGNED BY A RESPONSIBLE MEMBER OF THE COMPANY.

#### B. TEST REPORTS

MATERIALS FURNISHED IN FULFILLMENT OF THIS PURCHASE ORDER MUST BE ACCOMPANIED BY A LEGIBLE COPY OF CERTIFIED TEST REPORTS OF THE CHEMICAL COMPOSITION AND/OR MECHANICAL PROPERTIES OF THE METAL. PRODUCER/MILL TEST DATA IS PREFERRED. MECHANICAL TESTING TO BE PERFORMED ON SAMPLES REPRESENTATIVE OF THE TOP AND MOST INGOT POSITIONS WHEN REFORGE STOCK IS ORDERED. CERTIFIED TEST DATA FROM AN INDEPENDENT LABORATORY IS ACCEPTABLE. CERTIFICATION SHALL INCLUDE THE HEAT NUMBER, HEAT CODE, HEAT LOT NUMBER, OR MELT CODE, WHICH SHALL BE TRACEABLE TO THE RAW MATERIAL MANUFACTURER, AS WELL AS THE SHULTZ STEEL COMPANY PURCHASE ORDER NUMBER.



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**PQR Code 003 - GAGE AND INSTRUMENT CALIBRATION**

- A. GAGE AND INSTRUMENT CALIBRATION SYSTEM MUST CONFORM TO THE CURRENT REVISION OF ISO 10012-1.
- B. GAGE AND INSTRUMENT CALIBRATION SYSTEM MUST CONFORM TO CURRENT VERSION ANSI/NCSL Z-540.3- 2006.
- C. GAGE AND INSTRUMENT CALIBRATION SYSTEM MUST CONFORM TO THE CURRENT REVISION OF MIL-STD-45662.
- D. MAGNETIC PARTICLE OIL CERTIFIED TO ASTM E-1444, AMS 2641 TYPE I, MIL-STD-1949, AND DOD-F-87935.
- E. MAGNETIC PARTICLE INSPECTION MACHINES AND EQUIPMENT CALIBRATION TO BE IN ACCORDANCE WITH ASTM E-1444, ANSI Z-540-1 OR ISO10012-1 TO THE FOLLOWING REQUIREMENTS:

<b>EQUIPMENT</b>	<b>RANGE</b>	<b>NO. OF CALIBRATION POINTS</b>	<b>ACCURACY</b>
Ammeter (721641)	0-5000	3 minimum	$\pm 10\%$ or 50 amps.
Timer (721641)	0-5 sec.	3	$\pm 0.1$ Sec.
Ammeter (00129)	0-6500	3 minimum	$\pm 10\%$ or 50 amps.
Timer (00129)	0-5 sec.	3	$\pm 0.1$ Sec.
Gauss Meter(s)	0-199.9 Gauss	3	$\pm 2\%$
Field Indicator(s)	-10 to +10 Gauss	3	$\pm 2\%$
White Light meter(s)	0-199.9 FC	3	$\pm 5\%$
Black Light Meter(s)	0-19,999 $\mu\text{W}/\text{cm}^2$	3	$\pm 5\%$
Quick Break Tester	N/A	12 functions in 12 min.	Pass/Fail
Timer	0-20 sec.	3	$\pm 0.1$ Sec.
Black Light(s)	1200 $\mu\text{W}/\text{cm}^2$ min.	N/A	Pass/Fail
Artificial Flaw Shim(s)	N/A	N/A	Pass/Fail

- F. KRAUTKRAMER-BRANSON TYPE ULTRASONIC INSTRUMENT CALIBRATION MUST CONFORM TO THE CURRENT REVISION OF MIL-STD-2154 WITH DEVIATIONS DATED 1/19/88, PS21211, BSS 7052, MIL-STD-271, AND ASTM E-317. CALIBRATE UNITS FROM 0.5 MHz TO 15MHz AS INDIVIDUALLY CALLED OUT ON PURCHASE ORDER.
- G. ULTRASONIC TRANSDUCER CALIBRATION MUST CONFORM TO THE CURRENT REVISION OF ASTM E-1065 AND AMS-STD-2154.
- H. CALIBRATION OF ULTRASONIC REFERENCE STANDARDS MUST CONFORM TO THE CURRENT REVISION OF AMS-STD-2154, ASTM E-127, ASTM E-428, BSS 7055, AND PS21211.
- J. MAGNETIC PARTICLE OIL: MONTHLY VISCOSITY CHECKS TO BE PERFORMED IN ACCORDANCE WITH THE CURRENT REVISION OF ASTM D445.



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K. MAGNETIC PARTICLES, DRY POWDER: CERTIFIED TO CURRENT REVISION OF ASTM E-1444 PARA. 5.8.2, AND AMS 3044.

### **PQR Code 004 – 10CFR21 REQUIREMENTS**

A. THE PROVISIONS OF 10CFR21 APPLY TO THIS ORDER.

The *Code of Federal Regulations* (CFR) is a codification of the general and permanent rules published in the *Federal Register* by the Executive departments and agencies of the Federal Government, and which represent broad areas subject to Federal regulation. The Code of Federal Regulations Title 10, Part 21 (10CFR21) is relative to the United States Nuclear Regulatory Commission and the Reporting of Defects and Noncompliance.

### **PQR Code 005 - DPAS REQUIREMENTS**

A. THE REQUIREMENTS OF THE DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM (DPAS) APPLY TO THIS ORDER. THIS ORDER IS RATED AS INDICATED ON THE FACE OF THE SHULTZ STEEL COMPANY PURCHASE ORDER.

Example: DX-A1 or DO-A2

### **PQR Code 006 - MERCURY AND LEAD CONTAMINATION**

A. MATERIAL ON THIS PURCHASE ORDER SHALL NOT COME INTO CONTACT WITH MERCURY OR MERCURY BEARING INSTRUMENTS WHICH ARE NOT SHIELDED WITH A DOUBLE BARRIER.

NOTE: ALL CERTIFICATIONS SHALL CONTAIN A STATEMENT INDICATING COMPLIANCE WITH THE REQUIREMENT.

B. MATERIAL ON THIS PURCHASE ORDER SHALL NOT COME INTO CONTACT WITH PAINTS CONTAINING LEAD IN ANY FORM. FURTHERMORE, LEAD HAMMERS, OR OTHER LEAD BASED TOOLS OR INSTRUMENTS OF ANY TYPE, OR PROHIBITED FOR USE IN THE PROCESSING OF THE PARTS ON THIS PURCHASE ORDER.

NOTE: ALL CERTIFICATIONS SHALL CONTAIN A STATEMENT INDICATING COMPLIANCE WITH THE REQUIREMENT.



## **PROCUREMENT QUALITY REQUIREMENTS**

### **PQR Code 007 - MANNED SPACE FLIGHT**

- A. FOR USE IN MANNED SPACE FLIGHT. MATERIALS MANUFACTURING, AND WORKMANSHIP OF HIGHEST QUALITY STANDARDS ARE ESSENTIAL TO ASTRONAUT SAFETY.

### **PQR Code 008 - 100% DIMENSIONAL INSPECTION**

- A. 100% DIMENSIONAL INSPECTION REQUIRED UNLESS THE SUPPLIER'S SAMPLING PLAN HAS BEEN APPROVED (IN WRITING), BY THE SHULTZ STEEL COMPANY QUALITY MANAGER. COPIES OF THE INSPECTION REPORTS SHALL BE SUBMITTED WITH EACH SHIPMENT OF PARTS.

### **PQR Code 009 - FIRST ARTICLE INSPECTION**

- A. A FIRST ARTICLE INSPECTION REPORT, ALONG WITH THE APPLICABLE FIRST ARTICLE PART, SHALL BE SUBMITTED PRIOR TO FIRST SHIPMENT OF PARTS. FIRST ARTICLE REPORTS SHALL CONTAIN ALL APPLICABLE DRAWING CHARACTERISTICS INCLUDING DIMENSIONS, DRAWING NOTES, SURFACE FINISH, OUT-OF-ROUND, CONCENTRICITY, ETC. REPORTS MUST BE DATED AND SIGNED BY THE PERSON PERFORMING THE INSPECTION AND VERIFIED BY ANOTHER PERSON. THE FIRST ARTICLE PART SHALL BE TAGGED "FIRST ARTICLE".
- B. FIRST ARTICLE INSPECTION REPORT REQUIRED WITH FIRST SHIPMENT OF PARTS. FIRST ARTICLE REPORTS SHALL CONTAIN ALL APPLICABLE DRAWING CHARACTERISTICS INCLUDING DIMENSIONS, DRAWING NOTES, SURFACE FINISH, OUT-OF-ROUND, CONCENTRICITY, ETC. REPORTS MUST BE DATED AND SIGNED BY THE PERSON PERFORMING THE INSPECTION AND VERIFIED BY ANOTHER PERSON. THE FIRST ARTICLE PART SHALL BE TAGGED "FIRST ARTICLE".
- C. FIRST ARTICLE REPORT SHALL BE APPROVED (IN WRITING), BY A SHULTZ STEEL COMPANY QUALITY ASSURANCE REPRESENTATIVE PRIOR TO STARTING THE PRODUCTION RUN. A COPY OF THE FIRST ARTICLE REPORT SHALL BE FORWARDED TO SHULTZ STEEL COMPANY INSPECTION WITH THE COMPLETED PARTS.
- D. FIRST ARTICLE INSPECTION SHALL BE PERFORMED AND DOCUMENTED IN ACCORDANCE WITH AS 9102, INCLUDING PART NUMBER ACCOUNTABILITY, PRODUCT ACCOUNTABILITY AND CHARACTERISTIC ACCOUNTABILITY DOCUMENTATION.



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### **PQR Code 010 – NON-CONFORMING MATERIAL**

- A. IF AT ANYTIME THE SUPPLIER DETECTS A PROCESS VIOLATION, PURCHASE ORDER NONCOMPLIANCE, OR PART NONCONFORMANCE, SHULTZ STEEL COMPANY QUALITY ASSURANCE SHALL BE INFORMED AS SOON AS PRACTICABLE. NONCONFORMING PARTS SHALL BE SEGREGATED AND TAGGED AS NONCONFORMING.

TAGS SHALL INDICATE THE NATURE OF THE NONCONFORMANCE. ROOT CAUSE & CORRECTIVE ACTION SHALL BE DETERMINED AND SUBMITTED TO SHULTZ STEEL COMPANY QUALITY ASSURANCE WITHIN 48 HOURS OF DETECTION OF THE NONCONFORMANCE UNLESS OTHERWISE AGREED UPON BY SHULTZ STEEL COMPANY QUALITY ASSURANCE.

NOTE: THIS DOES NOT ALLIEVIATE THE SUPPLIER FROM SUBMITTING ROOT CAUSE AND CORRECTIVE ACTION IMMEDIATELY. THIS SHOULD BE SENT WITH THE SHIPMENT OR AS SOON AS POSSIBLE, ON „ALL“ DEVIATIONS.

### **PQR Code 011 - STATISTICAL PROCESS CONTROL**

- A. STATISTICAL PROCESS CONTROL IS REQUIRED FOR THE CONTROL OF MANUFACTURING, PROCESSES, AND FABRICATION OF HARDWARE RELATIVE TO THE PERFORMANCE OF THIS PURCHASE ORDER, AND ARE DEFINED ON THE SHULTZ STEEL COMPANY PURCHASE ORDER. IN ADDITION, THE FOLLOWING REQUIREMENTS APPLY TO THIS PQR REQUIREMENT:
1. A STATISTICAL PROCESS CONTROL PLAN SHALL BE DEVELOPED AND SUBMITTED TO, AND APPROVED BY, SHULTZ STEEL QUALITY ASSURANCE PRIOR TO BEGINNING WORK ON THIS ORDER.
  2. VARIATION CONTROL AND REDUCTION ACTIVITIES MUST BE PERFORMED ON IDENTIFIED KEY CHARACTERISTICS. MEASURABLE EVIDENCE MUST VERIFY THAT THE PROCESS REMAINS STATISTICALLY STABLE AND CAPABLE WITH A Cpk EQUAL TO OR EXCEEDING 1.33.
  3. VARIABLE DATA SHALL BE GATHERED BY THE USE OF IX-MR CHARTS OR X-BAR AND R CHARTS.



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4. THE SELECTED VARIATION CONTROL TECHNIQUE SHALL BE DOCUMENTED ON THE STATISTICAL PROCESS CONTROL PLAN, OR EQUIVALENT.
5. KEY CHARACTERISTIC MEASUREMENTS SHALL BE TAKEN FROM THE CURRENT PRODUCTION PRODUCTS AND SHALL REPRESENT THE NORMAL PRODUCTION OUTPUT.
6. CONTROL LIMITS SHALL BE COMPUTED APPROPRIATELY AND THE LIMITS SHALL REFLECT CURRENT PROCESS OUTPUT.
7. WHEN A KEY CHARACTERISTIC IS NOT IN STATISTICAL CONTROL, THE OUT-OF-CONTROL CONDITION SHALL BE INVESTIGATED FOR SPECIAL CAUSES OF VARIATION, AND CORRECTIVE ACTION SHALL BE TAKEN TO PERMANENTLY REMOVE OR MINIMIZE SPECIAL CAUSES OF VARIATION.
8. CONTROL CHARTS SHALL BE SUBMITTED TO SHULTZ STEEL COMPANY QUALITY ASSURANCE WITH DELIVERED PARTS. ALL PARTS IN LOT MUST BE WITHIN DRAWING TOLERANCES IN ORDER FOR THE LOT TO BE ACCEPTABLE, REGARDLESS OF WHETHER THE PROCESS IS IN STATISTICAL CONTROL.

### **PQR Code 012 - LAB TEST DATA CONTROL**

- A. GENERAL ELECTRIC SPECIFICATION S-400 APPLIES TO THIS ORDER.
- B. CURRENT GENERAL ELECTRIC GT 193 IS REQUIRED PRIOR TO TESTING ON THIS ORDER. CURRENT GT193 SHALL BE SENT TO SHULTZ STEEL COMPANY QUALITY ASSURANCE UPON UPDATE.

NOTE : THESE QUALITY CODES APPLY TO CERTIFIED MATERIAL TEST LABORATORIES THAT HAVE BEEN APPROVED BY GENERAL ELECTRIC TO PERFORM TESTING ON GENERAL ELECTRIC END USE PARTS.

### **PQR Code 013 - SOFTWARE QUALITY ASSURANCE**

- A. SUBCONTRACTOR'S SOFTWARE QUALITY ASSURANCE SYSTEM SHALL BE BASED UPON CURRENT CUSTOMER AND GOVERNMENT SPECIFICATIONS. COMPLIANCE WILL BE VERIFIED VIA SHULTZ STEEL COMPANY QUALITY SYSTEMS AUDIT.



## **PROCUREMENT QUALITY REQUIREMENTS**

### **PQR Code 014 - HEAT TREATMENT / INSTRUMENTATION**

- A. SUPPLIER SHALL COMPLY WITH AND CERTIFY TO THE CURRENT REVISIONS OF PRATT and WHITNEY / PRATT and WHITNEY CANADA MCL MANUAL SECTIONS F-22/FC-22 AND F-40/FC40.
- B. (ALUMINUM) SUPPLIER SHALL COMPLY WITH AND CERTIFY TO THE CURRENT REVISION OF AMS-H-6088 & AMS 2750.
- C. (IRON, NICKEL & COBALT ALLOYS) SUPPLIER SHALL COMPLY WITH AND CERTIFY TO THE CURRENT REVISION OF AMS-H-6875 & AMS 2750.
- D. (TITANIUM) SUPPLIER SHALL COMPLY WITH AND CERTIFY TO THE CURRENT REVISION OF MIL-H-81200 & AMS 2750.
- E. ALL EQUIPMENT UTILIZED IN THE PROCESSING OF THIS PURCHASE PURCHASE ORDER SHALL BE MAINTAINED IN ACCORDANCE WITH THE CURRENT REVISION OF AMS 2750.

### **PQR Code 015 - TEST/CALIBRATION REQUIREMENTS – CERTIFIED MATERIAL TEST LABORATORIES (Pratt & Whitney)**

- A. SUPPLIER SHALL COMPLY WITH AND CERTIFY TO THE CURRENT REVISIONS OF PRATT and WHITNEY / PRATT and WHITNEY CANADA MCL MANUAL SECTIONS F-23 / FC-23.

### **PQR Code 016 - CUSTOMER SOURCE INSPECTION**

- A. PRIME CUSTOMER SOURCE INSPECTION/WITNESS IS REQUIRED ON THIS PURCHASE ORDER. CONTACT THE CUSTOMER SOURCE INSPECTOR ASSIGNED TO YOUR FACILITY, 48 HOURS PRIOR TO PERFORMING SERVICES AS REQUIRED BY THE PURCHASE ORDER, TO ARRANGE FOR SOURCE INSPECTION/WITNESS OF OPERATIONS.
- B. DURING PERFORMANCE ON THIS ORDER YOUR QUALITY CONTROL OR INSPECTION SYSTEM AND MANUFACTURING PROCESSES ARE SUBJECT TO REVIEW, VERIFICATION, AND ANALYSIS BY PRIME CUSTOMER REPRESENTATIVES.





## **PROCUREMENT QUALITY REQUIREMENTS**

### **PQR Code 017 - GOVERNMENT SOURCE INSPECTION**

- A. GOVERNMENT SOURCE INSPECTION/WITNESS IS REQUIRED ON THIS PURCHASE ORDER. CONTACT THE GOVERNMENT SOURCE INSPECTOR ASSIGNED TO YOUR FACILITY 48 HOURS PRIOR TO PERFORMING SERVICES AS REQUIRED BY THIS PURCHASE ORDER TO ARRANGE FOR SOURCE INSPECTION/WITNESS OF OPERATIONS.

### **PQR Code 018 - SHULTZ STEEL COMPANY SOURCE INSPECTION**

- A. SHULTZ STEEL COMPANY SOURCE INSPECTION IS REQUIRED ON THIS PURCHASE ORDER. CONTACT SHULTZ STEEL COMPANY QUALITY ASSURANCE AT (323) 357-3350 TO ARRANGE FOR OVER-INSPECTION OR WITNESS OF YOUR FINAL INSPECTION AT YOUR FACILITY.
- B. PRODUCTION PARTS ON THIS PURCHASE ORDER ARE SUBJECT TO SHULTZ STEEL COMPANY SOURCE INSPECTION. CONTACT SHULTZ STEEL COMPANY QUALITY ASSURANCE AT (323) 357-3350 TO ARRANGE FOR OVER-INSPECTION OR WITNESS OF YOUR FINAL INSPECTION AT YOUR FACILITY.
- C. FIRST ARTICLE PART TO BE SOURCE INSPECTED BY SHULTZ STEEL COMPANY QUALITY ASSURANCE PERSONNEL PRIOR TO FIRST SHIPMENT OF PRODUCTION PARTS. CONTACT SHULTZ STEEL COMPANY QUALITY ASSURANCE AT (323) 357-3350 TO ARRANGE FOR OVER-INSPECTION OR WITNESS OF YOUR FIRST ARTICLE INSPECTION AT YOUR FACILITY.



## PROCUREMENT QUALITY REQUIREMENTS

### **PQR Code 019 - PURCHASE ORDER REVIEW**

- A. IF IN THE EVENT, THAT DURING THE PURCHASE ORDER REVIEW, THE SUPPLIER DETERMINES THAT THE REQUIREMENTS OF THIS PURCHASE ORDER OR PROCESS SHEET CANNOT BE MET, THE SUPPLIER MUST:
- (1) NOTIFY SHULTZ STEEL COMPANY QUALITY ASSURANCE AND
  - (2) PRIOR TO PROCESSING, OBTAIN REVISED P.O. AND/OR INSTRUCTIONS, IN WRITING, STATING SERVICES TO BE PERFORMED THAT ARE WITHIN CAPABILITIES OF THE SUB-TIER.
- B. SUPPLIERS ARE RESPONSIBLE FOR OBTAINING SPECIFICATION AND/OR ENGINEERING DRAWING REVISIONS, AS APPLICABLE, REFERENCED ON THE SHULTZ STEEL COMPANY PURCHASE ORDER. SUPPLIERS ARE TO CONTACT SHULTZ STEEL COMPANY PROCESS CONTROL OR QUALITY ASSURANCE TO OBTAIN REQUIRED SPECIFICATIONS AND/OR ENGINEERING DRAWINGS. WORK ON PURCHASE ORDERS SHALL NOT BE STARTED UNTIL ALL REQUIRED DOCUMENTS ARE RECEIVED AND ADEQUATELY REVIEWED BY THE SUPPLIER .
- C. IF SUPPLIERS HAVE BEEN FURNISHED WITH A SUPPLIER CODE/NUMBER BY A PRIME CONTRACTOR, THIS NUMBER SHALL APPEAR ON ALL CERTIFICATIONS, AS APPLICABLE. IF SUPPLIERS HAVE BEEN FURNISHED WITH A CONTROLLED STAMP BY A PRIME CONTRACTOR, ALL COPIES OF CERTIFICATIONS SHALL BE STAMPED, AS APPLICABLE.
- D. IF THE SUPPLIER DOES NOT HAVE A CURRENT CUSTOMER (PRIME CONTRACTOR) APPROVAL IN YOUR POSSESSION THAT AUTHORIZES YOU TO PERFORM PROCESSES, AS REQUIRED BY THIS PURCHASE ORDER, CONTACT SHULTZ STEEL COMPANY QUALITY ASSURANCE PRIOR TO PERFORMING ANY WORK ON THIS PURCHASE ORDER.

NOTE: APPLIES TO SPECIAL PROCESSES AND METALLURGICAL TESTING ONLY.



## PROCUREMENT QUALITY REQUIREMENTS

### **PQR Code 020 - FIXED PROCESS REQUIREMENTS**

- A. THIS IS A FIXED PROCESS PER BOEING D6-1276. NO CHANGES TO THE PROCESS ARE ALLOWED WITHOUT THE WRITTEN PERMISSION OF SHULTZ STEEL COMPANY QUALITY ASSURANCE.
- B. THIS IS A FIXED PROCESS IN ACCORDANCE WITH PRATT & WHITNEY ENGINEERING SOURCE APPROVAL SPECIFICATION PWA-370. NO CHANGES ARE ALLOWED WITHOUT THE WRITTEN PERMISSION OF SHULTZ STEEL COMPANY.
- C. THIS IS A FIXED PROCESS IN ACCORDANCE WITH GENERAL ELECTRIC PITF17. NO CHANGES ARE ALLOWED WITHOUT WRITTEN PERMISSION OF SHULTZ STEEL COMPANY.
- D. THIS IS A FIXED PROCESS PER LOCKHEED-MARTIN (F-22) 5PTPTT02, 5PCTPCT16, AND/OR LMA-PA041. NO CHANGES TO THE PROCESS ARE ALLOWED WITHOUT THE WRITTEN PERMISSION OF SHULTZ STEEL COMPANY QUALITY ASSURANCE.
- E. THIS IS A FIXED PROCESS PER BELL HELICOPTER-TEXTRON BPS 4017. NO CHANGES TO THE PROCESS ARE ALLOWED WITHOUT THE WRITTEN PERMISSION OF SHULTZ STEEL COMPANY QUALITY ASSURANCE.
- F. THIS IS A FIXED PROCESS PER NORTHROP-GRUMMAN SQAR. NO CHANGES TO THE PROCESS ARE ALLOWED WITHOUT THE WRITTEN PERMISSION OF SHULTZ STEEL COMPANY QUALITY ASSURANCE.
- G. THIS IS A FIXED PROCESS PER UTAS DOC 300 AND/OR DOC 300-4. NO CHANGES TO THE PROCESS ARE ALLOWED WITHOUT THE WRITTEN PERMISSION OF SHULTZ STEEL COMPANY QUALITY ASSURANCE.
- H. THIS IS A FIXED PROCESS PER GENERAL DYNAMICS LAND SYSTEMS QCS 83-4 AND/OR QCS-4. NO CHANGES TO THE PROCESS ARE ALLOWED WITHOUT THE WRITTEN PERMISSION OF SHULTZ STEEL COMPANY QUALITY ASSURANCE.
- I. THIS IS A FIXED PROCESS PER SIKORSKY SS8449. NO CHANGES TO THE PROCESS ARE ALLOWED WITHOUT THE WRITTEN PERMISSION OF SHULTZ STEEL COMPANY QUALITY ASSURANCE.



## PROCUREMENT QUALITY REQUIREMENTS

### **PQR Code 021 – APPROVED SOURCES REQUIRED**

- A. THIS ORDER REQUIRES THE USE OF SHULTZ STEEL COMPANY'S CUSTOMER APPROVED SPECIAL PROCESS SOURCES. SUPPLIER SHALL CONTACT SHULTZ STEEL COMPANY QUALITY ASSURANCE FOR THE NAME AND LOCATION OF THE APPROVED SOURCES FOR THE PROCESS REQUIRED BY THE DRAWING, SPECIFICATION, OR PURCHASE ORDER INSTRUCTIONS. FAILURE TO COMPLY SHALL BE CAUSE FOR REJECTION OF THE PARTS SUPPLIED.
- B. THIS ORDER REQUIRES THE USE OF SUPPLIERS CURRENTLY LISTED ON THE SHULTZ STEEL COMPANY'S APPROVED SUPPLIER LIST (ASL). ONLY THOSE SUPPLIERS LISTED ON THE ASL SHALL BE CONTRACTED TO PERFORM CERTIFIABLE SPECIAL PROCESSES OR PROVIDE CERTIFIABLE SERVICES OR MATERIALS.
- C. THIS ORDER REQUIRES THE USE OF SUPPLIERS CURRENTLY LISTED ON THE BOEING D1-4426 APPROVED PROCESS SOURCES LIST. ONLY THOSE SUPPLIERS LISTED ON THE BOEING D1-4426 SHALL BE CONTRACTED TO PERFORM CERTIFIABLE SPECIAL PROCESSES OR PROVIDE CERTIFIABLE SERVICES OR MATERIALS.
- D. THIS ORDER REQUIRES USE OF SUPPLIERS CURRENTLY LISTED ON BELL HELICOPTER (BHT) APPROVED SOURCE LIST. ONLY THOSE SUPPLIERS LISTED ON BHT QPS 101 SHALL BE CONTRACTED TO PERFORM CERTIFIABLE SPECIAL PROCESSES OR PROVIDE CERTIFIABLE SERVICES OR MATERIAL.
- E. THIS ORDER REQUIRES USE OF SUPPLIERS CURRENTLY LISTED ON LOCKHEED-MARTIN APPROVED PROCESS SOURCES LIST. ONLY THOSE SUPPLIERS LISTED ON LOCKHEED'S QCS-001 SHALL BE CONTRACTED TO PERFORM CERTIFIABLE SPECIAL PROCESSES OR PROVIDE CERTIFIABLE SERVICES OR MATERIALS.
- F. THIS ORDER REQUIRES USE OF SUPPLIERS CURRENTLY LISTED ON UTAS LANDING GEAR DIVISION APPROVED PROCESSOR LIST. ONLY THOSE SUPPLIERS LISTED ON GOODRICH LANDING GEAR'S DOCUMENT 200 PROCESSOR LIST SHALL BE CONTRACTED TO PERFORM CERTIFIABLE SPECIAL PROCESSES OR PROVIDE CERTIFIABLE SERVICES OR MATERIALS.
- G. THIS ORDER REQUIRES USE OF SUPPLIERS CURRENTLY LISTED ON NORTHROP GRUMMAN APPROVED SOURCE PROCESSORS LIST. ONLY THOSE SUPPLIERS LISTED ON NORTHROP GRUMMAN'S ASPL SHALL BE CONTRACTED TO PERFORM CERTIFIABLE SPECIAL PROCESSES OR PROVIDE CERTIFIABLE SERVICES OR MATERIAL. NOTE: SPECIFICATION REVISIONS LISTED ON THIS PURCHASE ORDER ARE PER NORTHROP GRUMMAN'S SPECIFICATION INDEX LISTING AVAILABLE AT: [HTTPS://OASIS.NORTHGRUM.COM/NU IS OASIS.HTM](https://oasis.northgrum.com/nu_is_oasis.htm)



## **PROCUREMENT QUALITY REQUIREMENTS**

- H. THIS ORDER REQUIRES USE OF SUPPLIERS CURRENTLY LISTED IN HAMILTON SUNDSTRAND'S APPROVED SPECIAL PROCESSES AND NON-DESTRUCTIVE TESTING BOOK. ONLY THOSE SUPPLIERS LISTED IN THIS BOOK SHALL BE CONTRACTED TO PERFORM CERTIFIABLE SPECIAL AND/OR NON-DESTRUCTIVE PROCESSES OR CERTIFIABLE SERVICES OR MATERIAL.
- J. THIS ORDER REQUIRES THAT USE OF SUPPLIERS APPROVED BY BWX TECHNOLOGIES, NUCLEAR PRODUCTS DIVISION FOR ALL SPECIAL PROCESS AND NONDESTRUCTIVE TESTING. ONLY THOSE SUPPLIERS APPROVED SHALL BE CONTRACTED TO PERFORM CERTIFIABLE SPECIAL AND/OR NONDESTRUCTIVE PROCESS AND CERTIFIABLE SERVICES OR MATERIAL.
- K. THIS ORDER REQUIRES THE USE OF SUPPLIERS CURRENTLY LISTED ON THE SIKORSKY ASL. ONLY THOSE SUPPLIERS LISTED ON THE SIKORSKY ASL SHALL BE CONTRACTED TO PERFORM CERTIFIABLE PROCESSES OR PROVIDE CERTIFIABLE SERVICES OR MATERIALS.
- L. THIS ORDER REQUIRES THE USE OF SUPPLIERS CURRENTLY LISTED ON AEROJET ROCKETDYNE ASL. ONLY THOSE SUPPLIERS LISTED ON AEROJET ROCKETDYNE ASL SHALL BE CONTRACTED TO PERFORM CERTIFIABLE PROCESSES OR PROVIDE CERTIFIABLE SERVICES OR MATERIALS.



## PROCUREMENT QUALITY REQUIREMENTS

### **PQR Code 022 - FORGINGS MANUFACTURED BY OTHER FORGING FACILITIES.**

- A. **FORGE LOT:** A FORGE LOT IS CONSIDERED TO BE "ALL PIECES" PRODUCED UNDER THE SAME PROCESS SHEET PARAMETERS, USING THE SAME OR EQUIVALENT FURNACES AND THE SAME FAMILY OF FORGING EQUIPMENT, (I.E. PRESS, HAMMER, DIES, ETC.) WITHOUT INTERRUPTION IN ANY OF THE THERMAL OPERATIONS."
- B. **PROCESSING:** ALL FORGINGS TO BE MANUFACTURED PER APPROVED SHULTZ STEEL COMPANY DRAWINGS AND SPECIFICATIONS, UNLESS AUTHORIZED OTHERWISE, IN WRITING, BY SHULTZ STEEL COMPANY.
- C. **CERTIFICATIONS:** THE FORGING SUPPLIER SHALL CERTIFY QUANTITY AND SERIAL NUMBER OF FORGINGS MANUFACTURED TO THE SHULTZ STEEL COMPANY REQUIREMENTS.
- D. THE FORGING SUPPLIER SHALL NOTE ANY DEVIATIONS OR SPLIT LOT CONDITIONS AND THE SERIAL NUMBERS APPLICABLE ON THE CERTIFICATION.
- E. THE FORGING SUPPLIER SHALL SUPPLY COPIES OF PROCESS CONTROLLER RECORDS, SUMMARY OF HEATS USED BY SERIAL NUMBER, AND LOADING DIAGRAMS.

### **PQR Code 023 – RAW MATERIAL ORIGIN**

SELLER SHALL CONFORM TO THE CURRENT REVISION OF AS6174 REGARDING COUNTERFEIT MATERIAL PREVENTION (Reference PQR code 037).

- A. RAW MATERIALS FURNISHED TO THE SHULTZ STEEL COMPANY, OR RAW MATERIALS PROCURED BY THE SELLER FOR THE PRODUCTION OR MANUFACTURE OF ARTICLES FOR SALE TO THE DEPARTMENT OF DEFENSE AND ITS SUBCONTRACTORS SHALL BE OF DOMESTIC ORIGIN ONLY. RAW MATERIALS OF FOREIGN ORIGIN, OR ARTICLES PRODUCED/FABRICATED FROM RAW MATERIALS OF FOREIGN ORIGIN WILL NOT BE ACCEPTED ON DEFENSE RELATED CONTRACTS UNLESS SPECIFIC WRITTEN APPROVAL IS GRANTED BY THE SHULTZ STEEL COMPANY PRIOR TO SHIPMENT.



## **PROCUREMENT QUALITY REQUIREMENTS**

### **PQR Code 024 – LOT CONTROL AND MATERIAL TRACEABILITY**

SELLER SHALL CONFORM TO THE CURRENT REVISION OF AS6174 REGARDING COUNTERFEIT MATERIAL PREVENTION (Reference PQR code 037).

#### **A. LOT NUMBER IDENTIFICATION/BUYER FURNISHED MATERIAL**

SELLER SHALL MAINTAIN THE LOT NUMBER ESTABLISHED BY THE BUYER FROM RECEIPT OF RAW MATERIAL THROUGH DELIVERY OF FINISHED ARTICLES. FINISHED ARTICLES SHALL BE IDENTIFIED WITH APPLICABLE LOT NUMBER(S), HEAT NUMBERS AND SERIAL NUMBER AS APPLICABLE USING TAG IDENTIFICATION OR BLACK PEN (MACHINED, PIERCED/BLANK, AND/OR ANODIZED PARTS), OR BAG AND TAG IDENTIFICATION (PARTS TOO LONG FOR MARKING). ADDITIONALLY, SELLER SHALL INCLUDE ON THEIR CERTIFICATION OF CONFORMANCE, THE RAW MATERIAL IDENTIFICATION NUMBER(S) FROM THE ARTICLES WERE PRODUCED.

IF THE ORDER REQUIRES THAT FINAL MARKING BE APPLIED, THE SUPPLIER IS RESPONSIBLE TO MARK THE PARTS PER DRAWING REQUIREMENTS INCLUDING SHULTZ ASSIGNED SERIAL NUMBERS WHEN APPLICABLE.

#### **B. LOT IDENTIFICATION/SELLER FURNISHED MATERIAL**

ALL MATERIALS PRODUCED ON THIS PURCHASE ORDER SHALL BE IDENTIFIED WITH THE PURCHASE ORDER NUMBER, HEAT NUMBER, BILLET NUMBER, AND BILLET POSITION AS APPLICABLE BY OUR OWN PURCHASE ORDER. ALL CERTIFICATIONS SHALL HAVE THE PURCHASE ORDER NUMBER AND OTHER TRACEABILITY DATA RECORDED ON THE CERTIFICATION.

#### **C. TRACEABILITY**

SELLER SHALL REFERENCE ON THE SHIPPING DOCUMENT, THE MANUFACTURER'S, LOT NUMBER, OR OTHER IDENTIFICATION UNIQUE TO THE SUPPLIER, FOR EACH COMPONENT SHIPPED. FAILURE TO COMPLY SHALL BE SO CERTIFIED.



## PROCUREMENT QUALITY REQUIREMENTS

### **PQR Code 025 – MRB AUTHORITY EXCLUSION**

A. SHULTZ STEEL COMPANY'S CUSTOMER HAS NOT GRANTED MATERIALS REVIEW AUTHORITY ON THIS ORDER, THEREFORE, NO DEVIATIONS FROM THE PURCHASE ORDER, DRAWING, OR RELATED SPECIFICATIONS WILL BE ACCEPTED, WITHOUT PRIOR REVIEW AND APPROVAL BY SHULTZ STEEL COMPANY OR SHULTZ STEEL COMPANY'S CUSTOMERS.

### **PQR Code 026 – PREMIUM MATERIAL FOR ROTATING DISK APPLICATIONS**

A. PREMIUM GRADE RAW MATERIAL SUPPLIED BY MILLS FOR PREMIUM MATERIAL SPECIFICATIONS ARE TO INCLUDE BILLET ACCEPTANCE MAPS IN ACCORDANCE WITH THOSE SPECIFICATIONS, AND ARE TO INCLUDE THE FOLLOWING DATA:

#### TITLE BLOCK INFORMATION:

- 1) FORGING SUPPLIER NAME
- 2) MATERIAL SPECIFICATION/CLASS
- 3) PREMIUM QUALITY SPECIFICATION, IF APPLICABLE (E.G. P1TF26A)
- 4) MELTING SOURCE; HEAT NUMBER, INGOT NUMBER; AND POSITION (MULTI-INGOT HEATS).
- 5) HEAT WEIGHT PRIOR TO CONVERSION (IF APPLICABLE)
- 6) BILLET ACCEPTANCE TEST SOURCE (OPTIONAL)
- 7) MAP COMPILED OR APPROVED BY; ACCEPTANCE OR CUT-UP MAP (EXPLAIN WHICH)
- 8) BILLET SIZE/SHAPE/WEIGHT
- 9) INFORMATION FOR SPECIFIC BILLET:  
BILLET LOCATION WITH RESPECT TO THE INGOT- PRECISE AS POSSIBLE. (E.G., "BOTTOM 20-40% OF INGOT." IDENTIFY BOTTOM OF BILLET; AND IDENTIFY INGOT TOP, IF IN BILLET).
- 10) CUT-OUTS-DESCRIBE:  
POSITION IN INCHES FROM A ZERO LOCATION AT THE BOTTOM OF THE BILLET; LENGTH OF CUT- OUT.
- 11) EXPLAIN ALL CUT-OUTS (E.G., ULTRASONIC REJECTION, MACRO REJECTION) AND THE RESULTS OF CUT-OUT VERIFICATIONS (E.G., "CRITICAL" VS. "OTHER" INDICATION; DESCRIBE "CRITICAL" INDICATIONS).





## **PROCUREMENT QUALITY REQUIREMENTS**

### **PQR Code 027 – NOTIFICATION OF LOCATION CHANGE**

- A. WHEN THE SUPPLIER RELOCATES THEIR FACILITIES, OR PART THEREOF, SHULTZ STEEL COMPANY SHALL BE NOTIFIED OF THE RELOCATION IN CASE A RESURVEY IS REQUIRED.

### **PQR Code 028 – LOCKHEED-MARTIN PURCHASE ORDERS**

- A. QCS-001 APPROVED SOURCES REQUIRED FOR SPECIAL PROCESSES

(REF. LOCKHEED – MARTIN APPENDIX QJ , QX & Q4R)

PROCESSING TO BE ACCOMPLISHED IN THE PERFORMANCE OF THIS PURCHASE ORDER IS DIRECTLY RELATED TO A LOCKHEED MARTIN AERONAUTICS COMPANY PURCHASE ORDER. PROCESSING MUST BE ACCOMPLISHED IN ACCORDANCE WITH THE CURRENT REVISION OF THE PROCESS SPECIFICATION(S) LISTED ON THIS PURCHASE ORDER. ALL REQUIREMENTS OF LOCKHEED MARTIN AERONAUTICS APPENDIX QJ PARAGRAPH A – F SHALL BE MET. APPENDIX QJ IS LOCATED AT [http://www.lockheedmartin.com/us/aeronautics/materialmanagement/scm-quality/scm-quality\\_qualityappendices.html](http://www.lockheedmartin.com/us/aeronautics/materialmanagement/scm-quality/scm-quality_qualityappendices.html)

SUPPLIER SHALL FILE AND MAINTAIN A COPY OF ALL PURCHASE ORDERS CONTAINING THE ABOVE PQR AND MAKE ALL APPLICABLE RECORDS AVAILABLE FOR REVIEW, UPON REQUEST.

SUPPLIER SHALL SUBMIT A CERTIFICATE OF CONFORMANCE ("C OF C") WITH A UNIQUE CERTIFICATION NUMBER CONTAINING THE FOLLOWING INFORMATION:

1. TITLE AND SPECIFICATION NUMBER (INCLUDING REVISION LETTER) OF THE PROCESS AND QCS-001 PROCESS CODE OF THE PROCESS
2. NAME AND ADDRESS OF THE PROCESS OR NDT FACILITY;
3. LOCKHEED MARTIN ASSIGNED PROCESSOR NUMBER;
4. DATE THE C OF C WAS ISSUED;
5. PURCHASE ORDER AND PART NUMBER;
6. FORGE LOT NUMBER, MATERIAL ALLOY, AND HEAT TREAT DESIGNATION
7. QUANTITY OF PARTS (TO INCLUDE QUANTITY ACCEPTED/REJECTED);
8. SIGNATURE AND TITLE OF AUTHORIZED QUALITY AGENT OF SELLER



**PROCUREMENT QUALITY REQUIREMENTS**

9. FRACTURE DURABILITY CLASSIFICATION OR SERIALIZATION, WHEN REQUIRED
10. SHULTZ STEEL COMPANY'S LMCO VENDOR CODE, FROM THE FOLLOWING:  
MARIETTA OR FORT WORTH END USE - 802479  
PALMDALE END USE - 15292
11. PROCESS CODE FOR ALL PROCESS PERFORMED.

(NOTE: THIS INFORMATION IS IN ADDITION TO DATA NOTED IN PQR 001 THIS INFORMATION SHALL BE FLOWED DOWN TO ANY SUBTIERS THE SUPPLIER MAY USE.)

SUPPLIER SHALL SUITABLY WRAP, BOX, OR RACK PARTS TO GUARD AGAINST SHIPPING DAMAGE AND TO APPLY RUST OR CORROSION PROTECTION AS NECESSARY AND REQUIRED.

SUPPLIER SHALL IDENTIFY SPECIFICATION(S) TITLE, SPECIFIC REVISION LEVEL(S), AND DRAWING(S) REQUIREMENT(S) THAT ARE PERFORMED BY A QCS-001 SOURCE.

SUPPLIER SHALL MEET THE FOD REQUIREMENTS OF LOCKHEED MARTIN QUALITY CLAUSE Q4R. QUALITY CLAUSE Q4R CAN BE FOUND AT:  
[http://www.lockheedmartin.com/us/aeronautics/materialmanagement/scm-quality/scm-quality\\_clauses.html](http://www.lockheedmartin.com/us/aeronautics/materialmanagement/scm-quality/scm-quality_clauses.html)

ALL APPLICABLE REQUIREMENTS SHALL BE FLOWED DOWN FROM LOCKHEED MARTIN QUALITY APPENDIX QX. APPENDIX QX CAN BE FOUND AT  
<http://www.lockheedmartin.com/us/aeronautics/materialmanagement/scm-quality.html>



## **PROCUREMENT QUALITY REQUIREMENTS**

### **PQR Code 029 – CRITICAL PARTS**

THE PARTS ON THIS ORDER HAVE BEEN DESIGNATED “CRITICAL” AS NOTED BELOW. THE NOTED LEVEL OF CRITICALITY MUST BE INCLUDED ON YOUR WORK INSTRUCTIONS, PLANNING AND CERTIFICATIONS (EACH PAGE) FOR THIS ORDER.

- A. MAINTENANCE CRITICAL
- B. FRACTURE CRITICAL
- C. FRACTURE CRITICAL TRACEABLE
- D. DURABILITY CRITICAL
- E. FRACTURE CRITICAL CATEGORY 1
- F. FRACTURE CRITICAL CATEGORY B
- G. FRACTURE CRITICAL DURABILITY CRITICAL
- H. MAKES A CRITICAL PART
- I. DAMAGE TOLERANT
- J. SIKORSKY FLIGHT SAFETY PART
- K. FRACTURE CRITICAL CATEGORY II
- L. FLIGHT SAFETY PART PER PRATT & WHITNEY DCS-178, UTC ASQR-09.1 APPLIES.
- M. CONTAINS CRITICAL CHARACTERISTICS AND/OR CRITICAL PROCESSES AND CANNOT BE REVISED OR ALTERNATE METHOD USED, WITHOUT PRIOR WRITTEN APPROVAL FROM THE UTC MEMBER.
- N. MAKES A PRIMARY PART
- O. FLIGHT SAFETY PART
- P. FRACTURE CRITICAL NON TRACEABLE
- Q. FRACTURE CRITICAL MATERIAL TRACEABLE
- R. MAINTENANCE CRITICAL NON TRACEABLE

### **PQR Code 030 – SHIPMENT AND PRE-DELIVERY OF DOCUMENT REQUIREMENTS FOR MILL SUPPLIERS**

- A. THE SUPPLIER SHALL FORWARD TO SHULTZ STEEL PURCHASING AT TIME OF SHIPMENT ONE (1) COPY OF THE SHIPPING DOCUMENT IDENTIFYING ALL ITEMS SHIPPED PER THIS ORDER, BY GRADE, SIZE, WEIGHT, AND QUANTITY. SUPPLIER SHALL ALSO FORWARD ONE (1) COPY OF MATERIAL CERTIFICATIONS.



## PROCUREMENT QUALITY REQUIREMENTS

### **PQR Code 031 – PUBLIC RELEASE OF INFORMATION**

- A. INFORMATION, DATA, PHOTOGRAPHS, SKETCHES, ADVERTISING, DISPLAYS , PROMOTIONAL BROCHURES, OR OTHER MATERIALS RELATED TO WORK UNDER THIS CONTRACT, WHICH SELLER DESIRES TO PUBLISH, DISPLAY, OR RELEASE INTERNALLY, TO OTHER SELLERS, TO BUYER AGENCIES, OR TO THE PUBLIC, SHALL BE SUBMITTED TO THE BUYER AT LEAST EIGHT (8) WEEKS PRIOR TO THE DESIRED PRINTING OR RELEASE DATE. THIS INCLUDES DESCRIPTIVE OR PROMOTIONAL MATERIAL WHICH LINKS OR RELATES, DIRECTLY OR INDIRECTLY, THE SELLER'S PRODUCT LINE, MANUFACTURING FACILITIES, OR MANUFACTURING CAPABILITIES TO PERFORMANCE OF NAVAL NUCLEAR PROPULSION WORK. AS PART OF THE APPROVAL REQUEST, THE SELLER SHALL IDENTIFY THE SPECIFIC MEDIA TO BE USED AS WELL AS OTHER PERTINENT DETAILS OF THE PROPOSED RELEASE. ALL RELEASES, REGARDLESS OF TIER OF SUPPLIER, MUST HAVE THE PRIOR APPROVAL OF BUYER.
- B. SHOULD ANY INFORMATION DESCRIBED ABOVE BE REQUESTED, SUBPOENAED, OR OTHERWISE SOUGHT BY A COURT OR OTHER JUDICIAL OR ADMINISTRATIVE AUTHORITY, THIS SHOULD BE PROMPTLY BROUGHT TO THE ATTENTION OF THE BUYER TO PERMIT APPROPRIATE MEASURES TO BE TAKEN TO PROTECT THE INFORMATION. UNDER NO CIRCUMSTANCES, SHOULD THIS INFORMATION BE RELEASED TO SUCH AUTHORITY WITHOUT PRIOR NOTIFICATION AND AGREEMENT OF THE BUYER.
- C. SELLER AGREES THAT THIS REQUIREMENT OF PRIOR BUYER APPROVAL OF ANY RELEASE SHALL SURVIVE THE CONTRACT AND THAT THE SELLER SHALL NOT FOR A PERIOD OF TWENTY YEARS AFTER ISSUANCE OF THIS CONTRACT EITHER DIRECTLY OR INDIRECTLY ISSUE ANY SUCH RELEASE WITHOUT THE REQUISITE APPROVAL OF THE BUYER.
- D. THE SELLER SHALL INCLUDE ALL PROVISIONS OF THIS ARTICLE INCLUDING THIS SENTENCE IN ALL SUBCONTRACTS UNDER THIS CONTRACT.



## PROCUREMENT QUALITY REQUIREMENTS

### **PQR Code 032 – FRAUD OR FALSIFICATION**

- A. THIS ORDER AND ACTIVITIES HEREUNDER ARE WITHIN THE JURISDICTION OF THE DEPARTMENT OF ENERGY OR THE DEPARTMENT OF THE NAVY. ANY KNOWING AND WILLFUL ACT TO FALSIFY, CONCEAL, OR ALTER A MATERIAL FACT, OR ANY FALSE, FRAUDULENT OR FICTITIOUS STATEMENT OR REPRESENTATION IN CONNECTION WITH THE PERFORMANCE OF WORK UNDER THIS ORDER MAY BE PUNISHABLE IN ACCORDANCE WITH APPLICABLE FEDERAL STATUTES.
- B. SELLER AGREES THAT ALL EMPLOYEES ENGAGED IN THE PERFORMANCE OF THIS PURCHASE ORDER WILL BE, IF THEY HAVE NOT BEEN PREVIOUSLY, INFORMED IN WRITING PRIOR TO COMMENCING PERFORMANCE OF WORK UNDER THIS PURCHASE ORDER THAT THERE IS A RISK OF FEDERAL CRIMINAL PENALTIES ASSOCIATED WITH ANY FALSIFICATION, CONCEALMENT OR MISREPRESENTATION IN CONNECTION WITH WORK PERFORMED UNDER THIS PURCHASE ORDER. SELLER AGREES THAT A SIGNED STATEMENT SHALL BE, IF IT HAS NOT BEEN PREVIOUSLY, OBTAINED FROM SAID EMPLOYEES PRIOR TO THEIR COMMENCING PERFORMANCE OF WORK UNDER THIS PURCHASE ORDER THAT THEY HAVE BEEN SO INFORMED. SUCH STATEMENTS SHALL BE RETAINED BY THE SELLER FOR AT LEAST THREE YEARS AFTER FINAL PAYMENT ON THIS PURCHASE ORDER. AN ACCEPTABLE FORM FOR SUCH A STATEMENT IS SUBSTANTIALLY AS FOLLOWS:

“(THIS COMPANY) PERFORMS WORK UNDER CONTRACTS WHICH ARE WITHIN THE JURISDICTION OF DEPARTMENTS OF THE UNITED STATES GOVERNMENT. SOME OF THE WORK PERFORMED UNDER THESE CONTRACTS AFFECTS THE NATIONAL SECURITY OF THE UNITED STATES AND THE REQUIREMENTS OF THESE CONTRACTS ARE DESIGNED TO ENSURE THAT ESSENTIAL ATTRIBUTES OF THE WORK ARE CAREFULLY CHECKED OR INSPECTED AND THAT RECORDS ACCURATELY REFLECT THE RESULTS OF ALL WORK. ANY FALSIFICATION, CONCEALMENT, OR ALTERATION OF ANY MATERIAL FACT, OR ANY FALSE, FRAUDULENT, OR FICTITIOUS STATEMENT OR REPRESENTATION IN CONNECTION WITH THE WORK UNDER ANY CONTRACT WITHIN THE JURISDICTION OF THE GOVERNMENT IS NOT ONLY PROHIBITED BY (COMPANY) POLICY, BUT MAY ALSO BE PUNISHABLE UNDER FEDERAL LAW. PLEASE ACKNOWLEDGE BY YOUR SIGNATURE THAT YOU HAVE READ AND UNDERSTAND THE ABOVE.”

- C. SELLER AGREES TO INCLUDE THE FOLLOWING PREPRINTED STATEMENT ON MANUFACTURING WORK INSTRUCTIONS AND INSPECTION OR TEST FORMS GENERATED BY THE CONTRACTOR TO VERIFY OR REPORT THE



## **PROCUREMENT QUALITY REQUIREMENTS**

PERFORMANCE OF ANY WORK ON THE ORDERED EQUIPMENT:

“NOTE: THE RECORDING OF FALSE, FICTITIOUS, OR FRAUDULENT STATEMENTS OR ENTRIES ON THIS DOCUMENT MAY BE PUNISHABLE AS A FELONY UNDER FEDERAL STATUTE.”

- D. SELLER AGREES TO INCLUDE THIS ARTICLE, INCLUDING THIS PARAGRAPH D., IN EVERY SUBCONTRACT OR LOWER-TIER PURCHASE ORDER FOR MATERIAL, PARTS OR SERVICES UNDER THIS ORDER.

### **PQR Code 033 - ITAR REQUIREMENTS**

- A. INFORMATION FURNISHED TO SUPPLIER UNDER THIS PURCHASE ORDER MAY CONTAIN TECHNICAL DATA AS DEFINED IN THE INTERNATIONAL TRAFFIC IN ARMS REGULATIONS ("ITAR") AT 22 CFR 120.10. SUPPLIER IS ADVISED AND HEREBY ACKNOWLEDGES THAT SUCH TECHNICAL DATA MAY NOT BE EXPORTED, DISCLOSED OR TRANSFERRED TO ANY FOREIGN PERSON, AS DEFINED IN THE ITAR AT 22 CFR 120.16, WITHOUT FIRST COMPLYING WITH ALL THE REQUIREMENTS OF THE ITAR (22 CFR 120-130) INCLUDING REQUIREMENTS FOR OBTAINING ANY REQUIRED EXPORT AUTHORITY. IF SUCH TECHNICAL DATA IS MARKED AS ITAR CONTROLLED, SUPPLIER SHALL INDEMNIFY AND HOLD SHULTZ STEEL HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, LIABILITIES AND EXPENSES RESULTING FROM SELLER'S FAILURE TO COMPLY WITH THE EXPORT LAWS AND REGULATIONS OF THE UNITED STATES.

ITAR REGISTRATION REQUIREMENTS: SELLER SHALL COMPLY WITH INTERNATIONAL TRAFFIC IN ARMS REGULATIONS SECTION 122.1, REGISTRATION REQUIREMENTS.

### **PQR Code 034 - DIGITAL PRODUCT DEFINITION**

- A. SUPPLIER MUST HAVE DEVELOPED AND MAINTAINED A DIGITAL PRODUCT DEFINITION / MODEL BASED DEFINITION PROCESS IN ACCORDANCE WITH THE LATEST REVISION OF BOEING DOCUMENT D6-51991: QUALITY ASSURANCE STANDARD FOR DIGITAL PRODUCT

DEFINITION AT BOEING SUPPLIERS.

SUPPLIER WILL ALSO BE REQUIRED TO COMPLETE AN ANNUAL DPD/MBD QUESTIONNAIRE ISSUED BY SHULTZ STEEL COMPANY.



## **PROCUREMENT QUALITY REQUIREMENTS**

### **PQR Code 035 – REQUIREMENT FOR FIXTURE AND TEMPLATE**

- A. LATEST DRAWING PROVIDED BY SHULTZ STEEL COMPANY SHALL BE USED TO MANUFACTURE THE FIXTURE AND TEMPLATE FOR MACHINING.
- B. SUPPLIER IS RESPONSIBLE FOR RECORDING THE REQUIRED FIRST ARTICLE INSPECTION DIMENSIONS FROM THE ACTUAL FIXTURE OR TEMPLATE.
- C. COMPLETED FIRST ARTICLE INSPECTION SHEET (PROVIDED WITH DRAWING) SHALL BE RETURNED TO SHULTZ STEEL COMPANY WITH FIXTURES AND/OR TEMPLATES.

### **PQR Code 036 – F35 END USE ITEM DFARS COMPLIANCE**

- A. INCLUDED IN THE SCOPE OF THIS ORDER ARE SUPPLIES AND/OR SERVICES TO BE SUPPLIED TO SHULTZ STEEL FOR END SUPPLY TO LOCKHEED MARTIN AND BAE SYSTEMS ON THE F35 JOINT STRIKE FIGHTER PROGRAM. THESE SUPPLIES AND/OR SERVICES MUST BE IN FULL COMPLIANCE WITH THE BELOW LISTED DFARS CLAUSES TO THE EXTENT THEY ARE APPLICABLE, INCLUDING THAT THESE FLOW-DOWN TO ANY OF YOUR SUBTIERS, AS APPLICABLE.

252.225-7007 – Prohibition on Acquisition of United States Munitions List Items From Communist Chinese Military Companies.

252.225-7009 (previously -7014) – Restriction on Acquisition of Certain Articles Containing Specialty Metals

252.204-7008 – Requirements for Contracts Involving Export-Controlled Items

252.225-7001 – Buy American and Balance of Payments Program

252.225-7006 – Quarterly Reporting of Actual Contract Performance Outside the United States

252.225-7013 – Duty Free Entry

252.225-7016 – Restriction on Acquisition of Ball and Roller Bearings

252.225-7021 – Trade Agreements

252.225-7033 – Waiver of United Kingdom Levies



## PROCUREMENT QUALITY REQUIREMENTS

### **PQR Code 037 –COUNTERFEIT PARTS/MATERIEL PREVENTION**

“Counterfeit Product” means product that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method with intent to deceive or defraud (Reference PQR code 002, 010, 023, 024, 030, 032).

**Materiel: material, parts, assemblies, and other procured items.**

- A. SELLER AGREES AND SHALL ENSURE THAT COUNTERFEIT MATERIEL IS NOT DELIVERED TO SHULTZ STEEL COMPANY AND MUST CONFORM TO THE CURRENT REVISION OF AS6174 (SECTION 3.1). SELLER SHALL PROVIDE CERTIFICATE OF AUTHENCITY, CERTIFICATE OF CONFORMANCE, AND TRACEABILITY.
- B. SELLER, IF ELIGIBLE FOR UTILIZATION OF THE GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (“GIDEP”), SHALL UTILIZE THE GIDEP PROCESS TO SCREEN THEIR MATERIEL FOR RISKS, TAKING APPROPRIATE MITIGATING ACTIONS WHEN NECESSARY, AND ALERT SHULTZ STEEL COMPANY OF ENCOUNTERED COUNTERFEIT MATERIEL.
- C. SELLER SHALL ONLY PURCHASE NEW AND AUTHENTIC PRODUCTS TO BE DELIVERED TO SHULTZ STEEL COMPANY DIRECTLY FROM THE ORIGINAL COMPONENT MANUFACTURER (OCM)/ ORIGINAL EQUIPMENT MANUFACTURER (OEM), OR THROUGH AN OCM/OEM AUTHORIZED DISTRIBUTOR CHAIN OR AUTHORIZED AFTERMARKET MANUFACTURER. THE MATERIEL SHALL NOT BE ACQUIRED FROM INDEPENDENT DISTRIBUTORS OR BROKERS AS DEFINED IN AS 6174 (SECTION 3.1) UNLESS APPROVED IN ADVANCE IN WRITING BY SHULTZ STEEL COMPANY.
- D. SELLER SHALL IMMEDIATELY INFORM IN WRITING SHULTZ STEEL COMPANY AND GOVERNMENT REPORTING ORGANIZATIONS SUCH AS GIDEP (GOVERNMENT INDUSTRY DATA EXCHANGE PROGRAM), PDREP (PRODUCT DATA REPORTING AND EVALUATION PROGRAM), JDRS (JOINT DEFICIENCY REPORTING SYSTEM), WITH THE PERTINENT FACTS IF SELLER BECOMES AWARE OF OR SUSPECTS THAT IT HAS FURNISHED COUNTERFEIT PRODUCT. IN ADDITION, IF THE SELLER REPORTS THE COUNTERFEIT PRODUCT TO THE DOD (DEPARTMENT OF DEFENSE), DOC (DEPARTMENT OF COMMERCE), DOE (DEPARTMENT OF ENERGY), DOT (DEPARTMENT OF TRANSPORTATION), FAA (FEDERAL AVIATION ADMINISTRATION), A COPY OF THE REPORT SHOULD BE SENT TO SHULTZ STEEL. SELLER SHALL





### **PROCUREMENT QUALITY REQUIREMENTS**

MAINTAIN OCM/OEM CERTIFICATIONS OF CONFORMANCE WITH TRACEABILITY (INCLUDING THE NAME AND LOCATION OF ALL SUPPLY CHAIN INTERMEDIARIES FROM THE ORIGINAL MANUFACTURER TO THE DIRECT SOURCE AND BUILD IDENTIFICATION SUCH AS PURCHASE ORDER NUMBER, PART NUMBER, DATE CODES, LOT CODES, HEAT CODES OR OTHER BATCH IDENTIFICATION) THAT AUTHENTICATES TRACEABILITY OF THE AFFECTED ITEMS TO THE APPLICABLE OCM/OEM. SELLER SHALL PROVIDE SAID DOCUMENTATION WHEN REQUESTED BY SHULTZ STEEL COMPANY. THE CERTIFICATE OF CONFORMANCE AND TRACEABILITY IS REQUIRED TO DETERMINE ACCEPTABILITY OF THE PRODUCT. IF THE CERTIFICATE OF CONFORMANCE AND TRACEABILITY IS NOT PROVIDED, IS INCOMPLETE OR OTHERWISE UNACCEPTABLE, THE PRODUCT WILL BE DETERMINED NON CONFORMANT TO THE CONTRACT REQUIREMENTS AND WILL BE REJECTED.

- E. SHULTZ STEEL COMPANY WILL NOTIFY SELLER OF ALL TESTS AND INSPECTIONS (INCLUDING BUT NOT LIMITED TO TRACEABILITY AND DOCUMENTATION VERIFICATION, VISUAL INSPECTION, NONDESTRUCTIVE TESTING, DESTRUCTIVE TESTING) REQUIRED TO CONDUCT AND TO ASSURE PRODUCT AUTHENTICITY, INCLUDING DEVELOPMENT OF ACCEPT/REJECT CRITERIA AND QUALIFICATION OF TEST/INSPECTION PERSONNEL.
  
- F. IN THE EVENT THAT PRODUCT DELIVERED UNDER THIS CONTRACT CONSTITUTES OR INCLUDES COUNTERFEIT MATERIAL, SELLER SHALL, AT ITS EXPENSE, PROMPTLY REPLACE SUCH COUNTERFEIT MATERIAL WITH GENUINE CONFORMING TO THE REQUIREMENTS OF THIS CONTRACT. NOTWITHSTANDING ANY OTHER PROVISION IN THIS CONTRACT, SELLER SHALL BE LIABLE FOR ALL COSTS RELATING TO THE REMOVAL AND REPLACEMENT OF COUNTERFEIT MATERIAL, INCLUDING WITHOUT LIMITATION SHULTZ STEEL'S COSTS OF REMOVING COUNTERFEIT MATERIAL, OF REINSERTING REPLACEMENT MATERIAL, AND OF ANY TESTING NECESSITATED BY THE REINSTALLATION OF WORK AFTER COUNTERFEIT MATERIAL HAS BEEN EXCHANGED. THE CORRECTIVE ACTIONS CONTAINED IN THIS PARAGRAPH ARE IN ADDITION TO ANY CORRECTIVE ACTIONS SHULTZ STEEL MAY HAVE AT LAW, EQUITY, OR UNDER OTHER PROVISIONS OF THIS CONTRACT.
  
- G. THIS CLAUSE APPLIES IN ADDITION TO ANY QUALITY PROVISION,



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(800) 421-6351      [www.shultzsteel.com](http://www.shultzsteel.com)



**PROCUREMENT QUALITY REQUIREMENTS**

SPECIFICATION, STATEMENT OF WORK, OR OTHER PROVISION INCLUDED IN THIS CONTRACT ADDRESSING THE AUTHENCITY OF WORK. TO THE EXTENT SUCH PROVISIONS CONFLICT WITH THIS CLAUSE, THIS CLAUSE PREVAILS.

- H. SELLER SHALL INCLUDE PARAGRAPHS (A) THROUGH (F) OF THIS CLAUSE OR EQUIVALENT PROVISIONS IN LOWER TIER SUBCONTRACTS FOR THE DELIVERY OF ITEMS THAT WILL BE INCLUDED IN OR FURNISHED AS WORK TO SHULTZ STEEL COMPANY.