

# Supplier Quality Clauses

## 1.0 Introduction

The Supplier is encouraged to review the COTSWORKS Supplier Quality Clauses prior to acceptance of this Purchase Order. This document may also be found on the COTSWORKS website, [www.cotsworks.com](http://www.cotsworks.com). If the Supplier does not have access to the COTSWORKS website, they should contact [purchasing@cotsworks.com](mailto:purchasing@cotsworks.com) to obtain a hard copy of these Supplier Quality Clauses.

## 2.0 Supplier Responsibility for Product Conformity, Product Safety and Ethical Conduct

In the execution of a Purchase Order, the Supplier must be aware of their contribution to product conformity by meeting the specification and drawing requirements of the component(s) defined in the Purchase Order and associated documents. Should there be a discrepancy between the Purchase Order documents and any documents on file with the Supplier, it is the Supplier's responsibility to reconcile these differences with COTSWORKS before proceeding with an order.

Likewise, the Supplier is responsible for ensuring that the component(s) furnished on a COTSWORKS Purchase Order meet all applicable safety laws, codes (local, national, and international), and directives in accordance with ISO9000 and AS9100. Supplier will support product safety by ensuring robust management of special requirements, critical items, and key characteristics. If there are concerns with respect to product safety, supplier will communicate them directly to COTSWORKS. If there is a concern at the Supplier's premises with respect to safety during the manufacture of the product, Supplier will notify its own employees of the concern and whenever possible, mitigate the concern.

COTSWORKS conducts business to the highest ethical standards and practices. Similarly, COTSWORKS requires that Suppliers conduct business to these same high ethical standards and practices. Supplier must be committed to the highest standards of ethics and business conduct. Supplier must comply with the law, honor commitments, act in good faith, and be accountable. Supplier must strive to maintain full compliance with all laws and regulations applicable to the operation of the business and customer relationships. Supplier must not offer, promise, authorize, or provide, directly or indirectly, anything of value (including business gifts or courtesies) with the intent or effect of inducing anyone to engage in unfair business practices. Supplier will avoid involvement in activities that may be perceived as a conflict-of-interest. Supplier will respect the legitimate proprietary rights and intellectual property rights of customers and Suppliers, and take proper care to protect sensitive information, including confidential, proprietary, and personal information.

## 3.0 Quality Flow-Down to Sub-Tier Suppliers

The Supplier shall ensure all relevant COTSWORKS Purchase Order requirements are flowed down to their sub-tier suppliers. The Supplier's sub-tier suppliers are responsible to comply with the same specifications and requirements specified on this Purchase Order. The Supplier should make a reasonable effort to use American suppliers over international suppliers.

#### **4.0 Quality Management System Requirements**

The Supplier shall maintain a quality system meeting the requirements of ISO9001 or AS9100. Third-party registration by an accredited registrar is preferred. Suppliers declaring compliance with no formal accredited registration may require review. For Suppliers not meeting these specifications, COTSWORKS will review and determine if the system implemented is sufficient based on the nature and levels of control required by the parts, materials, or services being procured.

#### **5.0 Requirement for the Qualification of Personnel**

The Supplier's Quality System shall ensure all relevant Purchase Order requirements are met and all applicable processes affecting the final quality of the product in the Purchase Order are rendered by qualified personnel.

#### **6.0 Subcontracting of the Order**

The Supplier shall not subcontract in whole, or substantially in whole, performance of any order without prior written consent of COTSWORKS. Requests for subcontracting an order shall be made by the Supplier in writing to [purchasing@cotsworks.com](mailto:purchasing@cotsworks.com). All affected COTSWORKS part numbers must be listed in the email notification.

#### **7.0 Certificate of Conformance (C of C)**

A Certificate of Conformance (C of C) shall be provided with each shipment. The C of C can be a separate document, or it can be included as part of the shipping declaration/packing slip text. The C of C shall contain the following information:

- Supplier name and address
- Statement that parts conform to the specified requirements
- P.O. and line item number
- Original manufacturer's name and part number (if applicable)
- COTSWORKS part number and revision number (if applicable)
- Date and identity (hand signature or electronic signature) of quality representative or company official
- For returned parts, the Supplier shall indicate if the parts are reworked.

#### **8.0 Record Retention**

The Supplier shall retain all purchasing, production control, quality, manufacturing and manufacturing methods, test, and other related documents associated with the item purchased, for a minimum of ten (10) years after order completion, unless a longer retention period is herewith noted on the Purchase Order.

Records must be stored in an area which prevents loss, damage, or deterioration. All data stored by electronic means shall be secure with back-up procedures in place.

The Supplier shall contact [quality@cotsworks.com](mailto:quality@cotsworks.com) to determine disposition of records upon termination of business activity.



## 9.0 Right of Access

COTSWORKS or anyone designated by COTSWORKS, including cognizant government agencies, shall have access to all applicable areas of Supplier's facilities. This includes suppliers at any level of the supply chain involved in the order and to all applicable records. This right shall also extend to the Supplier's sub-tier suppliers. The Supplier shall be given reasonable advance notice by COTSWORKS to host such events.

## 10.0 Supplier-Initiated Changes

The Supplier is required to notify COTSWORKS prior to shipping material or products with changes in product, processes, components, sub-suppliers/sub-contractors, manufacturing facility locations, packaging, shipping method, molds, or outside processors. The Supplier shall notify COTSWORKS in writing at [purchasing@cotsworks.com](mailto:purchasing@cotsworks.com) with details of the proposed change(s). All affected COTSWORKS part numbers must be listed in the email notification.

For items where COTSWORKS has design authority, Suppliers are required to obtain written approval from [purchasing@cotsworks.com](mailto:purchasing@cotsworks.com) prior to instituting any change(s). Suppliers are required to maintain record of all such approvals and have them available upon request. In addition, the Supplier shall also provide notification to [quality@cotsworks.com](mailto:quality@cotsworks.com) within 24 hours of any change in top management, ownership, QMS, a major change in the number of employees, or resources used to provide COTSWORKS products or materials. All affected COTSWORKS part numbers must be listed in the email notification.

## 11.0 Workmanship

For electrical and electronics parts, the plans and acceptance standards shall comply with J-STD-001 (Requirements for Soldered Electrical and Electronic Assemblies), and ANSI/IPC-A-610 (Acceptability of Electronic Assemblies). Other part types shall have workmanship standards in accordance with the relevant drawings, specifications, and the Supplier's QMS. Workmanship requirements specified on the component specification/drawing or elsewhere on the contract or Purchase Order shall take precedence over this paragraph.

## 12.0 Prohibition of Pure Tin

The use of Pure Tin-Plated finishes intended to be soldered are strictly PROHIBITED. These restrictions apply for all types and levels of procurements, with the Supplier responsible for communicating these restrictions to manufactures or sub-tier suppliers as required.

## 13.0 Counterfeit Components

COTSWORKS requires that all suppliers of electrical parts or assemblies shall document and implement a policy compliant to the current revision of SAE AS5553 (Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition). Suppliers of mechanical parts are to comply with similar methodology by adopting and implementing standard counterfeit mitigation processes applicable to their industry. Suppliers shall purchase material directly from original equipment manufacturers, original component manufacturers, or their authorized distributors. All marking on packaging of components shall be removed or obliterated after use to prevent misuse in counterfeit parts schemes.

**13.1** Suppliers of Electrical, Electronic, and Electromechanical (EEE) Parts shall provide a Certificate of Conformance and Supply Chain Traceability (CoCT) with each shipment of product demonstrating that the material(s) were procured from an OEM, OCM, or Authorized Distributor.

#### **14.0 Electrostatic Discharge Control (ESD) Program**

For electrical and electronic parts susceptible to damage from Electrostatic Discharge (ESD), the Supplier shall establish and maintain a written ESD Control Program compliant to the latest revision of MIL-STD-1686, JEDEC JESD 625, ANSI/ESD S20.20, or equivalent. The Supplier shall take the necessary precautions to ensure that static susceptible devices are adequately protected from ESD damage during handling, manufacturing, testing, inspection, packaging, and shipping. Packaging shall be marked with an ESD cautionary note or symbol.

#### **15.0 Foreign Material**

The contamination of goods by foreign material or objects is not acceptable as it could eventually affect product appearance and performance. By delivering items to COTSWORKS, the Supplier shall be deemed to have certified to COTSWORKS that such items are free from any foreign materials, objects, or debris.

#### **16.0 Requirements on Moisture Sensitive Devices**

All Plastic Encapsulated Microcircuit (PEM) devices identified between Levels 1 and 6 shall be packaged according to the latest revision of IPC/JEDEC J-STD-033. The “Moisture-Sensitive Identification” (MSID) label and the “Caution” label as specified in EIA/JEDEC JEP113 shall be affixed to the outside surface of the moisture bag (MBB).

#### **17.0 Material Review Authority**

The Supplier’s material review authority may include rework but shall not extend to “repair” or “use-as-is” without prior documented approval from [purchasing@cotsworks.com](mailto:purchasing@cotsworks.com). Supplier shall submit to COTSWORKS all requests for variance from contract, order, specification, or drawing requirements. COTSWORKS reserves the right to reject the decision of the Supplier Material Review Board (MRB).

#### **18.0 Notice of Nonconforming Material**

The Supplier must promptly notify COTSWORKS when a nonconformity or reliability issue is discovered in the Supplier’s processes, components, or assemblies for any product already delivered. This communication shall be sent to [purchasing@cotsworks.com](mailto:purchasing@cotsworks.com). The communication shall contain the following information:

- Lot/batch information and date of manufacture (as applicable)
- Part numbers impacted including vendor part number(s) and COTSWORKS part number(s)
- Recovery plan
- Containment plan including non-conforming quantity
- Purchase Order number(s) impacted
- Nonconformance description/problem summary and requirement violated

## 19.0 Obsolescence Management

The Supplier shall inform COTSWORKS of all items that will become obsolete within the next twelve months. The Supplier shall maintain regular communication with sub-tier suppliers regarding possible raw material or component obsolescence. The Supplier should have a documented obsolescence management plan/process in place to mitigate delivery risk for all items that could become obsolete. COTSWORKS requires suppliers to notify [purchasing@cotsworks.com](mailto:purchasing@cotsworks.com) regarding obsolescence with lead time sufficient so as not to disrupt delivery schedules. The notification shall include all affected COTSWORKS part numbers.

## 20.0 Exceptions

Any exceptions to the requirements in this document shall be authorized in writing by COTSWORKS and maintained by COTSWORKS.

## 21.0 Calibration and Testing Suppliers

All such suppliers should maintain a calibration system in accordance with the requirements of ISO 17025, ISO 10012, ANSI Z-540-1, and ANSI Z540-3 as appropriate. All Inspection Measuring & Test Equipment (M&TE) used by the Supplier during in-process and final inspection to make a compliance evaluation shall be calibrated against measurement Standards traceable to NIST or an equivalent National Measurement Institute (NMI).

## 22.0 ITAR/EAR Export Controls/Technical Data

Where drawings and/or POs indicate Export Controls apply, any related information (aka Technical Data) shall be handled as per controls enumerated through the Export Administration Regulations (EAR), implemented by the Department of Commerce for items that have both a commercial and potential military use, and the International Traffic in Arms Regulations (ITAR), implemented by the Department of State. Failure to secure such data may be subject to both criminal and administrative penalties. Fines for export violations, including antiboycott violations, can reach up to \$1,000,000 per violation in criminal cases, and \$250,000 per violation in most administrative cases.

## 23.0 DPAS

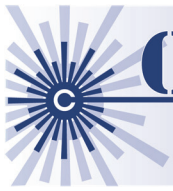
Any purchase made referencing **Defense Priorities Allocation System (DPAS)** *DO* or *DX* Ratings shall be handled per *15 CFR Part 700* in accordance with the Department of Defense (DoD) property management system to assure these orders are scheduled and processed ahead of any commercial jobs to assure their timely delivery.

## 24.0 References

ISO:9001 Quality Management Systems - Requirements

AS9100 Quality Management Systems - Requirements for Aviation, Space, and Defense Organizations

MIL-STD-1686 Electrostatic Discharge Control Program for Protection of Electrical and Electronic Parts, Assemblies and Equipment (Excluding Electrically Initiated Explosive Devices)



EIA-625 Requirements for Handling Electrostatic-Discharge-Sensitive (ESDS) Devices

ANSI/ESD S20.20 Protection of Electrical and Electronic Parts, Assemblies and Equipment (Excluding Electrically Initiated Explosive Devices)

IPC/JEDEC J-STD-033 Handling, Packing, Shipping and Use of Moisture/Reflow Sensitive Surface Mount Devices

EIA/JEDEC JEP113 Symbol and Labels for Moisture-Sensitive Devices

AS5553 - Counterfeit Electrical, Electronic, and Electromechanical (EEE) Parts; Avoidance, Detection, Mitigation, and Disposition

