



Leemark Engineering (Hayes) Ltd Terms and Conditions of Purchase

Leemark Ref No: Form LMK 03-02 Issue 3/2018

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Form LMK03-02

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Leemark Engineering (Hayes) Limited Quality Control Terms & Conditions of Procurement

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1.0 Scope

- 1.1 This document details the requirements to be satisfied by external providers to Leemark Engineering (Hayes) Limited. Leemark requires that each external provider must comply with the quality requirements set forth within this document and to maintain a Quality Management System that ensures materials, goods and services comply with all our specified requirements.
- 1.2 These contract requirements are additional to the details on our Purchase Order (which focus on product quantity, logistics, part descriptions, special references, etc.).

2.0 Purpose

- 2.1 To establish and confirm an external providers Quality Assurance requirement for Leemark for organisations supplying materials, goods and services that have a direct impact on the specification and or performance of a Leemark product.

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4.0 Related Documents / Terminology

The following documents are internal to Leemark and may be available upon request:

Procedure	Subject
LE Ref: LMK03	Purchasing (for reference only)
LE Ref: LMK13	Selection of External Providers
LE Ref: LMK08	Non Conformance (for reference only) Form
LE Ref: LMK05	FAIR - First Article Inspection Report (for Leemark's use / completion)

5.0 Approval Requirements

- 5.1 External providers shall as the terms so require, supply, release and deliver all products in accordance with the Purchase Order and all requirements identified therein.

Leemark requires its external providers and their direct and sub-tier external providers to be certified against EN AS 9100 and or EN AS 9120 (current issue) when contracted for Aerospace / Defence work (as this is an EN AS 9100 and or EN AS 9120 customer contract requirement). When contracted for commercial (non-Aerospace / Defence) work the external providers must be certified against ISO 9001:2008 as a minimum for product manufacture and or supply. If a test and or calibration laboratory, the external provider must be ISI 17025 accredited by UKAS.

External providers that do not comply with the above may be used by Leemark, provided the external providers Quality Management System complies with the following requirements (LMK13) and has been formally approved by Leemark management. All certification awarded must be accredited by UKAS (or similar notified body under the mutual recognition agreement (MRA) for international accreditation – refer to EA – EC notified bodies).

- 5.2 All products shall be supplied strictly in accordance with the purchase order (and technical specification provided). The delivery of incomplete product / shortages is not permissible unless specified on the purchase order or by written authority of Leemark.
- 5.4 When the external provider is manufacturing a product on behalf of Leemark, the external provider may only use External Special Process Providers who are Leemark approved. A complete list of Leemark approved External Process Suppliers Providers can be supplied on request.
- 5.5 Documentation and data supplied by material stockists / manufactures / mills with the purchased item, shall ensure that full traceability of the purchased item is maintained, confirming that the purchased item conforms to specification and was actually produced by the designated manufacturer (objectively).
- 5.6 In the event that an external provider has its approval against AS9100, AS9120 and / or ISO 9001 removed the external provider must immediately inform Leemark in writing stating the reason / status of withdrawal.
- 6.0 General**
- 6.1 Enquiries concerning the content of this document and other referenced documents, or requests for additional copies should be referred to the purchasing representative responsible for the Purchase Order within Leemark.
- 6.2 The requirements of this document and of Leemark procedure LMK 13 Selection of External Providers will be used to provide both existing and potential external providers with visibility of the current Quality and Standard requirements and expectations of Leemark contracts.
- 6.3 It is the policy of Leemark to manufacture and supply products and services, which result in, or contribute to, safe conditions for its customers and the end-users of such products and services. In furtherance of this policy, external providers shall establish controls and procedures that ensure that the attention necessary for the achievement of this objective is objectively provided throughout the production in support of their products.
- 6.4 External providers are required to comply in full with the contents of this document. If an external provider cannot comply with any portion of this document, then the external provider must advise Leemark in writing. Leemark will review the supplier request and advise the external provider of the results in writing. The external provider is responsible for keeping all related documentation on file at their facility. No deviation from this document is acceptable in advance of formal agreement to do so in writing from Leemark. Such formal agreement must be retained by the external provider.
- 6.5 Verbal agreements are un-acceptable.
- 6.6 External providers shall maintain Leemark specifications and other Standards at the latest issue and shall review the issue status of specifications on receipt of a Purchase Order and or at least once within a six month period (particularly for repeat contracts).
- 7.0 Business Quality Improvement Objectives**
- 7.1 All external providers are expected to have plans to achieve Business (Quality) improvements as part of their continuous improvement programme.
- 7.2 Leemark is dedicated to continuous improvement in the quality and integrity of its services and to the satisfaction of its customer requirements and expectations. External provider's contribution to this approach through the quality and reliability of their products and services is a prerequisite.
- 7.3 Each external provider shall demonstrate continuous improvement based on pro-active loss-prevention, root cause analysis and effective timely corrective action.
- 8.0 Organisation**
- 8.1 Any change to the management representative responsible for Quality Management System and / or Inspection within the external provider's organisation (or group ownership) shall be communicated to Leemark. Changes to premises shall be notified sufficiently in advance to Leemark.
- 9.0 Purchase Order / Documentation Issue Control**
- 9.1 Purchase Order amendments shall be subject to review by Leemark prior to acceptance. The review shall ensure that copies of all processes and specifications quoted within a Purchase Orders are available, and that, where an external provider is unable to carry out any operations, Leemark approved sub-contractors may be identified.
- 9.2 Where an external provider has more than one site, every site used to produce product for shipment direct to Leemark must have Leemark approval (by completion of LMK13-01).
- 9.3 Leemark shall be afforded the right of entry to verify at source and / or upon receipt that purchased product conforms in all respects to specified requirements. This action shall not absolve the supplier of the responsibility for the quality of the delivered product nor preclude its subsequent rejection should other quality issues arise at a later date / time.
- 9.4 Where the use of a sub-contractor is permitted, the identification and selection shall form a part of the initial contract review. External providers may consider / use a sub-contractor suitable given the

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following circumstances: *The sub-contractor is currently approved by Leemark.*

9.5 External providers are responsible for ensuring the flow down of applicable sections of Leemark documentation reference numbers and related specifications to second tier external providers.

9.6 External providers must reference Leemark documentation reference numbers on all Purchase Orders issued in support of activity for Leemark (referring their external providers to the Leemark web-site for the latest version of documentation).

10.0 Procurement of Components

10.1 Failure of components can have major effects on airworthiness, safety, reliability, operational integrity – with related cost impact. All parts are therefore termed “controlled” and should be treated as such (bonding requirements may be appropriate and / or necessary).

10.2 Any component, which is sourced, and has the manufacturer identified on the Bill of Material (BOM) may only be purchased from that external provider or their approved agent. External providers must not source parts from non-approved sources (original manufacturing external providers only).

10.3 Where an external provider wishes to change the source of a component, the external provider shall request permission to make the change from Leemark.

NOTE: Identification of an external provider on a controlled BOM does not automatically approve them for use. It is the external providers responsibility to check that any sub-contractor is correctly approved prior to use (objective evidence for audit purposes is required).

11.0 Control of Non-Conforming Material

11.1 The external provider shall have no discretionary power to deviate from the specification requirements as detailed with Purchase Order (and supporting documentation). Concessions will only be accepted on receipt from the external provider of a full “root cause analysis” report detailing the issues and evidence of preventative action. Parts subject to concession must **not** be delivered to Leemark until a concession has been approved.

Note: Concessions are normally only issued to external providers when a product is non-conforming, and the non-conformance does not affect fit, form or functionality.

11.2 No rework shall be permitted on identified non-conforming product without written approval from Leemark. Manufacturing records shall clearly record the operation and the results achieved,

should re-working under a concession be approved.

11.3 Where the external provider has any reason to suspect non-conformance of any delivered product, then the external provider must immediately notify Leemark.

11.4 Scraped (or non-conforming) components must be physically damaged beyond repair prior to actual disposal (to prevent mixing with conforming product of the same / similar type / model). The Leemark management representatives (or their customer) may require a report from the external providers and / or witness by inspection and of process of damage and / or disposal.

12.0 Rejections after Delivery

12.1 The external provider shall be notified of non-conforming supplies found after delivery. Leemark will contact the external provider and issue an NCN against the parts prior to return.

12.2 Following receipt of an NCN notification the external provider shall take immediate containment action. The action shall include 100% inspection of all supplier stock or work in progress. This containment action shall be taken within 48 hours of notification from Leemark. The external providers shall provide within 14 days results of an investigation into the root cause of the problem and provide corrective action to prevent recurrence. The findings, corrective action and effective date shall be reported to Leemark.

13.0 External Providers Monitoring

13.1 All external providers shall monitor the quality and delivery performance of products delivered to Leemark. In addition each external provider's quality and delivery performance is continually monitored by Leemark. An external provider whose performance does not achieve and maintain an acceptable level shall be formally notified of their external providers status and may be required to implement improvement actions accordingly. Failure to improve or respond positively to a Leemark SNCN will result in the withdrawal of external provider approval by Leemark.

14.0 Records & Archives

14.1 All (Quality Management System) records held by external providers shall be legible and identifiable to the product involved. Records shall be stored and maintained in such a way that they are readily retrievable in facilities that provide a suitable environment to minimise deterioration or damage and to prevent loss. Suppliers are responsible for ensuring scanned copies of records are legible and of acceptable resolution. Records shall be available for evaluation by Leemark staff until such time as Leemark authorise disposal in writing.

14.2 Documentation and records applicable to Leemark shall not be amended with correction fluid. A

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- single linked line shall delete any revisions and/or correction of errors and will be accompanied by an initial and date.
- 14.3 Should an external provider cease trading with Leemark, quality records shall still be maintained until disposal is authorised by Leemark. If the external provider ceases trading completely, or is unable to maintain the records, Leemark must be informed so that alternate arrangements can be made to store the records.
- 14.4 All records shall be retained by the external providers for an indefinite period unless otherwise agreed with Leemark.
- 15.0 **Certificate of Conformance**
- A Certificate of Conformity (C of C), shall include sufficient information to enable it to be correlated to the supplies and must accompany supplies submitted / provided to Leemark. Certificates and supporting documentation will be identified by Purchase Order / Contract number and shall include the following information:
- The Certificate shall include a statement of conformity individually signed by an authorised signatory of the external provider and shall be as stated below or similar, subject to agreement by Leemark.
- We (name of the external provider) hereby confirm that the whole of the supplies detailed hereon have been manufactured, inspected and tested and conform in all technical and integrity respects with the requirements of the contract order / specification.
(Signed by: authorised ** person from the external provider)*
- Note: ** The external providers shall be able to demonstrate to the satisfaction of Leemark that the nominated authorised signatory has controlled usage of the authority (with the technical competence demonstrated by qualification and experience supported by validated CV claims).
- Where the external provider utilises an automated system for generation and / or authorisation of certificates / records, then those systems shall be subject to robust management and security controls approved by Leemark to protect the integrity of the certification process.
- The external provider shall ensure completion of all requirements of the purchase order prior to delivery including all processes. Deliveries of goods that do not fulfil the purchase order requirements will not be accepted. The external provider is responsible for providing a C of C that confirms that the products, processes, and/or services furnished meet the requirements of each shipment, of the Leemark Purchase Order. The C of C must have at a minimum the following:
- a) Consignees name and address
 - b) Consignors name and address
 - c) Reference number and date of the certificate
 - d) Description and quantity of supplies
 - e) Related specification or drawing numbers and issue (as appropriate)
 - f) Identification marks and serial numbers (as appropriate)
 - g) Manufacturing lot no. or traceability reference (works order / batch number)
 - h) Any limitations/Shelf Life Expiry dates (as appropriate)
 - i) Signature(s) of ** approval (for inspection / release)

When the purchase order and / or applicable documents do not specify a method of packaging and preservation, it is the external provider's responsibility to assure that product is preserved and packed using methods and materials that will assure that it is delivered damage free to Leemark.

15.1 Preservation: All ESD sensitive components or Devices must be preserved by the external providers using appropriate ESD packaging materials, and stored under conditions recommend by the manufacturer.

15.2 Packaging: The method of packaging must:

- Prevent damage or deterioration in transit
- Permit safe handling
- Assure that all necessary warnings are completely visible
- Assure the shipping address, supplier name, qty, and part number are visible.
- Assure that the packing list, quality documents, and other important information is enclosed, or securely fastened.

15.3 First Article Inspection Report (FAIR)

When a FAIR is required with the goods to demonstrate compliance with all the procurement specifications detailed in the design package the following must apply: First Article Inspection Reports shall be in accordance with AS 9102 (latest revision) and or Leemark procedure LMK 05.

A copy of the FAIR shall be supplied with the product unless otherwise stated. The external provider shall retain the FAIR as a quality record and they shall not be disposed of without the written permission of Leemark. This shall not absolve the supplier of the responsibility for the quality of the delivered product nor preclude its subsequent rejection should other quality issues arise.

15.4 Leemark right of access

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Any person authorised by Leemark, including the Customer or Regulatory Authority, shall not be unreasonably refused permission by the external provider to enter any works, warehouse or other premises under the supplier's control for the purpose of surveillance or inspection of any tools or materials procured or used for the manufacture of the goods or process of manufacture on the completed goods themselves before dispatched to Leemark or their customer.

15.5 Business continuity planning

Leemark advises each external providers to have a written business continuity plan to cover disaster recovery and the responsibilities and actions to be taken in the event of an emergency that may affect deliveries to Leemark that will bring the external providers on line in the shortest possible time.

15.6 Change Control

Uncontrolled change within the supply chain can cause deficiency escapes into Leemark. It is crucial therefore that all change, no matter how trivial it may appear, is assessed for potential risk and then subject to mitigating actions and control.

Changes can occur in three ways:

- 1) Change to the manufacturing location, either within a supplier or between suppliers.
- 2) Changes to components.
- 3) Changes within the company's stores department, storage and dispatch method, including machines, people etc.

The control mechanism for these is as follows.

- 1) Changes to the manufacturing location shall be notified to Leemark.
- 2) Changes in components shall be raised with the buyer responsible for the purchase order. The buyer shall take the appropriate action within Leemark and inform the Customer. The external provider must not progress with any changes to the component without written agreement from Leemark.
- 3) Changes within the Company's stores department shall be controlled as follows:-

- All changes to components storage location shall be subject to a documented risk review prior to being carried out.
- Staff changes within the company's stores department must be fully trained and supervised until the level of competence is assessed and approved as competent.

- Changes to the stock control computer system, must be documented, risk assessed, audited and checked after changes, for example, new operational software is introduced or updated.

All documentation relating to point 3 must be kept indefinitely and made available to Leemark on request in writing with reasonable notice following an SNCN with relation to supply quality problems.

15.7 Traceability

All parts shall be clearly traceable back to the original manufacturer of the parts. Where the external providers have purchased a component or assembly, they shall have a copy of the original manufacturer's certificate of conformance.

All components and assemblies shall be traceable to the original material identification.

The traceability system must facilitate the rapid identification of any part delivered and suspected of being defective. Containment action must be implemented immediately to protect the customer from any defects found that affect quality of the product.

All records in relation to Leemark must be kept indefinitely and shall be made available to Leemark upon request.

15.8 Special process requirements (Ref. section 19.0 of this document for requirements)

Any external special process provider must be AS9100 or ISO9001 approved or meet the requirements outlined in section 19 of this document. The external provider performing the special process must certify that all applicable requirements have been met.

15.9 Manufacturing & Process Control

Adequate, clean well-maintained facilities shall be provided to enable products to be consistently produced in accordance with the requirements of the Leemark order.

External providers shall establish a procedure detailing the general workmanship practices for the prevention of Foreign Object Debris.

External providers must not omit any part of any specification except when defined on the purchase order or covered by a non-conforming report authorised by Leemark.

External providers providing Shelf life items shall ensure they are correctly labelled with shelf life expiry and suitably packaged. No shelf life items within 6 months of expiry will be accepted.

All items supplied to Leemark Engineering must be 100% inspected by the supplier prior to delivery, no sample inspection is permissible without written consent from Leemark Engineering.

All parts supplied to Leemark shall be identified in accordance with the requirements of Leemark. External providers shall maintain records to identify the materials used and the manufacturing and processing history of each batch of parts supplied to Leemark. A lot number that enables all associated records to be retrieved shall identify each batch.

15.10 Inspection Reports

The external provider is required to maintain and provide upon request all inspection records. The records must be at a minimum based on an established/recognised sampling plan.

16.0 Source Inspection

16.1 Source Inspection will be used by Leemark to help develop a new external provider, or an external provider that is having quality issues. Source inspection at an external provider's site will be imposed by a letter issued from Leemark to the external provider. In the event Leemark imposes source inspection, only Leemark can remove or waive source inspection.

Leemark will also use source inspectors to perform in process checks at an external provider, process audits at an external provider, or corrective action development, or follow up. Leemark will select a UKAS and / or other approved inspector.

17.0 Concessions / Permits

17.1 If an external providers quality system discovers a non-conformance to the Leemark Purchase Order, the external provider can submit a request for a concession to the Leemark Buyer. The external provider can use the table below to determine when a concession is needed.

Option	Leemark Approval/Concession Required
*Rework the non-conformance prior to shipment	*yes
Scrap and re-place	No
**Request to use the product as is	**Yes
**Request to repair the non-conformance	**Yes

*Rework must return the part to full compliance and specification.

**Requests to use as is, or repair a non-conformance, must be processed using the suppliers own concession request form and signed by Leemark.

Note: The external provider is not authorised to dispatch items requiring concession until he has been informed of the applicable Concession Number and the supplier has a copy of the approved concession. This Concession Number must appear on his Certificate of Conformity, each time a delivery is made from the batch that has been approved under Concession.

18.0 Corrective Actions

18.1 If Leemark performs an external provider audit and finds a non-conformance a request for corrective action will be issued to the external provider. Corrective actions for issues found during an audit will be documented. Before an audit will be closed out all open audit CARs must be answered by the external provider and accepted by Leemark.

19.0 External Special Process Providers

19.1 Leemark uses AS9100 or ISO 9001 approved external special process providers. In addition to AS9100 & ISO 9001 approval the external special process providers (including sub-tier external providers) must also be approved by Leemark Engineering and demonstrate the ability to satisfy all applicable requirements. Failure to satisfy any requirement will prevent Leemark from using that external provider. Coded welder status is required when requested.

19.2 Leemark considers the following to be special processes:

- Material heat / other treatments
- Painting / power-coating
- Non-destructive testing (NDT)
- Anodizing / plating
- Welding / soldering / brazing (all)

20. Counterfeit, Fraudulent and Suspect Items (CFSI)

Operational controls shall be implemented by external providers to Leemark Engineering to assure the prevention of counterfeit part use and their inclusion in product(s) delivered to Leemark Engineering in accordance with SAE AS6174.

21. Responsible Sourcing Policy

All external providers are required to conform to Leemark Engineering's Responsible Sourcing Policy (LMK**/**) which is available at www.leemarkeng.co.uk or on request.

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22. Distribution (appropriate access of this document)

Internal

- Leemark (purchasing)

External

- All Leemark external providers, supplying against:
- Defence / Aerospace and related contracts (as identified by Leemark)
- Leemark Customers (on request)
- Auditors from Certification Bodies (on request)

(End of this document)