

METRO MACHINE QUALITY CLAUSES

The following Quality Clauses (MMSTD), apply to every purchase order from Metro Machine, Inc. If there are questions about the content of these clauses, please contact Metro Machine at 303-761-3434 or email the buyer.

Manufacturers versus Distributors:

MM10, MM18, and MM19 only apply to manufacturers of products. Distributors are not subject to these clauses.

Off-the-shelf products:

MM7, MM10, MM11, MM15, MM18, and MM19 do not apply to off the shelf products

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Suppliers are responsible for compliance with all applicable stated Quality Clauses and all purchase order requirements.

Manufacturers versus Distributors:

MM10, MM18, and MM19 only apply to manufacturers of products. Not applicable to Distributors.

MM1 QUALITY SYSTEM: (STANDARD)

The Supplier shall implement and maintain an effective quality system that has been deemed satisfactory by Metro Machine. (Monitored performance of a supplier may supersede the requirement for a quality system). Supplier compliance and/or certification to AS9100, ISO9001-2015, or equivalent accreditation is preferred but is not mandatory.

MM2 NONCONFORMING MATERIAL: (STANDARD)

Metro Machine retains all MRB Authority. Material which fails to meet the requirements and/or specifications referenced in the Purchase Order shall not be shipped without the prior written approval of Metro Machine. Use-As-Is and Repair dispositions on subject nonconforming materials must be approved by Metro Machine. A copy of the approval shall be enclosed with each shipment made against the Purchase Order.

The Supplier shall provide Metro Machine with a report of nonconformities that may affect the previously delivered product. The notification shall include a clear description of the discrepancy and identification of the suspect parts/components. Identification is to include any and all related pertinent information (e.g. manufacturing dates, serial numbers, quantity, and the material affected by the deficiency and delivery dates). Additionally, the Supplier shall provide any information applicable to the root cause and corrective action initiated by the Supplier to address the defective condition described and any actions taken to prevent the reoccurrence of the nonconforming condition.

MM3 PRODUCT OR PROCESS CHANGES: (STANDARD)

Changes to product design, materials, processes, or services, that affect form, fit, function, performance, quality, reliability, or safety shall not be implemented without written approval by Metro Machine. Supplier shall notify Metro Machine of changes if any of the following conditions occur prior to beginning work:

- 1) Change of company ownership
- 2) Change in business viability (debarred from government business, bankruptcy)
- 3) Change in small, disadvantaged business rating
- 4) Change of Quality Systems and Philosophy (status of ISO registration,)
- 5) Change in top management
- 6) Move or relocation of production or engineering facilities, including any address that is different from the address listed on the Metro Machine purchase order.
- 7) Major change in engineering or production capability at the facility

MM4 CORRECTIVE ACTION REQUESTS: (STANDARD)

When nonconforming materials are received and identified from a Supplier, Metro Machine may require a corrective action. If a corrective action is requested, Suppliers are expected to communicate how they intend to correct the immediate discrepancy as well as what they intend to do to correct the root cause and prevent recurrences. Failure to respond in a timely manner may cause a delay in payment and adversely affect the Supplier's Quality Performance Rating.

MM5 PRESERVATION, PACKAGING, AND SHIPPING: (STANDARD)

Unless specific packaging instructions are called out by Metro Machine on the purchase order, the Supplier shall ensure that the material to be shipped is clean, dry, and packaged in a manner that will afford adequate protection against corrosion, deterioration, and physical damage during shipment. Containers with the shipping documentation, certifications, P.O. numbers, test data, and inspection data shall be clearly marked.

MM6 LABELING: (STANDARD)

All containers shall be properly labeled describing, as a minimum, the contents of the container. Labels for liquids, such as solvents, coating, machine oils, coolant, etc., shall comply with all applicable OSHA and EPA regulations.

MM7 RECORD RETENTION: (STANDARD)

The Supplier shall maintain records which provide objective evidence of compliance to the purchase order requirements and/or specifications. The records shall be maintained for a period of not less than ten (10) years from the completion of the said purchase order. Records shall be preserved and retrievable upon request by either Metro Machine or Metro Machine customers. Records exceeding the (10) year timeline shall be disposed of in an appropriate manner that protects record security and privacy.

MM8 GENERAL WORKMANSHIP: (STANDARD)

Unless otherwise specified (i.e., drawing requirements, specifications, purchase order) material shipped against this Purchase Order shall be free of dents, gouges, burrs, scratches, sharp edges, foreign matter, or any other evidence of poor workmanship standards that shall create a condition that renders said part unsatisfactory for its intended use.

MM9 FLOW-DOWN REQUIREMENTS: (STANDARD)

Supplier shall adhere to all standard Metro Machine Quality Clauses and Purchase Order requirements to assure product conformance. All flow-down requirements shall apply to supplier sub-sources when such sources are used for the procurement of products for Metro Machine.

In the event a Supplier must share sensitive information with their sub-tier suppliers or 3rd parties, Metro Machine requires suppliers to follow cybersecurity policies, and procedures based on industry standards (e.g., ISO 27000, NIST 800-53, NIST SP 800-171)

MM10 CALIBRATION: (STANDARD)

The Supplier shall implement and maintain a system for the control and maintenance of measuring and test equipment. The Calibration System shall be documented, accountable, and traceable, and provide for initial and re-calibration during the life of the equipment to traceable standards. (Applicable to manufacturers only when equipment requiring calibration exists at the facility and is used on Metro Machine end product.)

MM11 RIGHT OF ENTRY: (STANDARD)

The Supplier shall reserve the right of entry for Metro Machine, Metro customers, and regulatory agency personnel to allow access to inspections, surveys, or system surveillance at all facilities where work is being performed as part of the verification of conformance to the requirements at any level of the supply chain. The Supplier shall flow-down this right of access clause to all sub-tier and raw material suppliers through the Supplier's purchasing system. A Supplier's denial of access may result in disqualification of future procurement with Metro Machine.

MM12 PART SUBSTITUTION: (STANDARD)

The substitution of parts is not authorized without Metro Machine written approval.

MM13 LANGUAGE REQUIREMENT: (STANDARD)

All data or correspondence shall be provided in English.

MM14 RAW MATERIALS: (STANDARD)

Suppliers of Raw Materials (e.g., coils, sheets, rails, bars, rods, etc.) shall provide actual results of physical and chemical test reports when a shipment is made to Metro Machine (unless noted on the purchase order). The material must be identified by heat lot number. Test reports must be traceable to the material supplied and mill produced. All purchase orders will require compliance to with DFAR 252.225-7014 (Preference for Domestic Specialty Metals) unless noted on the purchase order.

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MM15 SEGREGATION OF LOTS: (STANDARD)

Single date codes, heat lots, or production lots are required unless approved in advance by Metro Machine Purchasing Agent. If advance approval has been acquired, parts must be segregated and identified by heat lot, production lot, or date codes.

MM16 CERTIFICATE OF CONFORMANCE REQUIREMENTS FOR OUTSIDE PROCESSING SERVICES: (STANDARD)

A certificate of conformance is required when requested on Metro Machine purchase order for outside processing services affirming that purchase order specifications have been met. This certificate must also contain the Purchase Order number, part number, quantity shipped, and any applicable information noted on the Purchase Order.

MM18 SAMPLING INSPECTION: (STANDARD)

When the Supplier is performing lot inspection sampling, instead of 100% lot inspection, a sampling plan with recognized statistical principles should be incorporated. (Applicable to manufacturers only when sampling is conducted for the purpose of qualifying Metro Machine end product)

MM19 FIRST ARTICLE INSPECTIONS: (STANDARD)

Suppliers are required to perform a First Article Inspection Report when any of the following conditions exist (Applicable to manufacturers of product only):

- A. For all first-production lots
- B. First production lots after engineering changes to manufacturing processes that may affect conformance to design. In most cases, the FAIR need only record those features changed.
- C. If there has been a 24 month or greater lapse from the last production lot.

Suppliers will provide a First Article Inspection Report to Metro Machine with shipments. Metro Machine recommends the use of AS9102 format and may require it.

MM20 HAZARDOUS MATERIAL: (STANDARD)

A material safety data sheet (MSDS) will be required for any hazardous material.

MM21 COUNTERFEIT / FRAUDULENT MATERIAL (STANDARD)

The Supplier shall maintain a Counterfeit Parts Prevention Program (aligning with AS5553 and/or AS6081 as applicable to the organization) to mitigate the risks of receiving counterfeit material into the supply chain. The Seller shall only deliver authentic components, material, assemblies, subassemblies, goods, etc. that are manufactured by, or obtained from, original equipment manufacturers (OEMs), original component manufacturers (OCMs), or authorized distributors. The Seller shall make available to Metro Machine, Inc. documentation that authenticates and provides traceability of the parts to the applicable OEM or OCM. The Seller shall notify Metro Machine, Inc. immediately if they become aware or suspect that it has shipped counterfeit products to Metro Machine, Inc. Supplier shall flow down this requirement to all suppliers and sub-tier suppliers.

MM22 PERSONNEL REQUIREMENTS

All personnel assigned by the Supplier to perform the services with respect to Metro Machine purchase orders shall be capable, skilled, qualified, and competent to perform such services.