

Luma Technologies

REQUIREMENTS FOR SUPPLIERS

PUR SOP 3 REV K

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REQUIREMENTS FOR SUPPLIERS

Revision History

Rev	Date	DCR	Reason for change
A	09/05/2007		Original Release
B	10/12//2008		Addition of PO clauses as Appendix A
C	02/10/2010		Addition of Appendix B – FAA Requirements
D	09/19/2011		Clarification to Receipt Acknowledgement & PUR Form 3 Purchase Clause Schedule
E	08/07/2012		Clarification to section 2 pertaining to shipping & handling requirements.
E	02/12/14		Revised format, no changes
F	11/12/14		Revise 5.0 per DCR 125 and October 2014 Quality Audit O.F.I.
G	3/21/18		Updated AS9100D references, no content change. Reference DCR 254
H	9/30/19		Added detail for PO acceptance by email and referenced PUR Form 3 for Supplier guidance.
I	09/08/23		Change records retention requirement from 7 years to 10 years.
J	10/17/23		DCR 524 Updated Quality Requirements section. Updated Records section. Remove PUR FORM 3. Added information to 2.1.4. Add 4. 2,10, - 4.2.16
K	12/19/24	626	Require only initial or signature on supplier C of C

REQUIREMENTS FOR SUPPLIERS

PART A

(Applicable to all Purchase orders)

- Purpose:** This document provides guidance to purchasing, quality assurance, packaging, shipping & general instructions applicable to Luma Technologies' suppliers & contractors.
- Scope:** AS9100 provides guidance for procurement personnel on Purchasing and Supplier control. Part "A" is applicable to all companies supplying products or articles to Luma, except for items manufactured to Luma Technologies' proprietary specifications (FAA approved design data). Part "B" satisfies FAA AC 21.43 for all supplied Parts, sub-assemblies and components made to "FAA approved design" (Luma's proprietary design data). "Part B suppliers" will be coded AAA (Triple A) in SW21 (Approved Supplier List) and on relevant purchase orders – see Luma Technologies' *Pur Form 3 Purchase Clause document*.

1. Business Requirements:

- 1.1. **Purchase Order (PO):** The term "Purchase Order" includes any purchase order written or otherwise assigned and includes sub-contracts. The following requirements apply:
- 1.1.1. Purchase orders must cover all work performed (services or goods). No work should be initiated without a signed PO, or other written communication i.e., sales confirmation. To do so is entirely at the supplier's own risk who shall be liable for all costs should the PO not be awarded to that company.
 - 1.1.2. POs are offered according to the terms and conditions herein, any additional supplier terms and conditions submitted with sales acknowledgement are not acceptable unless otherwise agreed to in writing.
 - 1.1.3. Luma Technologies requires that POs are formally acknowledged by signature endorsement or similar acceptance from the supplier which can include emailed sales acknowledgement, except for routine shop supplies, catalog or website purchases and items of that nature.
 - 1.1.4. Suppliers shall not accept any changes to the original PO content or supporting technical documentation unless authorized by an amended PO from Luma Technologies.

REQUIREMENTS FOR SUPPLIERS

- 1.2. **Sub-tier Usage:** If a prime supplier determines to use a sub-tier supplier to provide any portion of the product or service being purchased by Luma Technologies, the supplier must notify Luma Technologies' purchasing representative of the sub-tier supplier's name, the product or service being accomplished on their behalf and shall include associated pack slips, material certs, data sheets to support work being performed. Luma Technologies' approval shall be given prior to work commencement. (Example of this is plating for machined parts.)
- 1.3. **Ethics:** Luma Technologies' Corporation policy regarding conflicts of interest in accepting gifts, entertainment and gratuities is as follows:
 - 1.3.1. Any entertainment offered or accepted should be a reasonable extension of a business relationship, modest in nature and the frequency should reasonably correspond to the nature of the employees' position at Luma Technologies.
 - 1.3.2. Gifts may be given and accepted when they are associated with promotional activities or are simply gestures of goodwill. They should be of nominal value and generally distributed as promotional items.
 - 1.3.3. Employees should never become involved in any situation which may have the appearance of unethical or compromising practice in relationships, actions and/or communication. Any situation that may be construed to be a conflict of interest shall be avoided.
2. **Shipping & Handling Requirements** (aka Preservation of product): All packaging shall be of sufficient strength and design to protect parts and materials from damage and/or deterioration throughout the handling and transportation process. Packaging shall comply with all government and regulatory requirements where applicable.
 - 2.1. The following requirements apply to all Purchase orders:
 - 2.1.1. No more than one part number may be placed in any one box or bag except for over-boxing to minimize shipping costs.
 - 2.1.2. Small detail parts should be packaged in units of 25. Packages of 25 may be over-packed.
 - 2.1.3. Appearance grade parts shall be packaged individually in clear polypropylene bags/wrapped individually in paper to protect appearance grade surfaces; or as otherwise specified by purchase order call out.
 - 2.1.4. A copy of all required documentation including a Certificate of Conformance must be shipped inside the shipment packaging. Certificates of conformance (C of C) shall accompany all shipments and shall be written in the English language regardless of country of origin and be legible. The certificate must be signed or initialed by an authorized company representative. The certificate must record Luma Technologies' PO number, part number, quantity and show batch/serial numbers & shelf life (minimum of six months) as applicable. Approved Subcontracting work must be accompanied by the subcontractor C of C, containing the information above and accompany the Luma parts and company paperwork when parts are delivered to Luma.
 - 2.1.5. Parts and sub-assemblies subject to ESD protection shall be noted on the outer package as well as packaged accordingly.
 - 2.1.6. Shipment or deliveries shall be strictly in accordance with specified quantities, schedules and quoted price. Suppliers shall have no direct ship authority.

REQUIREMENTS FOR SUPPLIERS

3. **Delivery Requirements:** All orders must be shipped to arrive on dock on the date specified by the PO.
 - 3.1. Early delivery of parts/services is acceptable, but Luma requires a courtesy notification from supplier in such situations in which case -the shipping rate may be decided to be changed i.e. from 2-Day to ground.
 - 3.2. Luma targets all deliveries be received by the date specified on the PO however considers a Vendor/PO to be officially late if received more than three days after stated date on Purchase Order. Delivery performances are monitored monthly by Luma Technologies and future supply chain decisions regarding repeatedly late vendors will take this data into consideration.
 - 3.3. Unless otherwise stated on the PO suppliers may choose the most suitable means of transportation to meet the required delivery date.
4. **Quality Requirements:** Compliance with these requirements does not reduce the suppliers' responsibility for furnishing materials and/or services that fully comply with all applicable drawings and specifications, nor does it guarantee acceptance of materials and services by Luma Technologies.
 - 4.1. Luma Technologies will not accept for payment any product or service that does not fully comply with the drawing, associated specifications, and contract requirement.**
 - 4.2. Flow down Requirements: The following quality requirements apply to all purchase orders and are subject to flow-down to sub-tier suppliers.
 - 4.2.1. Inspection system: To be placed on Luma Technologies' Approved Supplier List (APL) all suppliers shall have an established and maintained inspection system compliant with ISO 9001, AS9100 or other verifiable system as acceptable to Luma Technologies' Operations Manager.
 - 4.2.2. Suppliers shall use designated sources as invoked on the PO.
 - 4.2.3. If applicable, suppliers shall have a counterfeit mitigation plan for electronic parts. The supplier shall work to ensure counterfeit parts do not enter its supply chain. The supplier shall notify Luma Technologies immediately upon any discovery or suspicion of counterfeit parts/components entering its inventory or supply chain which had the potential of affecting a Luma part under purchase order. Luma's MRB will investigate in concert with the supplier to ascertain with certainty the status of the involved Luma parts. If it cannot be proven that the parts in question are traceable, the PO must be cancelled, or the work repeated. It is important to note the Luma involvement in this process as Luma does not grant MRB authority to any supplier.
 - 4.2.4. Supplier shall prevent foreign object debris damage or contamination during each of the following processes: manufacture, assembly, inspection & shipping.
 - 4.2.5. Control of Changes: Suppliers may not make any changes in materials, design, processes, services, subcontractor, or manufacturing location without prior written approval from Luma Technologies.
 - 4.2.6. Suppliers are responsible for flow-down applicable information regarding customer requirements and PO requirements. Suppliers shall provide test specimens if requested on the PO.
 - 4.2.7. Suppliers shall ensure personnel are aware of and understand:
 - 4.2.7.1. Their contribution to product and service conformity.

REQUIREMENTS FOR SUPPLIERS

- 4.2.7.2. Their contribution to product safety.
- 4.2.7.3. Personnel must understand the importance of ethical behavior.
- 4.2.7.4. Suppliers shall exercise controls for special requirements, critical items or key characteristics defined on Luma drawings or PO.
- 4.2.7.5. The supplier shall ensure design and development control, test, inspection and verification activities are appropriate to ensure product conforms to requirements.
- 4.2.7.6. If the supplier uses statistical techniques in their processes (i.e. sampling) it is at their risk as Luma requires 100% conforming product.
- 4.2.8. Certificate of Conformance (C of C): Each shipment shall be accompanied by a C of C signed by the supplier's representative who is responsible for quality conformance. The C of C statement in English Language only, must include at a minimum the Luma Technologies PO #, Part number and Revision.
- 4.2.9. Surveillance/Right of Entry: Luma Technologies, their customers and/or Regulatory authorities may be required to visit supplier facilities and/or their sub-tier suppliers for the purpose of verifying contract compliance and product conformity. Arrangements for such visits will be coordinated through Luma Technologies' Operations Manager.
- 4.2.10. All materials furnished by Luma Technologies including drawings, tools materials, and CAD/CNC programs etc, are to be returned with product upon completion of the order or as otherwise directed.
- 4.2.11. Unless otherwise stated in the purchase order, all drawings, specifications & other associated technical documents & data are of the current revision as of the purchase order date. Supplier (& sub tier suppliers) are not authorized to deviate from the specifications or change/substitute any materials without prior written approval from Luma Technologies.
- 4.2.12. **Chemical, Mechanical, Special Processing and/or Non-Destructive Testing:** One (1) copy of a Certificate of Conformance must include applicable specification with Revision, Signature, and Title of authorized company official. (NDI/NDT requires level 3 certification of operator).
- 4.2.13. **Inspection & test equipment:** Supplier shall maintain inspection and test equipment to ensure calibration traceable to a known National or International Standard. Calibration records shall be maintained and retained.
- 4.2.14. **Key Characteristics:** Statistical process control, sampling plans by key attributes or digital production definition will be used as required by purchase order call out.
- 4.2.15. **Buyer's Proprietary Rights:** Seller shall not use any of the buyer's proprietary trade secrets or confidential information, whether designated as such except as required to fulfill this order. All inventions or ideas whether patentable or not made by or for the seller incident to this order shall become exclusive property of the buyer.
- 4.2.16. Final acceptance of items furnished under Luma Technologies' Purchase orders shall be at Luma Technologies' facility.

REQUIREMENTS FOR SUPPLIERS

4.2.17. Product Identification: If required by engineering, parts, assemblies, and components shall be marked with the Luma Technologies' product Part Number and Revision; typically, the location will be indicated on the appropriate Engineering Drawing. Markings shall be easily read without magnification. When items are too small to place such information, they shall be individually bagged & tagged.

4.2.18. Records: All records of inspections, processes and tests performed shall be maintained complete and accurate for a minimum period of ten years, or as otherwise specified in the PO. These records shall be available for review by Luma Technologies and copies shall be furnished upon request. Suppliers shall retain documented information, including retention periods and disposition requirements.

4.2.19. Raw materials: procured by the supplier shall be identified per the specific material's specification. All materials shall be traceable to their original source.

4.2.20. Please send any associated raw material certificates if applicable.

4.3. Configuration Management: Suppliers shall produce all parts, assemblies, or services in accordance with the requirements of the PO, related Technical Specifications, and Regulatory instructions. All drawings and supporting documentation provided to the supplier by Luma Technologies are considered controlled and proprietary. The supplier assumes responsibility for these documents and shall comply with Luma Technologies' document control requirements for maintenance, recall or destruction.

4.4. Nonconforming parts: Any variation from Luma Technologies' specified requirements must be documented by the supplier and forwarded to Luma Technologies for consideration and disposition prior to shipment. A copy of approval from Luma Technologies to ship non-conforming products must accompany each affected shipment.

5. **First Article Inspections:** As required by the PO, the supplier, shall perform a First Article Inspection on the initial part or sub assembly in accordance with AS9102. If a FAI is required of the supplier, a copy in the English language must accompany the applicable shipment.

5.1. Notwithstanding AS 9102: the following deviations are permitted:

5.1.1. FAI of hardware produced from Electronic Media: Shall consist of verification of compliance by independent verifiable means. Acceptable means include fit check to the completed item to the applicable hardware at the next assembly level, comparison to a transparency (Mylar) sketch or other similar method approved by Luma Technologies. A note on the FAI shall identify that this method of inspection has been used.

REQUIREMENTS FOR SUPPLIERS

5.1.2.FAI of hardware produced from Controlled Models: Luma Technologies' Engineering approved reduced inspection criteria may be employed as a method of verification, in such instances the following features shall typically be documented on the FAI report:

5.1.2.1.All hole sizes.

5.1.2.2.All hole edge margins.

5.1.2.3.Hole to hole dimensions.

5.1.2.4.Overall length, width, and thickness.

5.1.2.5.A note on the FAI shall identify that this method of inspection has been used.

6. **Electrical wiring instructions:**

6.1. All wire bundles with connectors require protection of the connectors prior to shipping.

6.2. All long lengths of loose wire shall be coiled without twisting the wire around the coil. Lacing shall be used to secure the coil.

6.3. Metal tie wraps or lacing containing metal shall not be used.

7. **Fastener Quality Act:** If applicable, all **safety critical** aerospace standard fasteners manufactured or used in an assembly or detail shall comply with the Fastener Quality Act. If applicable, specific reference to this act shall be clearly stated on the C of C.

REQUIREMENTS FOR SUPPLIERS

PART B **(Additional requirements)**

Purpose: This appendix B provides information and describes FAA criteria for establishing and maintaining a supplier control program. Production Approval Holders (PAH's) may use this document in support of their responsibilities under FAA §§ 21.137, 21.307, and 21.607.

Scope: Part 21 requires PAHs to establish and maintain a quality system. Part 21 also requires that this quality system ensure that supplier-produced components (for example, Software, articles, and subassemblies), services (for example, special processes and calibration), and customer or buyer-furnished equipment or material conforms to the PAH's requirements.

1. **Contract Requirements.** A PAH's system is required by the rule to ensure all products or articles furnished by its suppliers, including sub-tier suppliers, conform to contract requirements. The contract requirements will depend on the complexity of supplied products or articles and whether the supplier holds a production approval for similar products or articles.
 - 1.1. **PAH Responsibilities.** The PAH should ensure access to, and cooperation of, all involved facilities in the supply chain for the PAH and the FAA. The PAH is responsible for supplier adherence to the requirements flowed down through the supply chain. A PAH does not delegate responsibility under its production approval to a supplier.
 - 1.2. **Use of Suppliers in Other Countries.** A PAH may use suppliers in other countries when the PAH has established and implemented a supplier control system acceptable to the FAA. A PAH who plans to use a supplier in another country should notify the FAA as soon as possible to determine the FAA's ability to perform surveillance.
 - 1.3. **FAA Surveillance of Supplier Control Systems.** The FAA does not approve suppliers but may conduct surveillance of the supplier control system at both PAH and supplier facilities in accordance with FAA Order 8120.2, Production Approval and Certificate Management Procedures. The FAA may also request technical assistance from a bilateral partner civil aviation authority (CAA) to act on behalf of the FAA. The PAH cannot rely on FAA or CAA surveillance as a means of supplier control.

REQUIREMENTS FOR SUPPLIERS

2. **Elements of a Supplier Control System.** A PAH is responsible for ensuring each product or article conforms to the FAA-approved design data and is in a condition for safe operation. This responsibility remains the same whether the PAH produces the entire product or article at its facility or uses suppliers to furnish related articles. The supplier control program is required by the rule to be FAA-approved and defined in a manual. Implementation and maintenance of the supplier control system is subject to evaluation by the FAA. FAA production approvals are based on the ability of the quality system to ensure production of conforming products or articles. Therefore, the supplier control system should contain procedures that include the following:
 - 2.1. **Organizational Structure.** Establishment of an organizational structure that ensures appropriate authority, sufficient resources, and adequate expertise to control supplier activities.
 - 2.2. **Supplier Arrangement.** Documentation of the supplier arrangement, generally through a contract, that defines all necessary elements and procedures between the PAH and a supplier. Appendix F to this advisory circular (AC) contains elements that should be defined in the arrangement between the PAH and the supplier.
 - 2.3. **Supplier Evaluation and Selection.** A process that evaluates and selects suppliers based on their capability to perform all manufacturing activities, inspections, and tests, necessary to determine conformity of articles to the applicable design data. Additionally, the supplier evaluation and selection process should determine the supplier's ability to meet other PAH specified requirements. The process should include criteria for the initial evaluation, selection, periodic or ongoing evaluations, and disapproval of suppliers. These should include the following:
 - 2.4. **Initial evaluation of suppliers** to determine their capability to meet requirements. The PAH should make this determination before permitting the supplier to furnish any articles. The need for the PAH to conduct onsite evaluations should be based on a supplier control process as described in 2.8 below. The FAA strongly encourages PAHs to conduct initial onsite evaluations based on risk factors such as:
 - 2.4.1. Category of the part as listed on the FAA's Aircraft Certification Service Category Parts List (available on the FAA website);
 - 2.4.2. Number of supplier tiers, and number of suppliers within each tier, used by the supplier (including, if necessary, onsite evaluations of sub-tier suppliers);
 - 2.4.3. Design and manufacturing complexity of the article; and
 - 2.4.4. Ability of the PAH to inspect the article upon receipt; and
 - 2.4.5. Other risk factors as discussed in 2.8.1 below.
 - 2.5. Periodic or ongoing evaluations of suppliers to ensure their continued adherence to the requirements.
 - 2.6. **Methods for determining the extent and type of** evaluations (for example, onsite evaluations, process reviews, document reviews, or independent product evaluations). The extent and type of evaluations should be based on the type, complexity, method of control, and criticality of the articles procured. The need for the PAH to conduct onsite evaluations should be based on a supplier control process and verification of supplier products as described in 2.8 and 2.9 below. The FAA strongly encourages PAHs to conduct periodic/ongoing onsite evaluations.

REQUIREMENTS FOR SUPPLIERS

- 2.7. **Approved Supplier List.** Suppliers under the PAH quality system are included in or referenced in a controlled list, along with each supplier's associated scope. Procedures ensure that purchase documentation is issued only to suppliers on this list.
- 2.8. **Supplier Control Process.** A process that describes the means of supplier control, based on the criticality and complexity of the article or service provided to ensure conformity. The techniques described below are not all-inclusive but are provided to assist the PAH in developing supplier control procedures applicable to the organization:
- 2.8.1 Risk assessment, which considers the combination of supplier and product risk factors. Product risk factors include safety classification from the design approval process, special process, and design and manufacturing complexity. SAE ARP9134, Supply Chain Risk Management Guidelines (dated 3/3/2004), is an industry guideline that the FAA has reviewed and found acceptable to provide guidance for the identification of supplier risk factors.
 - 2.8.2 Qualification and auditing of a supplier's quality system.
 - 2.8.3 Monitoring continued capability, throughout the supply chain, to perform all manufacturing activities, inspections, and tests to determine conformity of articles to applicable design data. The PAH will determine and apply acceptance standards for the physical condition, configuration status, and conformity of articles (including customer/buyer-furnished equipment). This determination will be made whether the articles are to be used in production or as replacement or spare articles.
 - 2.8.4 First article inspection, to verify that the article conforms to the approved data and any additional contract requirements, including destructive testing. A first article inspection should be conducted for a new production line, changes to the manufacturing or quality processes, or a new supplier. SAE AS9102, Aerospace First Article Inspection Requirement, is an industry standard that has been reviewed and found acceptable by the FAA to provide guidance in establishing first article processes and procedures.
- 2.9. **Verification of Supplier Product.** Methods to verify that articles conform to specified requirements, including customer-supplied materials and customer-designated sources. These methods include, but are not limited to, the following:
- 2.9.1. For articles accepted at the PAH's facility, inspection may be accomplished upon receipt or when characteristics remain accessible, at any time before the final acceptance of the end item. The procedures should encompass a complete inspection (for example, all dimensional characteristics, nondestructive testing, hardness checks, spectrographic analysis, and functional tests). When the PAH has established that the supplier's production or process methods will consistently produce articles that conform to the approved design data, use of statistical quality control methods may be acceptable. The inspection plan used is required by the rule to preclude the acceptance of any nonconforming articles. Additionally, when it is necessary to determine material integrity, the following methods should be considered:
 - 2.9.1.1. Laboratory analysis to verify an article's complete chemical and physical properties when tests can be performed without destroying the article (for example, by test coupon or small section of the article).

REQUIREMENTS FOR SUPPLIERS

- 2.9.1.2. When laboratory analysis cannot be performed without destroying the article, a sample of such articles should be subject to a qualitative and quantitative analysis (for example, by test coupon or small section of the article). This analysis will verify the article's complete chemical and physical properties.
- 2.9.2. For articles that cannot or will not be inspected upon receipt, the PAH's procedures should include, as a minimum, inspection and testing of first articles to verify the articles conform to the approved design data and periodic inspection thereafter. Inspections and tests completed for the purpose of showing conformity to contract requirements may be accomplished at a supplier's facility.
- 2.9.3. These inspections and tests are required by the rule to be conducted according to a documented process within the PAH's FAA-approved quality system. More than one article may require such inspection or testing until the production repeatability of the supplier has been established. These procedures should include methods to control, identify, and segregate articles waiting for testing or inspection from those already approved.
- 2.9.4. The PAH may allow a supplier to perform an appropriate or major inspection when it has established that the supplier can perform such an inspection function. However, the PAH should approve any delegation of inspection or use of statistical techniques beyond the first-tier supplier. Such delegation includes the following:
 - 2.9.4.1. Major inspections. These include properties classified as critical by the approved design holder's engineering drawings, process specifications, test specifications, and quality control procedures; or properties that cannot be verified except by destructive test of each article or extensive disassembly.
 - 2.9.4.2. Material review. This includes the identification and maintenance of relevant MRB procedures that define the scope and authority of the supplier MRB. Material review also includes the process for submitting, to the PAH, supplier Nonconformances that are required by the rule to be approved before they can be considered as changes to the FAA-approved type design.
 - 2.9.4.3. Statistical techniques.
- 2.9.5. The PAH is required by the rule to have supplier, including sub-tier supplier, information available to the FAA upon request. This information should include, but is not limited to, the following:
 - 2.9.5.1. The name and address of each supplier.
 - 2.9.5.2. The name and address of each supplier who performs major inspection or material review for the PAH.
 - 2.9.5.3. The name and address of each supplier who furnishes articles when conformance to the approved design data cannot, or will not, be made upon receipt at the PAH's receiving facility.
 - 2.9.5.4. Where, and by whom, the article will undergo inspection.
 - 2.9.5.5. The title and telephone number of the person to contact at the supplier facility who can furnish the purchase order(s), quality control data, technical data, and other pertinent data or information to the FAA.
 - 2.9.5.6. Identification of each supplier with direct ship authorization.

REQUIREMENTS FOR SUPPLIERS

- 2.9.5.7. Results of the PAH's supplier evaluations, audits, or other surveillance activities.
- 2.9.6. The PAH is required by the rule to have a method for generating and maintaining inspection records. These procedures should include the following:
- 2.9.6.1. Contents of each record used for the article inspected. This should include, as a minimum, the name, part or article number, serial number (if applicable), sample size, type and number of inspections made, conformance or nonconformance, number and description of nonconformances found, and action taken.
 - 2.9.6.2. Requirements for record legibility, completeness, accuracy, and retention periods.
 - 2.9.6.3. Requirements for tools used for record retention (for example, tape files and microfilm) exhibit legible data and acceptance stamps or signatures.
- 2.10. **Supplier Rating.** A system that exhibits the performance, capability, and reliability of suppliers.
- 2.11. **Notification to the FAA.** A procedure to ensure advance notification to the FAA of any significant change in the scope of any supplier arrangements.
- 2.12. **Reporting of Supplier Nonconformances.** Processes and/or procedures that require suppliers to report nonconforming articles that may have left the supplier's quality system. Suppliers will report this information to the PAH and, as necessary, to the FAA in accordance with part 21 requirements.
- 2.13. **Change Control.** A system that ensures that changes in requirements are properly controlled and incorporated as agreed between the supplier and the PAH. These include, but are not limited to:
- 2.13.1.1. Submittal of supplier designs and changes to the PAH for approval before incorporation, when required.
 - 2.13.1.2. Submittal of changes of a supplier's manufacturing process to the PAH, when required.
 - 2.13.1.3. Submittal of changes to a supplier's quality system to the PAH that may affect inspection, conformity, or the airworthiness of the article to the PAH; and
 - 2.13.1.4. Methods used to act upon notifications of nonconforming articles and ensuring that proper investigation and corrective action is taken.
- 2.14. **Direct Ship.** Methods for controlling direct shipments from a PAH's supplier to a customer for articles manufactured under the PAH's production approval. The customer may order articles from either the PAH or the supplier. SAE ARP9114, Direct Ship Guidance for Aerospace Companies (dated 9/9/2005), is an industry guideline that has been reviewed by the FAA and found acceptable to provide guidance in establishing direct shipment processes and procedures. There may be restrictions on the direct shipment of articles from suppliers not located in the United States (such as a FAA designee not available to issue FAA Form 8130-3, Authorized Release Certificate). The FAA MIDO may be contacted for more specific information. Direct shipment may only be used when the PAH:

REQUIREMENTS FOR SUPPLIERS

- 2.14.1. Has approved quality procedures that will compensate for the absence of inspections normally conducted at the PAH's facility. Compensating factors should include onsite evaluations of the supplier and the inspection of the article as either:
 - 2.14.1.1. A source inspection performed by the PAH, or
 - 2.14.1.2. An inspection by the supplier under a delegated inspection authority from the PAH.
- 2.14.2. Provides direct ship authorization to a supplier.
- 2.14.3. Issues and maintains records of direct ship authorization and makes them available to regulatory authorities upon request.
- 2.14.4. Ensures that the requirements of the importing country will be met before authorizing direct shipment to a customer located outside the United States.
- 2.14.5. Obligates the supplier to:
 - 2.14.5.1. Direct ship the article.
 - 2.14.5.2. Meet any special customer requirements accepted by the PAH.
 - 2.14.5.3. Maintain evidence that the supplier has direct ship authorization from the PAH.
 - 2.14.5.4. Maintain evidence of direct shipments made on behalf of the PAH.
 - 2.14.5.5. Provide a signed direct ship declaration with the shipment.
 - 2.14.5.6. Provide a signed or stamped statement of conformance certifying that the article conforms to approved data with the shipment.
 - 2.14.5.7. Provide traceability of the shipment to the customer purchase request.
 - 2.14.5.8. Provide evidence with the shipment that acceptance or inspection has been accomplished by the PAH or through a delegated inspection authority.
 - 2.14.5.9. Provide a statement with the shipment that delegation of inspection authority has been granted by the PAH, and that the inspection was performed on behalf of the PAH when delegated inspection is used.
- 2.15. **Other-Party Supplier Surveillance.** Methods for the use of other-party supplier surveillance may be used by a PAH provided the processes used meet the requirements identified in FAA Order 8120.12, Production Approval Holder Use Of Other-Parties To Supplement Their Supplier Control Program, and are documented in their quality manual.
- 2.16. **Suppliers Holding a Production Approval.** Methods addressing suppliers that hold a production approval for the article to be supplied. A PAH's surveillance of individual suppliers may be reduced, but not eliminated, provided that:
 - 2.16.1. Satisfactory interface between the two quality systems can be demonstrated to the FAA;
 - 2.16.2. The articles to be supplied are included in the scope of their production approval,
 - 2.16.3. If the supplier is located outside the United States, a bilateral agreement for airworthiness is in effect between the United States and the country of the supplier. The bilateral agreement will include provisions for United States acceptance of the types of articles or products produced under the supplier's production approval.

REQUIREMENTS FOR SUPPLIERS

2.17. Use of Suppliers Located Outside the United States. Methods for the use of suppliers (including sub-tier suppliers) outside the United States. These should include provisions for the following:

- 2.17.1. The PAH providing early notification to the FAA of the proposed use of a supplier in another country or jurisdiction.
- 2.17.2. The PAH is required by the rule to make available to the FAA information on non-U.S. suppliers when requested.
- 2.17.3. The PAH should ensure that the FAA has access within the country where their supplier (including sub-tier suppliers) is manufacturing. They should also ensure that all necessary processes, agreements, or procedures are in place to mitigate any undue burden on the FAA. Such burdens could inhibit the FAA from performing its regulatory functions and certificate management responsibilities.
- 2.17.4. The PAH is required by the rule to assure access to their suppliers. Assurance of access should be provided by the supplier, or when no regulatory agreements are in place, the government of the country or jurisdiction in which the supplier is located. This assurance of access will be made available to the FAA. If access is at any time obstructed or denied, the FAA may instruct the PAH to cease using the supplier.

2.18. FAA Certificate Management in Other Countries. When a PAH uses a supplier in a country or jurisdiction that has a bilateral agreement with the United States, the FAA may use a bilateral partner CAA to perform surveillance activities and/or conduct inspections on behalf of the FAA. The following procedures should be used:

- 2.18.1. The PAH will afford the FAA or CAA any necessary support in their surveillance activity.
- 2.18.2. When specifically requested by the FAA/CAA to facilitate surveillance activities, suppliers located outside the United States will make appropriate data available to the FAA through the PAH for certificate management purposes. This data should be in the English language.

Note #1: *When the FAA requests a bilateral partner CAA to conduct surveillance activities or conformity inspection(s) at a supplier facility, the PAH will be responsible for any charges imposed by the CAA to accomplish the request(s).*

Note #2: *FAA Order 88100.11, Decision Paper Criteria or Undue burden and no undue burden determinations under 14CFR part 21, is used by FAA personnel when notified by the PAH of their intent to utilize a supplier outside the United States.*