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**TO:** All Suppliers

**SUBJECT:** Terms & Conditions

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Attached is a current copy of our Purchase Order Terms & Conditions (form number QF0602.3 Rev. H, Dated 8/1/2007). Please forward this document to the appropriate personnel to ensure implementation in a timely manner. If you have any questions regarding this document please contact the Quality Department, and they will be able to answer any concerns you may have.

In order to ensure this document has been received by your company, please sign and date this acknowledgement and return it either by mail or fax to the attention of the Quality Department

Company Name
Received By (Print or Type)
(Signature)
Title
Date

## **PURCHASE ORDER TERM AND CONDITIONS**

### **SCOPE**

This document establishes requirements for supplier's quality control systems. These requirements are in addition to those set forth in any other contractual document.

### **APPLICABLE DOCUMENTS**

The following documents form a part of this document to the extent specified herein.

MIL-STD-45662A	Calibration System Requirements
MIL-I-45208A	Inspection System Requirements
ANSI Z540-1	General Requirements for Calibration Laboratories and Measuring and Test Equipment
ISO 9000	Quality management and quality assurance standards (and applicable ISO 9000 family section including ISO 10012 series and Guide 25)
SAE AS9000	Aerospace Basic Quality System Standard
SAE AS9100	Quality Systems Model for Quality Assurance in Design, Production, Installation and Servicing
ASTM A700	Standard Practices for Packaging, Marking, and Loading Methods for Steel Products for Domestic Shipment.
ASTM B660	Standard Practices for Packaging/Packing Aluminum and Magnesium Products

### **APPLICABILITY**

This specification shall apply to all supplies and services. The requirements of this document shall be satisfied in addition to all detail requirements contained in any other portions of the contract or purchase order. Meeting the requirements contained herein is a requirement for remaining on the contracted Metalmart approved supplier list. The supplier is responsible for furnishing articles, which meet all requirements of the contract or purchase order. Should any inconsistency occur between this specification and any other contractual document, the supplier shall be responsible for bringing this to the attention of Metalmart International for resolution.

### **FLOWDOWN**

There shall be a flow-down of the quality requirements of this contract to any subcontractor used in the performance of this contract.

### **SUPPLIER RESPONSIBILITY**

The supplier shall establish and maintain a system for the control of quality that complies with the requirements of MIL-I-45208, MIL-Q-9858, AS9000, AS9100 or ISO 9000. This system shall be subject to Metalmart approval and shall include, but not be limited to, the following provisions:

The Quality Assurance manager of Metalmart, Intl. shall be notified, in writing, when any changes are made to the quality control system that may effect product quality.

The quality system shall be maintained so as to assure that all supplies and services offered for acceptance are subjected to all of the examinations and tests required to prove conformance to contract or purchase order requirements.

### **DOCUMENTS, RECORDS AND CORRECTIVE ACTION**

#### **Records**

The supplier shall maintain adequate records of all inspections and tests. The records shall indicate the nature and number of observations made, the number and type of deficiencies found, the quantities approved and rejected and the nature of corrective action taken. These records shall be available, and copies of individual records furnished upon request, to Metalmart, Intl. representatives. Records shall be kept for a period of seven (7) years after final payment for supplies or services.

### **Corrective Action**

The supplier shall take prompt action to correct assignable conditions which have resulted, or could result in, non-conforming products or services being offered to Metalmart, Intl. for acceptance which do not conform to any of the following:

- (1) The quality assurance provisions of the item specification
- (2) Inspections and tests required by the contract or purchase order, and
- (3) Other inspections and tests required to substantiate product conformance. Discrepant material delivered under contract to Metalmart, Intl. facilities or our customers will be held for ten days pending supplier's disposition instructions. After this time, the material will be returned to the supplier at the supplier's expense.

### **SPECIFICATIONS AND CHANGES**

Unless otherwise specified on the contract or purchase order, the supplier's quality control system shall provide for procedures which will assure that the latest applicable drawing, specification and instructions required by the contract or purchase order, as well as authorized changes thereto, are used for fabrication, inspection and testing.

Copies of Metalmart Intl. customer's drawings, specifications and/or procedures supplied by Metalmart Intl. shall not be reproduced except for internal use. Such proprietary items shall be controlled to preclude their use for other than contract work with Metalmart Intl..

### **MEASURING AND TEST EQUIPMENT**

The supplier shall provide and maintain sufficient gauges and other measuring and testing devices which are accurate enough to assure product conformance, these devices shall be calibrated at established intervals against certified standards which have known valid relationships to national standards. If production tooling, such as jigs, fixtures, templates, and patterns are used as a media of inspection, such devices shall also be proved for accuracy at established intervals. Calibration of inspection equipment shall be in accordance with ANSI (NCSL) Z540-1 or ISO 10012.

### **GOVERNMENT/METALMART INC. EVALUATION**

Metalmart Intl. and their Customers, including the government reserve the right to conduct inspection and/or surveillance of the supplier system, procedures, facilities and products. The government has the right to inspect any or all of the work included in this order at the supplier's facility. The supplier shall, provide all necessary facilities, equipment, documentation and personnel required to perform any inspection at no additional cost to Metalmart Intl.

### **REFERENCED DATA**

All documents and referenced data for purchases applying to the contract or purchase order shall be available for review by the Government or Metalmart Intl. representative to determine compliance with the requirements for the control of such purchases.

### **GOVERNMENT/METALMART INC. FURNISHED MATERIAL**

When material is furnished, by the Government or Metalmart Intl. the supplier's procedures shall include as a minimum the following:

- a) Examination upon receipt, consistent with practicability, to detect damage in transit.
- b) Inspection for completeness and proper type.
- c) Periodic inspection and precautions to assure adequate storage conditions and to guard against damage from handling and deterioration during storage.
- d) Functional testing, either prior to or after processing, or both, as required by contract to determine satisfactory operation.
- e) Identification and protection from improper use or disposition.
- f) Verification of quality.

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### **SAMPLING INSPECTION**

Sampling inspection procedures used by the supplier to determine quality conformance of supplies shall be as stated in the Federal, military or industry specifications applicable to the product being supplied and shall be subject to approval by MetalMart Intl. In the absence of specific requirements, the subcontractor shall Use MIL-STD-105, or its replacement, including sampling procedures and tables for inspection by attribute.

### **RECEIVING INSPECTION**

Subcontracted or purchased supplies will be subject to inspection at destination, as necessary to assure conformance to contract or purchase order requirements. Acceptance of order at destination, does not relieve the supplier of any responsibility regarding non-conformances. MetalMart Intl. will, report to the Government representative, any non-conformance found on Government source inspected supplies, and will require the supplier to coordinate with the Government representative on corrective action.

### **NON-CONFORMING MATERIAL**

The supplier shall establish and maintain an effective and positive system for controlling non-conforming material, including procedures for the identification, segregation, presentation and disposition of reworked or repaired supplies. Repair of non-conforming supplies is the prerogative of and shall be as prescribed by MetalMart, Intl. All non-conforming supplies shall be positively identified to prevent use, shipment and intermingling with conforming supplies.

### **Deviation Requests**

Requests for deviation from the requirements of the contract or purchase order shall be submitted to and approved by MetalMart, Intl. prior to shipment. Product accepted on a deviation request by MetalMart Intl., will be shipped with all certifications and shippers referencing the nonconformance.

Authorization to ship discrepant or substitute material must be obtained in writing prior to shipment. Discrepant material shipped without approval will not be accepted.

### **DAMAGED GOVERNMENT/METALMART INC. FURNISHED MATERIAL**

The supplier shall report to the Government or the MetalMart, Intl. representative any furnished material found damaged or otherwise unsuitable for use.

### **CERTIFICATION**

The supplier shall provide a Certificate of Compliance (C of C) attesting that the product complies with drawings and/or specifications imposed by the purchase order or contract. The C of C shall state that, "Substantiating evidence is on file and available upon request". The C of C shall be attached to the packing slip, and shall accompany each shipment. The report shall contain the name, title and signature of the company duly authorized representative.

### **MILL TEST REPORT**

Unless otherwise specified in the contract, material supplied under this contract, shall be accompanied by a clear and reproducible copy of the mill test report with each shipment. The test report shall include actual test results and all traceability information including heat number, batch number etc. These reports shall contain a signed certification that the reported results represent the actual attributes of the material furnished and indicate full compliance with the applicable specification and contract requirements. The report shall contain the date, name, title and signature of the company duly authorized representative.

Statements on material certification documents must be positive and unqualified. Words such as "to the best of our knowledge" of "we believe the information contained herein is true" are not acceptable.

### **PREPARATION FOR SHIPMENT**

The suppliers quality control system shall assure that the quality of supplies is protected preserved and packaged during shipment in accordance with best commercial practices unless otherwise specified on the purchase order or contract for manufacture.

### **ADDITIONAL QUALITY ASSURANCE PROVISIONS**

(The following clauses form a part of the purchase order when referenced either generally or specifically)

### **1. CHEMICAL AND/OR PHYSICAL TEST REPORTS**

Each shipment of material must be accompanied by legible and reproducible copies of all chemical and/or physical test reports, identifiable with the furnished materials. These reports shall contain a signed certification that the reported results represent the actual attributes of the material furnished and indicate full compliance with the applicable specification and contract requirements. The reports must contain the date, signature and title of the authorized representative of the agency performing the test and must contain sufficient information to assure conformance to specification requirements. The report must include the specification, drawing number and revision relative to the material including the identifying number for traceability (i.e. heat number, run number, batch number, lot number, etc.).

Statements on material certification documents must be positive and unqualified. Words such as "to the best of our knowledge" of "we believe the information contained herein is true" are not acceptable.

(A) Chemical and/or Physical Test(s) - These reports must contain the date, specification and lot, roll, batch or serial numbers applicable to the material submitted. They shall also delineate the specific requirement(s), test methods and quantitative results obtained.

(B) Dimensional Inspection Report - The report must contain the date and results of the dimensional measurement of the material or items submitted. The reports shall state the part number, description of the dimension and the results of the measurement. The seller shall maintain evidence of the inspections performed which may include a list of the tool(s) or equipment used to obtain the measurement and their calibration dates.

### **2. DOMESTIC SUPPLIES ONLY**

All materials supplied under this contract shall be manufactured by domestic sources only, in accordance with FAR 52.225-11.

### **3. MERCURY NON-CONTAMINATION STATEMENT**

Certifications shall contain the statement with the same intent: Material shall be free from contamination by mercury and mercury bearing Substances.

### **4. TRANSCRIBING OF DATA**

Material certification data shall be recorded on the testing company's letterhead and bear the name (typed or printed), title, and signature of the authorized representative of the company. Certification data supplied shall be either the original (or copy of) mill certification, or the original (or copy of) from the testing facility performing the test. "NO TRANSCRIPTION OF DATA IS ALLOWED." All certifications must be traceable to the materials furnished.

### **5. DIMENSIONAL DATA SHEET**

Each lot of material must be inspected by the supplier and results of inspection recorded on a dimensional data sheet. One (1) copy of the data sheet which records objective evidence of acceptance must accompany each lot. As a minimum, lot size, sample size and results (accept or reject) must be recorded. Dimensional Data Sheet must reflect The purchasing order number, specification number, drawing number and revision, lot number or any other identifying number, i.e. heat, batch, serial numbers, etc. For traceability. The form used for documentation of data shall be optional.

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### **6. SPECIAL PROCESSES OR PROCESSING APPROVAL**

Special processes or processing, which may be, but not limited to; welding, brazing, heat treating, metal forming, surface preparation, film or plating applications, non-destructive testing, approval of processing equipment, procedures or personnel, must be approved prior to the initiation of any task required in the completion of this purchase order.

The seller is responsible for obtaining such approval as required by the purchase order. The certification of conformance, which must accompany each shipment of the material required by this purchase order, must specify the processes, specification, the name of the agency which performed them (if other than the seller) and contain the name and title of the authorized representative signing the form.

### **7. FROZEN PLANNING**

No changes to processes, materials or procedures are allowed without written permission from MetalMart, Intl. A copy of the approved process, Material or Procedure shall be kept on file at the supplier and shall be subject to review upon request. Any changes shall be submitted to MetalMart, Intl. for review and approval prior to implementation.

### **8. AGE CONTROL & LIFE LIMITED PRODUCTS**

Age control & life limited products shall be identified with the date of manufacture, test time or cycle at which useful life will be expended. (i.e. shelf life or cycle life). Products supplied to MetalMart, Intl. shall have a minimum of 75% of its life expectancy remaining.

### **9. SOURCE INSPECTION**

The item specified on the face of this purchase order require inspection by MetalMart Intl. Quality Assurance representative(s) prior to shipment of supplies or performance of tests at suppliers facility. Notify MetalMart, Intl. twenty-four (24) hours in advance to permit schedule of source inspection.

The supplier shall, in accordance with this provision, provide all necessary facilities, equipment, documentation and personnel required to perform this inspection at no additional cost to MetalMart Intl.

Objective evidence of MetalMart Intl. source inspection must accompany each shipment of material. Evidence of inspection at the supplier's facility does not constitute acceptance.

### **10. GOVERNMENT SOURCE INSPECTION**

Government source inspection is required prior to shipment of supplies or performance of test at supplier's facility. Upon receipt of this order, the supplier shall promptly notify the Government Representative who normally services their plant so that appropriate planning for Government inspection can be accomplished prior to shipment. In the event the representative or office cannot be located, contact the purchasing agent of the Business unit issuing the P.O. Evidence of Government Inspection must be indicated on the shipping documents.

The supplier shall, in accordance with this provision, provide all necessary facilities, equipment, documentation and personnel required to perform this inspection at no additional cost to MetalMart Intl. Records of processing, process control, conformance verification, and other evidence of quality system operation may be required.

Acceptance of material shall be accomplished at MetalMart, Intl's facility unless otherwise specified in writing. Evidence of inspection at the supplier's facility does not constitute acceptance. Government inspection shall not constitute MetalMart Intl. acceptance; nor shall it in any way relieve the supplier of their responsibility to furnish an acceptable end item.

### **11. PERMANENT MATERIAL IDENTIFICATION**

Permanently identify each piece with the heat, lot, ingot, batch number, etc, as applicable.

### **12. TEMPORARY MATERIAL IDENTIFICATION**

Temporarily identify each piece per specification requirements.

### **13. SEAMLESS CERTIFICATION**

Certification shall also include a specific statement that "all material supplied on this order is seamless."

### **14. NO WELD CERTIFICATION**

The supplier's test reports shall contain a statement that "no welding or weld repair has been performed" on the material being supplied.

### **15. HEAT TREAT RECORDS**

The seller shall furnish records of the heat treatment, including austenitizing, tempering, and stress relieving temperatures, the times and method of cooling from the tempering and stress relieving temperature for each lot of bar.

### **16. REPORTING OF DEFECTS AND NONCOMPLIANCE**

10 CFR part 21 applies to this order. Supplier must have a system for reporting defects in compliance with this code.

### **17. DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM**

This is a rated order for national defense. All requirements of 10 CFR Part 700 apply.

### **18. COPIES OF TEST REPORTS**

A second copy of the test reports is to be faxed to "Expediter" at MetalMart, Intl. within 24 hours of when the material ships.

### **19. PRESERVATION, PACKAGING, AND MARKING OF MATERIAL**

All materials must be preserved, packaged, and marked in a manner that meets or exceeds all standard commercial practices. These requirements are consistent with ASTM A700, ASTM B660, and ASTM B249.

In addition to any markings required by the specific material specifications, all material is to be marked with:

1. Name of manufacturer
2. Heat number
3. Specification designation
4. Alloy or grade
5. Temper
6. Part number
7. Customer Order Number (SP0...)
8. Customer Requisition of Mark for number (N00...)

Material markings must be done with permanent ink or paint. Container or bundle markings shall be resistant to the elements.

### **20. MARKING OF PAPERWORK (PACKING LIST)**

The packing list must contain the following information:

1. Your company name
2. Date of order
3. Name of manufacturer
4. Heat number
5. Specification designation
6. Alloy or grade
7. Temper
8. Size (in the units ordered)
9. Part number
10. Quantity ordered **and** quantity shipped
11. Customer Order Number (SP0...)
12. Customer Requisition or "Mark For" number (N00...)
13. "Urgent" or "Special Handling" if applicable



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### **21. PROOF OF SHIPMENT/DELIVERY**

The following shipping information must be faxed or sent electronically to "Expediter" at MetalMart, Intl. within 24 hours of shipping the material:

1. Purchase order number
2. Date shipped
3. Total quantity shipped per order
4. Location shipped to
5. Carrier material shipped on
6. Carrier tracking or PRO number, if applicable

Proof of delivery must be supplied for every order.