

QUALITY SURVEILLANCE/INSPECTION/TEST BY BUYER AT SELLER'S PLANT

1.0 Definition of terms:

1.01 The term “shall”, “will” and “may” are used with specific intent thought-out these documents and will observe the following rules:

- 1.1** Requirements defined using “**shall**” in the text are mandatory requirements and are considered to be binding and require formal verification. Departure from such a requirement is not permissible without formal agreement between Subcontractor and CSPI.
- 1.2** Requirements defined using “**will**” in the text expresses a provision or service by CSPI or an intention by CSPI in connection with a requirement of this document. The subcontractor is implicitly authorized to rely on such service or intention.
- 1.3** The word “**may**” in the text expresses a permissible practice or action. It does not express a requirement of this document.

2.0 Quality Surveillance/Inspection/Test by Buyer at Seller’s Plant

- 2.1** Requirements: Supplies and services ordered by this purchase order are subject to surveillance/inspection/test, at the Buyer's discretion, by Buyer's Quality Representative at Seller's plant. Specific surveillance/inspection/test activities selected by the Buyer's Quality representative may include review of all aspects of the production system, witnessing of processes, points of test, and in-process inspection/test as, required to verify conformance to this purchase order.
- 2.2** Review of Quality Inspection System documentation may be performed that covers any item affecting conformance such as calibration of equipment, inspection reports, inspection instructions, procedures and configuration control, skills certification, and packaging methods. Buyers Quality Representative may conduct final inspection/test as necessary to determine conformance to this purchase order.
- 2.3** Seller shall not ship items without surveillance/inspection/test by Buyers Quality Representative unless one of the following has occurred:
 - 2.3.a** Previously authorized in writing by the Buyer.
 - 2.3.b** A shipment authorization letter has been issued in conjunction with an implemented supplier Verification Plan by the Buyers Quality representative,
 - 2.3.c** The Seller is designated as a certified supplier for the item specified in the Purchase Order.
- 2.3.1** Seller shall not ship items suspended by the Buyer's Quality Representative, unless authorized in writing by the Buyers Purchasing Agent and marked in accordance with specified instructions,

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- 2.4 Procurement Package Requirement:** Upon acceptance of the purchase order, the Seller shall establish and maintain a procurement package for each purchase order. The package shall contain, as applicable, the following listed items.
- 2.4.a** Purchase Order and Change Notices
 - 2.4.b** Current Configuration of Drawings
 - 2.4.c** Supplier Planning Documents (or supplemental documentation)
 - 2.4.d** Current Configuration of Specifications
 - 2.4.e** Subcontract Data Items: i.e. Acceptance Test Procedure (ATP)
 - 2.4.f** Data Letter of Approval
 - 2.4.g** Buyers Source Inspection Report, i.e., Quality Assurance Supplier
- 2.4.1** Record when applicable for each submitted lot. Seller shall make the procurement package available to the Buyers Quality Representative upon request.
- 2.5 Mandatory Buyer Inspection Points:** In addition to surveillance, the Buyer may designate mandatory points of inspection in the purchase order, i.e., in-process, pre-potting, final, pre/post, burn-in, etc. or by the Buyer's Quality Representative. In the absence of the purchase order identified inspection points, the inspection points shall be witnessed or performed at final assembly.
- 2.6 Notification:** Seller shall notify the Buyers Quality Representative or Purchasing Agent of his readiness for surveillance/inspection/test activities at least (5) working days in advance of the required activity. Once Seller notifies the Buyer and confirms surveillance/inspection/test schedule, the Seller is responsible for additional notification of events that may affect the established schedule.
- 2.7 Documentation:** Each shipment against this purchase order shall include one copy of the Buyers source inspection report, or a designated method of inspection status, as furnished by the Buyer's Quality Representative.
- 2.8 Other Obligations:** The surveillance/inspection/test provided herein shall not constitute final acceptance of the items and shall not modify or limit any representations, warranties, or commitment made elsewhere or in any way affect the obligations of the Seller to perform strictly in accordance with the provisions of the purchase order.

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