

Appendix Q3L

Third Party Logistics Aircraft Service Provider Quality Requirements

The latest issue to this document is the version that is available on the Lockheed Martin Aero website: <http://www.lockheedmartin.com/us/aeronautics/materialmanagement.html>.

The terms “Item(s)”, “PO”, “Seller” (or “Aircraft Service Provider”), and “Buyer” as used herein, have the same meaning as the terms “Work”, “Contract”, “SELLER”, and “LOCKHEED MARTIN”, respectively.

Questions regarding this Appendix Q3L or the applicability of this Appendix Q3L shall be addressed to Buyer’s assigned Supplier Quality Engineer.

DEFINITIONS:

- Aircraft Service Provider (ASP)
 - An Aircraft Service Provider (ASP) is a provider of outsourced logistics services. Logistics services encompass anything that involves management of the way resources are moved to the areas where they are required. In business, ASP has a broad meaning that can be applied to any service contract that involves storing or shipping goods. An ASP service may be a single service such as transportation or warehouse storage, or it can be a system-wide bundle of services capable of managing the entire supply chain.
 - An Aircraft Service Provider (ASP) is the function by which the owner of goods (The Client Company) outsources various elements of the supply chain to one ASP company that can perform the management function of the Client Company’s inbound freight, customs, warehousing, order fulfilment, distribution, and outbound freight to the Client Company’s customers.

Buyer-unique documents referenced in this PO are available from Buyer or Buyer’s website at: <http://www.lockheedmartin.com/us/aeronautics/materialmanagement.html>.

1.0 Quality Requirements – Seller shall meet the applicable requirements of the latest revision of Appendix Q3L in effect as of the date of the Request for Proposal (RFP), unless otherwise amended by Buyer and Seller prior to PO issuance.

- 1.1 Aircraft Service Providers (ASPs) providing services not associated with hazardous material or explosives shall:
 - a. ensure their quality system is ISO-9001 third party registered by an accredited registrar listed in the “On Line Aerospace Supplier Information System” (OASIS) and meets the Quality System Requirements identified in this Appendix Q3L,
 - b. have and maintain Internet access for obtaining requirements of this PO, and
 - c. not outsource core contracted services as defined in the PO or by Buyer, unless approved in writing by Buyer.

- 1.2 ASPs providing services associated with hazardous material or explosives shall:
 - a. ensure their quality system is **compliant** to the Industry Standards identified in ISO-9001 and, upon Buyer's written request, provide evidence of such compliance,
 - b. have and maintain Internet access for obtaining the requirements of this PO, and
 - c. not outsource core contracted services as defined in the PO or by Buyer, unless approved in writing by Buyer.

2.0 Quality System Changes and Customer Findings

- 2.1 a. Seller shall notify Buyer's Supplier Quality Engineer, in writing, within 10 days of any of the following:
 - i. change in its quality system status; or
 - ii. adverse action taken by Seller's customer, a regulatory agency (e.g., DCMA, FAA, CAA, OSHA, DoD, EPA, TSA, etc.), a Third Party Registrar, or an International Government Agency.
- b. Seller's notification shall include, but is not limited to, any of the following:
 - i. Issuance of any Level II or Level III Corrective Action Request ("CAR") associated with Buyer's Items, Seller's Quality Management System, or Seller's processes associated with Buyer's Items,
 - ii. Issuance of a major finding by a Third Party Registrar (if Seller holds a 3rd party certification), or
 - iii. Suspension of Seller's Government Source Inspection ("GSI").
- 2.2 Seller shall provide actions taken or planned actions related to any events listed in 2.1 above with its written notification.
- 2.3 Within 30 days of providing the above written notification, Seller shall provide to Buyer the approved corrective actions taken in response to any adverse actions reported in accordance with 2.1 above.

3.0 Sale, Relocation, Closure, or Transfer of Operations – Seller shall notify Supplier Quality Engineer and Buyer, in writing, at least 90 days in advance of any sale, relocation, closure, or transfer of Seller's operations (subject to any legal or regulatory restrictions). Seller shall include the following, as a minimum, in the written notification:

- Purpose of the relocation,
- Address of the new location(s),
- Assessment of actual or potential impact to current POs,
- Risk mitigation plan to ensure compliance to existing requirements,
- Plan defining the identification, storage, protection, retrieval, and retention of records,
- Master schedule and timeline of relocation activities, and
- Relocation Coordinator/Point of Contact

4.0 Language – Upon request by Buyer, Seller shall provide all Seller records, reports, specifications, drawings, inspection and test results, and other documentation in English, at no additional cost, price, or fee.

- 5.0 Certificate of Conformance** – Seller shall include any Buyer-provided CoC inside the product's package.
- 6.0 Environmental Controls** – Seller shall implement appropriate environmental controls for the preservation of Buyer's products. Environmental controls include, but are not limited to, temperature control and special handling for hazardous materials, as specified in the PO.
- 7.0 Foreign Object Damage Control** – Seller shall maintain a FOD prevention program that is compliant to National Aerospace Standard NAS-412, Foreign Object Damage/Foreign Object Debris (FOD) Prevention.
- 8.0 Damage** – Seller shall notify the assigned Supplier Quality Engineer and Buyer of Seller-responsible damage to Item(s) during routine handling, to include kitting. When directed by the Supplier Quality Engineer, Seller shall initiate a Supplier Quality Assurance Report (SQAR) utilizing the on-line system located at:
<http://www.lockheedmartin.com/us/aeronautics/materialmanagement.html> under Quality Requirements > Corrective Action.
- 9.0 Records** – Seller shall:
- a. Maintain complete records of non-conformances, dispositions, assignable causes, corrective and preventive actions, and effectiveness of corrective actions.
 - b. Make such records available for at least three (3) years after completion of this PO, or for longer periods if specified elsewhere in this PO; and
 - c. Upon Buyer's request, forward such records to Buyer at no additional cost, price, or fee.
- 10.0 Facility Access, Inspection, Surveillance, and Surveys:**
- a. Buyer reserves the right to perform Item inspections, surveys, or system/process surveillance as part of its verification of conformance to the requirements of this PO, unless restrictions are in place by a regulatory agency. Seller's denial of any such Buyer access may result in inactivation of Seller's approval.
 - b. Seller shall provide suitable facilities at Seller's location for Buyer or Buyer's Supplier Quality Engineer to perform the tasks in 10.a. above, to include high speed Internet access.
 - c. Seller shall make access available to regulatory agency personnel.
- 11.0 Corrective Action, Preventive Action, Request, and Reporting** – Seller shall:
- a. ensure effective corrective and preventive action is taken to prevent, minimize, or eliminate improper material handling/storage, material damage, or improper kitting (as applicable);
 - b. provide effective corrective and preventive action and trend data upon request by Buyer; and
 - c. ensure Seller's quality system has the capability to report any occurrences of improper material handling/storage, material damage, or improper kitting (as applicable).