



APPENDIX 'Y'

STATISTICAL METHODS

Sellers shall establish the necessary level of statistical methods that will provide an effective means for preventing defects in products, reducing variability, reducing cost, improving product quality and improving delivery performance for products purchased by Lockheed Martin Corporation acting through its Aeronautics Material Management Center (Buyer).

- A. Seller shall utilize statistical methods such as statistical process control or other recognized graphical and statistical techniques to establish, control, and verify process capability and product characteristics on key processes directly or indirectly affecting product to be delivered to Buyer. Seller shall determine the key processes.
- B. The Seller shall determine the appropriate application of the statistical methods that will support the requirements stated above. Seller shall establish and maintain documented procedures to implement and control the application of the statistical methods. Seller shall provide documentation demonstrating the functioning and effective use of the statistical methods upon request by Buyer.
- C. Upon Buyer's direction, Seller shall apply specific statistical methods to processes when Buyer determines that Seller has failed to correct negative trends, systems deficiencies, or recurring hardware issues in a positive and timely manner.
- D. Seller shall not be entitled to an equitable adjustment, under the "Changes" clause or otherwise, in the price or fee of any P.O. to which this Appendix 'Y' applies, for performance of any task or effort required by or contemplated by this Appendix 'Y' or to Buyer's direction pursuant to paragraph C above.