

## Appendix QI

# Intra-Lockheed Martin Work Transfer Agreement (IWTA)

## Quality Requirements for Deliverable Items

### REVISION RECORD

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>

Revision	Date	Changes
1	09/14/2015	(a) Removed section on "Outsourcing of Critical Items"; (b) Revised/enhanced section on Certificate of Conformance; (c) Revised/enhanced section on Records; (d) Added requirement for Performing LM Aero Business Unit to utilize the on-line Supplier Disclosure System to notify Requesting LM Aero Business Unit of nonconformance(s) in previously produced Items; (e) Revised/enhanced section on Material Review Authority; (f) Revised/enhanced section on FAA requirements for requirements when FAA conformity is imposed.
Original Issue	03/08/2010	Original Document for application of Quality Requirements for IWT application. This serves as a "pilot" version to enable other Lockheed Martin Business Units to identify and understand LM Aeronautics quality requirements under IWTA.

\* Revised \*\* Added \*\*\* Removed

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- \* The following terms: 1) “Item(s)”, 2) “Contract”, 3) “Performing LM Business Unit” and 4) “Requesting LM Aeronautics Business Unit” as used herein, have the same meaning as the terms: 1) “Work”, 2) “IWTA”, 3) “LM Business Unit” or “Seller”, and 4) “LM Aeronautics”, respectively.

The requesting Lockheed Martin Aeronautics business unit (“LM Aeronautics”) offering and assigning the Intra Lockheed Martin Work Transfer Authorization (“IWTA”) work and the Lockheed Martin business unit(s) performing the IWTA work (“LM Business Unit” or “Seller”) are mutually obligated to provide the capabilities, products and services needed to meet program and contractual requirements. LM Aeronautics and Seller shall function, view, and treat one another as team members in accomplishing the work assigned through the IWTA process

- \* **1.0 Quality Requirements:** Seller shall meet the applicable requirements of the latest revision of Appendix QI in effect as of the date of this IWTA. For Sellers performing original production or Original Equipment Manufacturer (“OEM”) repairs, AS/EN9100 is required. For Sellers performing non-OEM repairs Items AS9110 is required. Seller shall:
  - a. ensure its quality system is 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 QI; and
  - b. ensure all applicable QI requirements herein and other quality requirements in this IWTA are imposed upon Sellers, its agents and subcontractors at all tiers working on LM Aeronautics product; and
  - c. have and maintain Internet access for obtaining requirements of this IWTA.

- \* **1.1 Certificate of Conformance:** Seller shall
  - a. prepare a certificate of conformance (“CoC”) to assert the Items contained with the shipment are in compliance with all applicable requirements of this IWTA; and
  - b. annotate in the delivery package any exceptions, e.g. variances, Supplier Quality Assurance Report (“SQAR”), Advanced Engineering Authorization (“AEA”), etc.; and
  - c. ensure the CoC is signed by a Seller’s quality representative; and
  - d. include a copy of the CoC inside the shipping container and with shipping documents.

\*\* Provision for Alternate Acceptance DD250 Process:

When authorized in writing by LM Aeronautics’ customer, Seller shall ship with a Certificate of Conformance any supplies for which the contract would otherwise require government inspection at source. The CoC shall be in the format outlined in FAR 52.246-15

For commercial aircraft products or services, an FAA 8130-3 or equivalent will be acceptable as a Certificate of Conformance.

- \* **1.2 Records:** Seller shall:
  - a. maintain complete records of the following:
    - all manufacturing, inspection, test, CoC, and shipping; and
    - process capability or tooling controlled per TMS-MC-015, if applicable; and
    - all nonconforming material, dispositions, assignable causes, corrective and preventive actions, and effectiveness of corrective actions; and
  - b. make such records available for at least three (3) years after completion of the Work or for longer periods if specified elsewhere in this IWTA; and
  - c. maintain records of all QCS-001 “Work” performed and/or procured for at least seven (7) years after completion of this IWTA or for longer periods if specified elsewhere in this IWTA; and
  - d. upon LM Aeronautics’ request provide records of inspection tests of processed Items and process control tests to LM Aeronautics.
- \* **1.3 Calibration:** Seller shall maintain a documented calibration system for the calibration and maintenance of tools, jigs, inspection and test equipment. Seller shall have and maintain a calibration system that is compliant to prevailing industry requirements in accordance with ISO 17025, ISO10012-1.
- \* **1.4 Point of Acceptance:** The point of acceptance is indicated on each IWTA issued. When this IWTA requires LM Aeronautics acceptance at source, acceptance can involve periodic surveillance of Seller’s quality system, manufacturing processes or physical Item, including work at all sub-tiers.
  - \* **1.4.1** – Prior to shipment of Items designated “LM Aeronautics ACCEPT AT SOURCE”, Seller shall obtain final acceptance (signature or stamp), at their facility, by an LM Aeronautics representative. When Seller has been delegated end item acceptance authorization, Seller’s Quality representative shall sign and/or stamp and date shipping document on behalf of LM Aeronautics to indicate acceptance of Item(s) being shipped.

\* **1.4.2** – Prior to shipment of Items designated “LM Aeronautics and Government ACCEPT AT SOURCE”, Seller shall obtain final acceptance (signature or stamp), at its facility, by an LM Aeronautics representative. When Seller has been delegated end item acceptance authorization, Seller’s Quality representative shall sign and/or stamp and date shipping document on behalf of LM Aeronautics to indicate acceptance of Item(s) being shipped. In addition, Seller shall obtain final acceptance from the assigned Government representative. Seller shall reference such acceptance in the shipping document, where applicable.

\* **1.5 Control and Processing Nonconforming Material and Corrective Action:**

**1.5.1** – Seller shall implement and maintain a documented quality system that provides for identification, documentation, and disposition of nonconforming material. Seller shall ensure effective corrective and preventive action is taken to prevent, minimize, or eliminate nonconformances.

\*\* **1.5.2** – Seller shall:

- a. evaluate each nonconformance for its potential to exist in previously produced Items and notify LM Aeronautics, in writing, by submitting a Supplier Disclosure Letter on Items in transit or delivered to LM Aeronautics in accordance with the following:
  - i. within 24 hours of the Seller’s discovery of a potential or verified non-conformances impacting flight safety
  - ii. within 5 working days of Seller’s discovery of all other potential or verified non-conformances, and
- b. utilize the instructions located at:  
<http://www.lockheedmartin.com/us/aeronautics/materialmanagement.html> under Quality Requirements > Corrective Action to submit a Supplier Disclosure Letter; and
- c. provide effective corrective and preventive action upon request by LM Aeronautics and when requested by LM Aeronautics provide trend data; and
- d. assess all LM Aeronautics-identified non-conformances, whether or not Item(s) was/were returned to Seller, and take appropriate actions to ensure causes of non-conformance are corrected.

**1.5.3** – Seller shall maintain records of all nonconforming material, dispositions, assignable causes, corrective and preventive actions, and effectiveness of corrective actions for the period specified in Records Section 1.2 or for longer periods if specified elsewhere in this IWTA.

**1.6 Material Review Authority:**

**1.6.1** – LM Aeronautics and its customers shall each have the right to refuse to accept any Seller’s nonconformances.

**1.6.2** – Seller shall ensure Seller’s quality system has capability to report nonconformance(s) on Critical Safety Item (“CSI”) in full compliance with Defense Federal Acquisition Regulation Supplement (“DFARS”) 252.246-7003.

\* **1.6.3** – When LM Aeronautics customer has delegated oversight/surveillance of LM Aeronautics’ work to an onsite Government representative at Seller’s facility, Seller shall submit all material review dispositions for LM Aeronautics related work to the cognizant

Government representative for concurrence when requested by the Government representative.

- \* **1.6.4** – For Seller-designed Items, Material Review (MR) dispositions are limited to non-conformances that do not affect a parameter controlled by LM Aeronautics drawing or specification, where form, fit or function, interchangeability, Critical Safety Characteristic (“CSC”) related to Critical Safety Item (“CSI”) service life or reliability is affected Seller shall provide disposition of non-conformances, if any, affecting any such parameter(s) to LM Aeronautics for Major Variance approval as defined in this IWTA.
- \* **1.6.5** – For LM Aeronautics-designed Items, Seller MR processing is limited to scrapping of Items, eliminating the nonconformance by rework to engineering, or returning to vendor. Seller shall request repair or Use-as-Is disposition from LM Aeronautics’ Material Review Board (MRB). Seller’s continued processing shall be limited to subsequent operations that do not hide, alter or limit the ability to inspect, disposition or repair the Item unless Seller has received written approval from LM Aeronautics.
- \*\* When LM Aeronautics has delegated MR to Seller for LM Aeronautics-designed Items, Seller’s process shall be limited to the scope provided in the MR delegation and Seller shall comply with the terms of paragraph 1.6.2 as stated herein.

Seller’s request for LM Aeronautics MR disposition of Seller or LM Aeronautics-designed Items shall be submitted in accordance with instructions located at:  
<http://www.lockheedmartin.com/us/aeronautics/materialmanagement.html> > Quality Requirements >Supplier Quality Management System.

**1.7 QCS-001 Requirements for LM Aeronautics-Designed Items:**

**1.7.1** – QCS-001 sets forth both the controlled processes and the process sources that require LM Aeronautics approval, prior to use by Seller for Items delivered under this IWTA. QCS-001 is located at <http://www.lockheedmartin.com/us/aeronautics/materialmanagement.html> under Quality Requirements > Supplier Quality Management System. For those special processes that are not covered by QCS-001 Seller shall have a system for approving special process sources.

**1.7.2** – Seller shall require and ensure all levels of sub-tiers be approved and listed in QCS-001 for those processes covered by QCS-001.

**1.8 QCS-001 Requirements for Seller-Designed Items:** Seller has the authority and responsibility to approve and control its processing sources including in-house processes.

- \* **2.0 Federal Aviation Administration Requirements For Seller:** When Items delivered under this IWTA are subject to FAA conformity, Seller shall have a quality system approved by the Federal Aviation Regulations Part 21, acknowledge that its quality system is subject to Federal Aviation Administration (“FAA”) audit without notice, and ensure compliance prior to acceptance of LM Aeronautics IWTA. When Items delivered under this IWTA are subject to FAA certification, Seller shall obtain FAA conformity by an authorized FAA designee on first production Items as specified by LM Aeronautics. Seller shall ensure Items requiring FAA conformity are accompanied by a properly authorized “FAA 8130-3” air worthiness approval tag.

- \*\* When post-delivery “commercial aircraft” maintenance, repair, overhaul or modification services are delivered under this IWTA are subject to FAA conformity, the Seller shall be certified to Code of Federal Regulation Title 14, Part 145, have a quality system approved by the Federal Aviation Regulations Part 145, acknowledge that its quality system is subject to Federal Aviation Administration (“FAA”) audit without notice, and ensure compliance prior to acceptance of the IWTA.
- 2.1 First Article Inspection (FAI)** – Seller shall establish and maintain internal processes for the accomplishment of each First Article Inspection (“FAI”). For F35 Program IWTAs FAI shall be accomplished in accordance with Quality Clause Q2A
- 2.2 Foreign Object Debris/Damage Prevention** – Seller shall maintain a Foreign Object Debris/Damage (“FOD”) prevention program in accordance with Quality Clause Q4R
- 2.3 Software Quality Assurance** – Seller shall establish and maintain, as part of the quality system, a Software Quality Assurance program, acceptable to LM Aeronautics for both deliverable and non-deliverable software products in accordance with Appendix Q6R.
- 2.4 Metrics Reporting** – Seller shall provide quality performance metrics to LM Aeronautics upon request. The content and frequency of quality metric performance will be determined and agreed to by LM Aeronautics and Seller. For F35 Program IWTAs the Seller shall comply with requirements of Quality Clause Q30.
- 2.5 Packaging and Shipping** – Seller shall utilize the most current revision of LM Aeronautics document PM-5010 for packaging and shipping. See paragraph titled Document Links to locate this specification.
- 2.6 Document Links** – Seller may obtain LM Aeronautics-unique documents (e.g., Q2A, Q30, etc.) mentioned in and part of this IWTA from LM Aeronautics’ website at: <http://www.lockheedmartin.com/us/aeronautics/materialmanagement.html>. Seller may obtain copies of Aerospace Standards (AS/EN documents) from the Society of Automotive Engineers at: <http://www.sae.org>.
- 2.7 Facilities Access** – Seller shall provide or obtain for LM Aeronautics, LM Aeronautics’ customers and regulatory agency personnel, access to any and all facilities where Work is being performed or is scheduled to be performed, including those facilities of Seller’s subcontractors at every tier, in order to perform Item inspections, surveys or system/process surveillance as part of verification of conformance to the requirements of this IWTA. Seller’s denial of any such access may result in discontinuance of IWTA work. Seller shall flow down this Appendix QI facility access requirement to its subcontractors with instructions that it is to be flowed down to subcontractors at every tier.