

Quality Assurance and Purchasing Clauses for Purchase Orders (POs)

Prepared by: Lucia Styk (QA Lead)
Krista Lane (Procurement)

Checked By: Terry Seto (Mgr. Procurement)

Quality Assurance: Martin Renke (Dir. QA)

Released by CADM: Inessa Gevondyan Kolaei *Gevondyan* 2024-11-04
(signature/date)

CADM release indicates that all above approvals have been received and are on file.

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13800 Commerce Parkway
Richmond, B.C., Canada, V6V 2J3
Telephone (604) 278-3411
Fax (604) 231-2764

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CHANGE RECORD

ISSUE	DATE	PAGE(S)	DESCRIPTION
1/0	Sep. 18, 2024	All	First Issue
2.0	Oct. 29, 2024	QA Claues	Second Issue Editorial updates including indentations (in red) to improve clarity of QA clauses.

Clause ID	CLAUSE TITTLE	Text
PUR001	BC Tax Assess and GST	Goods and Services from sources without BC tax #, for internal consumption, self assess PST.
PUR002	Blanket Order	Blanket order execution shall be in accordance with the attached Blanket Order Terms and Conditions which is a supplement to the Purchase Order Terms and Conditions on the reverse side hereof.
PUR003	Customer-Furnished Equipment	This is not a Purchase Order. This is a record of confirmation of receipt of Customer Furnished Equipment. All goods remain the property of the Supplier listed on this document.
PUR004	Confirmation	This is a Purchase Order confirmation only. Do not Duplicate order.
PUR005	Duty D3 (Exempt under NAFTA)	Duty exempt in accordance with the provisions of the North American Free Trade Agreement (NAFTA). Seller must submit two copies each of Commercial Invoices, Canada Customs Invoices, Packing Slips, and Certificates of Origin with shipment.
PUR006	Duty D3 (Exempt under Tariff #99950.00.00)	Duty exempt in accordance with Canadian Customs "Harmonized System" provisions of Tariff Item # 9950.00.00; satellites and satellite subsystems imported for the purpose of being tested, articles and materials employed in the development, design, manufacture, testing, repair, modification or maintenance of satellites, satellite subsystems, space stations, space vehicles, or other equipment to be employed in the upper atmosphere or in space, and ground support, and monitoring equipment for use with the foregoing.
PUR007	Candian Export Permits	This order is subject to MDA obtaining all necessary Canadian Export Permits. In the event a Canadian Export Permit is denied, Seller agrees to accept the return, at no cost to MDA, of all items on this order.
PUR008	GST G1 (Applicable)	Goods and Services Tax applicable, not included in price. (Show as separate item on invoice)
PUR009	GST G2 (Applicable with Foreign Supplier))	Goods and Services Tax applicable, not included in price.
PUR010	GST G3 (Not Applicable)	Goods and Services Tax not applicable, excluded from price.
PUR011	HST H2 (Not Applicable)	Harmonized Sales Tax not applicable.

Clause ID	CLAUSE TITTLE	Text
PUR012	Limitation of Expenditure	This Purchase Order has a limitation of expenditure of the Purchase Order's total value as shown herein and actual expenditures shall be taken only in accordance with the actual requirements of the Purchaser. The Purchaser shall not be obligated to expend any or all of the amounts or use any or all of the services specified herein.
PUR013	Nova Scotia HST (Nova Scotia Harmonized Sale Tax)	Nova Scotia HST (Nova Scotia Harmonized Sale Tax) applicable, not included in price (show as separate item on invoice).
PUR014	New Net60 Payment Terms	NOTICE OF CHANGE OF PAYMENT TERMS ***** Please note that effective immediately our new Corporate Payment terms are now Net 60 days
PUR015	Ontario HST (Ontario harmonized Tax)	Ontario HST (Ontario harmonized Tax) applicable, not included in price. Show as separate item on invoice.
PUR016	Country Of Origin	The Country of Origin of all the goods shipped against this Purchase Order shall be indicated on all customs release documents.
PUR017	Detailed Packing List	The Seller shall provide a detailed packing list. The packing list shall accurately match all items supplied against each item ordered in accordance with the Purchase Order. The accompanying packing list must contain supplied part numbers, quantity supplied, media type, titles, and matching descriptions including including reference to specifications (if any) and correct publication edition.
PUR018	Personal Services Contract Terms	This Order is subject to the attached Personal Services Contract Terms and Conditions which supersede and replace the Terms and Conditions on the reverse side hereof.
PUR019	PST P1 (Applicable)	Provincial Sales Tax applicable, not included in price. (Show as separate item on invoice).
PUR020	PST P2 (Exempt for Resale Purposes)	British Columbia Provincial Sales Tax not applicable: "We hereby do certify that the tangible personal property described herein will be resold or will become part of tangible personal property for resale purposes: License No.PST-1013-01 21."

Clause ID	CLAUSE TITLE	Text
PUR021	PST P3 (Not Applicable)	Provincial Sales Tax not applicable, excluded from price.
PUR022	PST P6 (Exempt, Saskatchewan)	Saskatchewan Provincial Sales Tax not applicable: "We hereby certify that the tangible personal property described herein will be resold or will become part of tangible personal property for resale purposes. Saskatchewan PST Exemption Number 19225882."
PUR023	Registration, Licenses, Permits and Trade Controls	The Seller shall be solely responsible to obtain and maintain any registration or (e.g. Controlled Goods Program) operation licenses and permits, import, export, re-export approvals including but not limited to permits, licenses and technical assistance agreements including any that are required by lower-tier subcontractors or suppliers of the Seller (collectively the "Authorizations") from any government authority as applicable to the goods on this order for the Seller and its lower-tier subcontractors or suppliers to be in compliance with the applicable federal, provincial, state or local laws. Notwithstanding any limitations of liability specified in this Purchase Order, Seller shall be responsible for any and all costs or delays resulting from failure to obtain "Authorizations".
PUR024	Partial Delivery	Partial shipments against this Purchase Order are acceptable.
PUR025	Return of Material	Seller shall return to Purchaser, all Artwork, Drawings and Reference Material upon completion of work.
PUR026	Subcontract Terms	This Order is subject to the attached Subcontract Terms and Conditions which supersede and replace the Terms and Conditions on the reverse side hereof.
PUR027	VAT Tax	This purchase order transaction is subject to applicable in-country VAT taxes.
PUR028	Repair - Warranty	No charges shall apply for the repair and return for the items on this order.
PUR029	Repair - Inspection only	Seller is authorized to proceed with inspection only, repair estimate must be submitted in writing and approved by the Buyer prior to the commencement of repairs.

Clause ID	CLAUSE TITTLE	Text
PUR030	Withholding Tax	<p>Payments will be made to Seller net ____ days from receipt of correct and accurate invoice.</p> <p>This Purchase Order is subject to Withholding Tax under the taxation laws of Canada. Unless the Seller can provide official tax receipts or any other evidence of payment of any income tax submitted to the Canada Revenue Agency (CRA) for this transaction, the Purchaser shall deduct and withhold a rate of _____% from the invoice total.</p> <p>The withheld amount shall be submitted to CRA.</p>

Clause ID	CLAUSE TITTLE	Text
G-QA001	Seller Inspection	The Seller shall perform adequate inspection in order to prove that the furnished items conform to the requirements of the Purchase Order whether processed by the Seller or procured from a sub-supplier. The Seller shall maintain a documented inspection system capable of producing objective evidence that material or services conform to the applicable requirements whether processed by the Seller or procured from a sub-supplier.
G-QA002	Test Results	Executed test procedures and test results shall accompany the CoC.
G-QA003	Buyer Source Inspection	Inspection by the Buyer or assigned inspection representative must be performed at the Seller's facility prior to shipment. The Seller shall provide reasonable inspection facilities for the Buyer to verify conformity to the specified requirements. The Buyer reserves the right to inspect at the Seller's facility and at the Seller's source, those items not manufactured within the Seller's facilities. Buyer Source Inspection shall include validation of the Seller's automated test programs and procedures to the Buyer's specification requirements, witnessing the Seller's acceptance test procedures and review of acceptance test data to the Buyer's specification. The Seller shall notify the Buyer's quality department no later than ten (10) working days prior to the time that items are ready for the Buyer Source Inspection.
G-QA004	Inspection Records	The Seller shall maintain records as per local laws or Seller's record retention procedure of all examinations and tests performed on items or services for the purpose of determining conformity with the specified requirements.
G-QA005	Audit	The Buyer or assigned inspection representative has the right to perform quality assurance audits at the Seller's or Sub-supplier's facilities. Timing of such an audit will be mutually agreed to.
G-QA006	Quality System	The Seller shall maintain and use a quality assurance system that is in accordance with ISO 9001.

Clause ID	CLAUSE TITTLE	Text
G-QA007	Certificate of Conformity	<p>Seller shall provide a Certificate of Conformity to certify that all delivered items have been inspected, immediately prior to shipment, to verify that:</p> <ul style="list-style-type: none"> a) All items have been tested to prove that they function according to specifications; b) All items correspond correctly with the Purchase Order description, type and quantity; c) Individual items or lowest replaceable unit have been affixed with an ID plate or label to identify model number, serial number, date of manufacture and any other pertinent data as appropriate; and d) All manuals and documentation have been supplied for each item.
G-QA008	Return of Material	Seller shall return to Buyer, all artwork, drawings and reference material upon completion of work.
G-QA009	Certificate of Compliance	<p>Seller shall provide a "Certificate of Compliance" with each shipment of parts under this procurement, signed by a legally authorized representative of the Seller's organization, stating the following:</p> <ul style="list-style-type: none"> - Part number and quantity; - Buyer's Purchase Order or Subcontract number; - Part Revision if applicable; - Declaration that materials supplied on this procurement meet applicable drawings, specifications and/or standards; - Evidence is on file to support this statement, and can be subject to Buyer's examination upon request.
G-QA010	Shelf Life, Storage and Special Handling	<p>Seller shall clearly identify those items that have a specific shelf life and any necessary storage conditions. The date of the manufacture and date of expiry must be visibly marked on the item, or included in accompanying document. Not more than ten percent (10%) of the shelf life shall have elapsed at the time of receipt by the Buyer. Alternatively, the Seller shall provide a shelf life (or warranty period) from the date of shipment. In this case, the shelf life (or warranty period) shall be visibly marked on the item, or included in accompany documentation. The Seller shall provide Safety/Hazard Data Sheets with the first shipment of material requiring any special handling.</p>

Clause ID	CLAUSE TITTLE	Text
G-QA011	Buyer Verification and Acceptance	All or a portion of parts and materials supplied under this procurement will be verified /inspected by the Buyer's Quality Department upon receipt before final acceptance.
G-QA012	Changes to Product Design, material or processing and fabrication	Seller shall not make any changes in product design, material or processing or in fabrication method without prior approval in writing from the Buyer. The Seller shall also not make any change in purchased parts (i.e. off-the-shelf items) utilized in the fabrication of items on this procurement without prior written approval from the Buyer.
G-QA013	Traceability	Seller must ensure that all items on this procurement are traceable to source of origin by lot/batch number and/or date code . Source of origin traceability must be reflected on release documentation or on the item package label sent to the Buyer.
G-QA014	ESD Controls during packaging and shipping	The devices to be furnished under this procurement are considered by the Buyer to be susceptible to damage from electrostatic discharge. The Seller shall take the necessary precautions whilst handling and packaging the deliverable product to prevent damage. The device leads shall be electrically shorted together by non-corrosive conductive foam or other suitable methods. The deliverable devices shall be encased in electrically conductive/static dissipative packages, tubes, carriers or conductive bags for shipment. The packaging must be labeled to indicate that it contains electrostatic sensitive parts.
G-QA015	ESD Controls (General)	Seller shall have an electrostatic discharge control program for any activity that designs, tests, inspects, services, manufactures, processes, assembles, installs, packages, labels or otherwise handles electrical or electronics parts susceptible to damage caused by static electricity in accordance with ANSI/ESD S20.20.
G-QA016	Government Source Inspection	The Government of Canada as the end-user has the right to inspect any or all of the work covered by this Purchase Order, at the Seller's facilities or at the sub-supplier's facilities. Such inspections shall not be used by the Seller or sub-supplier as effective quality control. The Seller's quality control or inspection system and manufacturing processes are subject to review, verification and analysis by authorized Government representatives.
G-QA017	Advance Notification of Issues	In the event the seller becomes aware of a product problem or issue (direct or indirect) that may have an adverse effect on the quality, reliability, or delivery of a product, the Seller shall notify the Buyer on a best-effort basis.

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G-QA018	Sub-Tier Supplier Management	Seller shall have processes and procedures in place to manage their supplier base. Seller shall ensure that the Buyer's requirements, applicable to the product procured, are fully contractually flowed down through all levels of Seller's supply chain for product or services being delivered to the Buyer. Seller should maintain an Approved Supplier List and shall have controls in place to ensure work is not performed at unapproved or disapproved sources. Sub-tier suppliers should have an adequate quality management system, as determined by the Seller's assessment. It is preferred that sub-tier suppliers are conformant to AS9100 or ISO9001.
G-QA019	Corrective Action	In response to a Buyer-initiated Supplier/Subcontractor Corrective Action Request (SCAR), Seller shall maintain an efficient and effective corrective action system that prevents shipment of nonconforming products without prior written approval from Buyer. In response to a Buyer- initiated Corrective Action Preventive Action (CAPA) request, seller shall advise and deliver to Buyer in writing and in a timely manner: a) receipt of the corrective action request, b) root cause (RC), c) written Corrective Action Plan (CAP) including actions to be taken, dates of implementation, and criteria for verifying effectivity.
G-QA020	Nonconforming Material	Seller shall utilize a documented system and procedure for evaluation and disposition of nonconforming material to contain, track, analyze, determine root cause, and ensure effective preventative/corrective action implementation. Seller shall maintain a procedure to control the identification, documentation, evaluation, disposition, and segregation requirements of nonconforming products. If Seller determines, or has reason to believe, a nonconformity could exist in previously delivered product, Seller shall notify Buyer procurement representative within 48 hours of Seller discovery.

Clause ID	CLAUSE TITTLE	Text
G-QA021	First Article Inspection (FAI)	First Article Inspections (FAIs) shall be provided against the drawing for the specific part number on the PO. The first article item shall be clearly identified by a tag attached to the item or a label applied to the item's bag indicating the item was used to conduct/complete Seller's FAI. A copy of the FAI Report and any applicable certifications shall accompany the first article part. The Buyer reserves the right to verify any or all of the characteristics documented on the FAI Report at the Seller's facility. Once the first article and the FAI Report is accepted by Buyer, Seller shall not deviate from the process, change suppliers, or change manufacturing facility locations without written authorization from the Buyer. Buyer reserves the right to request additional FAI Reports due to special circumstances.
G-QA022	Traceability: Serialization	Seller shall identify each part with a unique serial number. Part marking serialization shall be performed in accordance with standard industry practices. Serialized shipments shall have serial number(s) listed on the accompanying documents. Duplication of serial numbers is prohibited. Serial numbers shall be easily accessible for scanning and visual confirmation. The preferred method of serialization, where practical, is the use of bar codes applied directly to the part or using machine-readable marks. Seller shall ensure all serial numbers for each part in this shipment are identified on the shipping document (shipper, packing slip, etc.).
G-QA023	Certificate of Materials & Retention	Seller shall collect and retain, certification records for specified materials and subcomponents used in the manufacturing of the purchased product. If any subcomponents or processes used in the manufacturing of this product are procured from Seller sub-tier suppliers, a certification from the sub-tier suppliers is to be collected and retained. If Buyer requests the certification package, Seller shall provide the certification package within three (3) working days of the request.
G-QA024	Foreign Object Debris/Damage (FOD) Prevention	Foreign Object Debris/Damage (FOD) prevention program shall be maintained by Seller. This FOD prevention program shall include the review of design and manufacturing processes to identify and eliminate foreign object entrapment areas and paths through which foreign objects can migrate. The FOD prevention program shall include periodic self-assessment of internal FOD prevention practices, and where appropriate, an assessment of seller's sub-tier supplier(s) to measure effectiveness of program compliance requirements. The FOD prevention program will provide initial and periodic FOD internal trainings.

Clause ID	CLAUSE TITTLE	Text
G-QA025	Calibration	Seller's equipment calibration system shall be compliant with the requirements of ISO 17025 or ISO 10012. When Seller is the OEM and they are calibrating their own products, the Seller may determine the appropriate calibration method/standard.
G-QA026	Rework	In the event the item is returned with a reported defect and the seller determines the item is reworkable, Seller shall test, evaluate and rework as required. Seller shall provide a complete detailed rework report including test results, evaluation findings and description of all work performed.
G-QA027	Service Bulletin, Field Bulletin, Airworthiness Directives	Seller shall provide written notification of any Original Equipment Manufacturer (OEM) or recommended modifications to hardware or maintenance procedures that affect airworthiness, reliability/ maintainability or safety. Notifications shall be provided to Buyer by email. Any publication of an applicable Airworthiness Directive (AD), Service Bulletin (SB), Field Bulletin (FB) or other equivalent documentation shall be included with the notification. Seller shall note actions required to comply with their notification. The Seller must process all Alerts and Problem Advisories received from the Government Industry Data Exchange Program (GIDEP) and part manufacturers so as to: a) assess and document applicability, b) analyze and document the impact of applicable alerts and problem advisories, c) implement and document corrective actions for applicable alerts and problem advisories, and d) share with the Buyer applicability, analysis, and corrective actions taken.
G-QA028	Counterfeit Goods Detection and Avoidance	Seller shall procure product directly from the Original Equipment Manufacturer (OEM) or an OEM authorized supplier. In the event the supplier cannot obtain the product identified on the PO through authorized distribution, Seller shall contact Buyer and shall not provide product obtained outside of authorized distribution without express written authorization from Buyer to deviate from authorized distribution. Seller shall obtain unbroken chain-of-custody documentation for the item being provided and shall retain this documentation for seven (7) years after the contract ends. Seller shall provide unbroken chain of custody documentation to Buyer upon request and within three (3) working days of the request.