

Procurement of Safety Structures, Systems or Components (OCT 2006)

(a) General. The supplies to be delivered or the work to be constructed, altered, or repaired under this Agreement have been designated by the Company as safety structures, systems or components (SSCs). This designation means that performance under this Agreement must comply with enhanced quality level requirements, as specified in the Agreement, for protection of workers, the public, and the environment. Critical quality requirements, such as document submittals, product-related documentation, problem reporting, administrative documentation, personnel or materials qualifications, reviews, tests, inspections, and acceptance criteria are identified in the specifications or statement of work. Seller's acquisition of materials and services under this Agreement shall be in compliance with the quality requirements of this Agreement.

(b) Supplier Evaluation. Prior to the award of any lower tier subcontract for a safety structure, system, or component, Seller shall independently evaluate prospective suppliers' capability to provide items or services in compliance with the quality requirements of this Agreement. These evaluations shall be documented in writing and shall include, as appropriate and necessary, one or more of the items below:

- Assessment of personnel, technical and equipment capabilities, and processes, conducted at the supplier's facilities
- Review of the supplier's history of providing identical or similar items or services
- Evaluation of certifications or registrations awarded by nationally accredited third parties
- Evaluation of documented qualitative and quantitative performance information provided by the supplier

(c) Subcontract Requirements. The Seller shall ensure that lower-tier subcontracts for materials and services contain appropriate quality requirements surveillance and oversight by the Seller, document submittals, product-related documentation, problem

reporting, administrative documentation, personnel or materials qualifications, reviews, tests, inspections, and acceptance criteria. Requirements established in lower-tier subcontracts should be commensurate with the quality requirements of this Agreement. For each of these activities, Seller shall maintain documentation of all surveillances, submittals, inspections, and tests performed for lower tier suppliers.

(d) Performance Monitoring. The qualified supplier's performance must be monitored to ensure that acceptable items or services are produced and schedule requirements are being met. Monitoring should ensure conformance to requirements that cannot be readily determined by inspection or test of the product. Monitoring may include—

- Surveillance of work
- Inspection of facilities
- Review of plans and progress reports
- Surveillance of manufacturing processes and methods
- Processing and use of change information
- Review of internal assessments
- Review and disposition of nonconformances
- Selection, qualification, and performance monitoring of subtier suppliers

(e) Reports and Access to Records. The Seller shall promptly furnish reports, certificates, documentation, and other pertinent information reasonably requested by the Company for the administration of this clause.

(f) Lower-Tier Subcontracts. The Seller shall insert this clause, including this paragraph (f), with appropriate changes to identify the parties, in all lower-tier subcontracts.

(End of clause.)