

	Document:	CORE-2-A 8.4-02 Counterfeit Prevention Program Requirements		
	Approved By:	A. FIGUEROA		
	Revision:	A	Released Date:	4/16/2021
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1. Manufacturer's Counterfeit Prevention Program Requirements (Distributors see section 2):

- Guarantee of Material(s)/part(s) Source(s)

The seller shall ensure that only new and authentic material(s)/part(s) are used in shipments delivered to D&R Machine, Co.. The Seller may only purchase material(s)/part(s) directly from original manufacturers, manufacturer franchised distributors, authorized distributors or authorized aftermarket manufacturers. Use of material(s)/part(s) that was not provided by these sources is not authorized unless first approved in writing by D&R Machine, Co.. The seller must present compelling support for its request (e.g., original manufacturer documentation that authenticates traceability of the material(s)/part(s) to the original manufacturer) and include in its request all actions to ensure the material(s)/part(s) thus procured is authentic and conforming.

- Supply Chain Traceability

The seller shall maintain a method of commodity and item level traceability that ensures tracking of the supply chain back to the manufacturer of all material(s)/part(s) being delivered per this order. This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the material(s)/part(s) for the seller and shall include the manufacturer's commodity or item level identification for the item(s) such as date codes, Lot codes, heat codes, serializations, unique item identifiers, or batch identifications.

- Certificate of Conformance and Traceability (U.S. Department of Defense Contracts)

This clause is applicable to all contracts for Qualified Products List (QPL) or Qualified Manufacturers List (QML)-controlled material(s)/part(s). This clause applies regardless of the point of Inspection designated in the contract award. This clause applies both to contracts awarded directly to a manufacturer listed on the applicable QPL/QML and to suppliers (e.g., distributors) not listed as approved manufacturers on the applicable QPL/QML. The material(s)/part(s) supplied must be in strict conformance to the requirements set forth and/or referenced in the item description, including applicable revisions and slash sheets. To ensure this conformance, the seller must provide a Certificate of Conformance and Traceability (CoC/T) with the information and documentation required by the applicable specification. This documentation must reference the contract number and include a certification signed by the approved QPL/QML manufacturer. In addition, if the material(s)/part(s) is not procured directly from the approved manufacturer, all additional documentation required by the specification must be provided to establish traceability from the QPL/QML manufacturer through delivery to the Government. The CoC/T is required to determine acceptability of the supplies. If the CoC/T is not provided, is incomplete or otherwise unacceptable, the supplies will be determined not to meet contract requirements and will be rejected. The seller shall mail one copy of the CoC/T to the D&R Machine, Co. upon shipment/delivery. The CoC/T must clearly reference the applicable contract number.

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2. Distributor's Counterfeit Prevention Program Requirements:

- Test and Inspection Requirements

The seller shall establish and implement test and inspection activities necessary to assure the authenticity and conformance of purchased material(s)/part(s), Including:

- Traceability and documentation verification;
- Visual examination;
- Tests and inspections as applicable [see AS6147 and/or AS5553 for examples and descriptions of test and inspection activities];

Tests and inspections shall be performed in accordance with clearly delineated accept/reject criteria provided to D&R Machine, Co. upon request. The seller shall prepare and provide to D&R Machine, Co. records evidencing tests and Inspections performed and conformance of the material(s)/part(s) to specified acceptance criteria. Tests and inspections should be performed by persons that have been trained and qualified concerning detection of the types and means of counterfeiting and how to conduct effective product authentication.

- Supply Chain Traceability

The seller shall maintain a method of commodity and item level traceability that ensures tracking of the supply chain back to the manufacturer of the material(s)/part(s) being delivered per this order. This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the material(s)/part(s) for the seller, and shall include the manufacturer's commodity or item level identification for the item(s) such as date codes, lot codes, heat codes, serializations, unique item identifiers, or batch Identifications.

- Certificate of Conformance

The seller shall approve, retain, and provide copies of Certificates of Conformance (CoC).

Manufacturer CoCs shall, at minimum, include the following:

- Manufacturer name and address;
- Manufacturer and/or D&R Machine, Co.'s part number and dash number, group number, or similar;
- Commodity or Item level identification for the item(s) such as date codes, lot codes, heat codes, serializations, unique item identifiers, or batch identifications;
- Signature or stamp with title of seller's authorized personnel signing the certificate.

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- Quality Management System

The seller shall have a quality management system that complies with AS9120 and/or AS9100, Quality Management Systems for Aerospace. Independent certification/registration is not required unless specified by D&R Machine, Co..

Organizations that obtain certification/registration to AS9120 and/or AS9100 and subsequently change certification/registration bodies (CRB), lose registration status, or are put on notice of losing registration status, shall notify the D&R Machine, Co. within three days of receiving such notice from its CRB.

- Product Impoundment and Financial Responsibility

If any suspect/counterfeit material(s)/part(s) are furnished under this purchase agreement, such items shall be impounded. The seller shall promptly replace such items with items acceptable to the D&R Machine, Co. and the seller may be liable for all costs relating to impoundment, removal, and replacement. D&R Machine, Co. may turn such items over to Authority Having Jurisdiction for investigation and reserves the right to withhold payment for the suspect items pending the results of the investigation. Any known Instances of fraud or attempted fraud shall be documented in writing to D&R Machine, Co..

- Penalties Associated with Fraud

"This purchase order and activities hereunder are within the jurisdiction of the United States. Any knowing and willful act to falsify, conceal or alter a material fact, or any false, fraudulent or fictitious statement or representation in connection with the performance of work under this purchase order may be punishable in accordance with applicable legal statutes.

Seller employees engaged in the performance of work under this purchase order shall be informed in writing prior to performance of work that there is a risk of criminal penalties associated with any falsification, concealment, or misrepresentation in connection with work performed under this purchase order.

NOTE: The recording of false, fictitious or fraudulent statements or entries on CofC/T's may be punishable as a crime under United States statute.

Seller shall include all provisions of this contract clause, including this sentence, in all lower tier contracts under this order. Any inability or unwillingness of a lower-tier supplier to comply with this provision should be documented in writing and submitted to D&R Machine, Co..