

CAL-PACIFIC AIRMOTIVE INC.

1330 MERCER WAY

SALINAS, CA. 93905

SUPPLIER ARRANGEMENT MANUAL

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SUPPLIER ARRANGEMENT MANUAL

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REVISION HISTORY

Revision	Date	Summary of Change
A	2/01/2010	Initial Release

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PREFACE

This supplier Arrangement Manual sets forth the policies and procedures that are to be observed by all suppliers for Cal-Pacific Airmotive, Inc. an FAA Production Approval Holder. (PHA) Observance of these procedures will assure compliance of Federal Regulations Part 21 where applicable, for parts production only.

It is the responsibility of each supplier to ensure that the responsible persons of the facility are familiar with the Cal Pacific Airmotive, Inc. Supplier Arrangement Manual and implement proper procedures.

Personnel of Cal-Pacific Airmotive, Inc. and its suppliers may recommend changes as necessary to accommodate the General Manger in maintaining a current Supplier Arrangement Manual. All suggestions or change requests will be reviewed by the General Manager and when approved will be documented as a revision change and listed in the effective page listing by the General Manager. The supplier will be notified when revisions have been made to the Supplier Arrangement Manual.

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1. Scope:

The purpose of this manual is to inform suppliers of the expectations Cal-Pacific Airmotive, Inc. regarding the quality systems, manufacturing processes and control design requirements for the purpose of parts production of the North American P-51 in accordance with the Production Certificate PC724NM.

2. Limitations:

This information applies to all suppliers in the production of components, materials and services provided by the supplier for Cal-Pacific Airmotive, Inc.

3. PAH Evaluations:

Cal-Pacific Airmotive, Inc. is operating under TC-11 and Production Certificate PC724NM.

4. Implementation Procedures:

The Cal-Pacific Airmotive, Inc. purchase order will outline limitations and list instructions that are specific to the supplier and list work to be accomplished at the time of need. The Purchase Order will be considered the control document and will include the process and Quality requirements. The Purchase Order will serve as the interface with the supplier.

5. Internal Quality System:

Cal-Pacific Airmotive, Inc. will evaluate the internal quality system of the supplier and approve the supplier by the Cal-Pacific Airmotive, Inc. vendor survey.

The interface between Cal-Pacific Airmotive, Inc. and the supplier quality system will be accomplished with the use of the Cal-Pacific Airmotive Inc. Vendor Survey and the Cal-Pacific Airmotive Inc. purchase order.

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6. Design Data and Configuration Control:

North American engineered blue prints and North American process manuals are used by Cal Pacific Airmotive, Inc. The engineered blue prints and process manuals contain all pertinent information for part's manufacturing, material specification, dimension, tolerance, and heat treat specification and procedures. Design changes must be submitted to the FAA ACO by Cal-Pacific Airmotive, Inc. for an approval in accordance to Cal-Pacific Airmotive, Inc. Production Certificate PC724N.

7. Manufacturing Data

The manufacturing data is completed in accordance with the North American Process manuals as referenced in the Production Certificate PC724NM where applicable.

8. Test and Inspection (Including Incoming):

Visual and dimensional inspection, hidden damage inspection, non destructive testing, Rockwell hardness testing and pressure testing are in compliance with North American Blue prints and North American Process Manuals.

To ensure and determine the conformity of the supplied part (s) during the suppliers manufacturing activities, and upon receipt by Cal-Pacific Airmotive, Inc. parts will be first item inspected then randomly inspected for conformance in accordance with Cal-Pacific Airmotive, Inc.

Testing and inspections are to be preformed for qualification of the supplier, including the first part order inspection and related documentation requirements.

Cal-Pacific Airmotive, Inc. may rely on inspections and tests performed by a supplier, provided:

- (1) Personnel responsible for these tasks satisfy the quality standards of PC724NM.

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8. Test and Inspection (Including Incoming):

- (2) Quality measurements are clearly identified.
- (3) The records or reports showing evidence of conformity are available for Review and audit

9. Identification and Traceability:

Suppliers are required to maintain a process of identification and traceability of all parts supplied by or processed through them or sub-tier suppliers and retain available records for review for a period of three (3) years.

10. Supplier Personnel Competence:

Supplier personnel must have skills, knowledge, experience and training in the inspection and quality of parts manufacturing. A training program must be in place and training must be current.

11. Calibration:

Cal-Pacific Airmotive, Inc. will maintain and provide to the FAA, on request, traceable supplier calibration and certification records as required for five (5) years.

12. Handling, Storage (Segregation), and Packing:

Cal-Pacific Airmotive, Inc. requires all suppliers meet handling, storage, packing and shelf life requirements.

As parts fabricated and /or received from the supplier will pass through final inspection at Cal-Pacific Airmotive, Inc. All non approved or non-conforming parts will be separated, tagged rejected and destroyed.

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13. Record Completion and Retention

Cal-Pacific Airmotive, Inc. will retain manufacturing and inspection records that are used to establish conformity of material, parts and services to design data for a minimum of five (5) years after the part has been completed and ten (10) years for critical components. Records will be complete, legible, accurate and available for review.

14. Nonconformities:

Cal-Pacific Airmotive, Inc. will identify, document and classify major and minor non-conformities in accordance with 14 CFR, section 21.93.

Disposition of non-conformities and the subsequent segregation and control of non-conforming parts will be secured and reviewed by the Cal-Pacific Airmotive, Inc. Quality Control Manager and a determination will be made if the part can be returned to design data or rejected. Rejected parts will be destroyed to assure the parts do not enter the supply chain. The supplier will be notified to immediately return non-conforming parts to Cal Pacific Airmotive, Inc.

15. Conformity Document:

A supplier will provide copies of all material and process certifications as applicable for services rendered. Documentation may include supplier generated certification and will be requested on the purchase order.

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16. Provisions for Direct Delivery / Direct Shipment:

Cal-Pacific Airmotive, Inc. has no provision and does not allow direct delivery / direct shipment from its suppliers to customers. All articles must be shipped to Cal-Pacific Airmotive, Inc. for inspection and shipment to customers.

17. Assistance for Continued Airworthiness:

Cal-Pacific Airmotive, Inc. does not have a provision and will not ask or accept assistance for continued airworthiness from its suppliers.

Sub-tier Suppliers:

18.

Cal-Pacific Airmotive, Inc. must be notified if a sub-tier vendor is used. Sub-tier supplier vendors are monitored in accordance with the Cal Pacific Airmotive Inc. Quality Manual section 5.0 Suppliers and sub-tier suppliers must have a quality escape system in place for non-conformance notices. Cal Pacific Airmotive Inc. must be notified within five (5) days of notification of non-conformances.

19. Significant change to the Quality System:

Cal-Pacific Airmotive, Inc. requires that its suppliers advise Cal-Pacific Airmotive Inc., in writing, as soon as practical, of any changes to the supplier system that may affect the quality assurance of orders placed. These changes will be evaluated by the Cal-Pacific Airmotive, Inc. Quality Manager.

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20. Failures, Malfunctions, and Defects:

Cal-Pacific Airmotive, Inc. requires that the supplier notify Cal-Pacific Airmotive, Inc. as soon as practical, no later than 10 days, of any failure, malfunction or defect of any part (s) to assure that Cal Pacific Airmotive, Inc. can respond and comply with Cal Pacific Airmotive, Inc. quality control measures and FAA requirements.

21. Access for the PHA and FAA for Auditing:

Cal-Pacific Airmotive, Inc. requires that its suppliers allow access to their facility by the Cal Pacific Airmotive, Inc. Quality Control Manager, or an appointed representative, for the purpose of auditing the supplier for compliance of the supplier quality system assurance program. The Federal Aviation Agency requires access to suppliers for quality assurance compliance audits. Suppliers will be notified in advance by Cal Pacific Airmotive Inc. when audits are requested.

22. Language:

English language will be used for the exchange of information including all working technical and quality data documentation.

23. Identification of Responsibilities:

Responsible office personnel and function positions in charge of all elements of the Cal-Pacific Airmotive, Inc. supplier agreements will be documented during the vendor survey process performed by Cal Pacific Airmotive Inc. Quality Manager or appointed Cal Pacific Airmotive, Inc. representative.

24. Duration of the Supplier Arrangement:

The duration of the supplier agreement will be indefinite unless other wise advised by the Cal-Pacific Airmotive, Inc. Quality Manager. Suppliers will be notified in writing of required changes to the supplier arrangement agreement.

