



# COUNTERFEIT PARTS CHECKLIST

## Sales

Sales/Contract Teams are responsible and accountable for the safety, technical integrity, performance, and mission success of the program or project, while also meeting programmatic (cost and schedule) commitments. Sales/Contract Teams must ensure customer requirements are flowed and executed throughout the functions.

| Topic Area  | Considerations   | Comments/Notes/Audit Evidence | Actions/Findings |
|---|--|-------------------------------|------------------|
| <b>Contract Definition</b>                        | Ensure lifecycle planning and counterfeit avoidance plan are negotiated with the customer; ensure common understanding of customer counterfeit requirements. Ensure all customer requirements are flowed to the affected functions. For Government programs, understand the customer's strategy on obsolescence management including funding, notifications, lead times. |                               |                  |
| <b>Cost and Schedule Planning</b>                 | Budget appropriately to accommodate potential end of life/bridge buys and redesign; Allow for Schedule variation due to market conditions (e.g., material/components availability, lead time); Allocate budget for increased inspection and testing requirements as risk assessment deems necessary  |                               |                  |
| <b>Integrated PMP Requirements and Plans</b>      | Develop and Implement Integrated parts management requirements and plans   |                               |                  |
| <b>Integrated Counterfeit Control Plan</b>        | Integrate Counterfeit Control Plan with Program Plan   |                               |                  |
| <b>Flow of Counterfeit Avoidance requirements</b> | Assure applicable counterfeit avoidance requirements are contractually flowed down to suppliers  |                               |                  |

# Engineering

Engineering has the role of specifying parts in the design process that are obtainable from integrity based sources. Where the engineering role is typically associated with developing a design that meets the customer's needs, there are typically points where options exist.

Consideration should be given to options that include parts that can be obtained from OCM's, OCM authorized distributors, and other authorized sources.

| Topic Area   | Considerations   | Comments/Notes/Audit Evidence | Actions/Findings |
|--|--|-------------------------------|------------------|
| <b>Parts, Material Plan</b>  | Avoid single sources, determine product availability, drive common part usage  |                               |                  |
| <b>Trade Studies - open architecture</b>   | Focus on common verses custom; Design to product family not specific one time application; Consider redesign/refresh verses reuse  |                               |                  |
| <b>Design for Obsolescence</b>   | Look at component lifecycle relative to program/product lifecycle; Look for alternate parts  |                               |                  |
| <b>Inspection/Test Criteria</b>  | Plan for Inspection and Test to validate product to engineering specifications; establish criteria for inspection and testing; establish minimum levels and acceptance requirements. Perform application specific risk assessment and determine commensurate inspection and test plan. |                               |                  |
| <b>DMSMS (Diminishing Manufacturing Sources and Material Shortages) Planning</b> | Monitor source of supply - materials and manufacturers; Refresh DMSMS plan throughout Program lifecycle  |                               |                  |
| <b>DMSMS (Diminishing Manufacturing Sources and Material Shortages) Planning</b> | Monitor Bill of Material for part and material lifecycles and GIDEP alerts for Counterfeit Parts   |                               |                  |
| <b>DMSMS (Diminishing Manufacturing Sources and Material Shortages) Planning</b> | Refresh Parts/ Material Plan. Based on DMSMS Planning / BOM review, determine need for bridge buy (redesign or mod) / lifetime buys/ end of life buys; Determine aftermarket supply  |                               |                  |

# Purchasing and Supplier Management

Supplier Management and/or Procurement typically has the role of buying the specified parts at the best price that meets production schedules. Due consideration should be given to obtaining these parts from sources that help mitigate the risks associated with part integrity. To ensure that this process is successful, source selection criteria should be established.

| Topic Area  | Considerations   | Comments/Notes/Audit Evidence | Actions/Findings |
|---|--|-------------------------------|------------------|
| <b>Make/Buy Strategy</b>  | Target multiple authorized sources of supply (internal and external)   |                               |                  |
| <b>Request for Quote (RFQ), Request for Proposal (RFP), Request for Information (RFI)</b> | Include counterfeit contract requirements upfront  |                               |                  |
| <b>Source Selection</b>   | Establish preference for Procurement is OCM/Authorized/ Franchised Distributors; Aftermarket Manufacturers; Independent (Non-franchised, unauthorized) distributors. Establish requirements for preferred independent (non-franchised/unauthorized) distributors |                               |                  |
| <b>Purchase Contract Controls</b>   | Flowdown contract clauses/ requirements for counterfeit parts - e.g. definition, warranty, disclosure, flow through, mitigation, handling  |                               |                  |
| <b>Supplier Performance</b>   | Monitor GIDEPS, schedule/ delivery/quality (non-conformances)/cost; insight into business elements (e.g. D&B rating)   |                               |                  |
| <b>Supplier Base Management</b>   | Establish an Approved Supplier List (ASL), Approved vendor List (AVL) or Preferred Supplier List with supplier rating. Use supplier performance to aid in contract award decisions   |                               |                  |
| <b>Lifetime Buys</b>  | Coordinate with Engineering and customers to proactively support end of life buys  |                               |                  |

# Supplier Quality

Supplier Quality has the role to ensure supply chain compliance and conformance of purchased products and services throughout the product life cycle. This implies early involvement in programs to establish effective quality requirements and oversight plans as well as early engagement with suppliers to ensure a thorough understanding of requirements and capabilities.

| Topic Area  | Considerations  | Comments/Notes/Audit Evidence | Actions/Findings |
|---|---|-------------------------------|------------------|
| <b>Make/Buy Strategy</b>  | Communicate supplier capability; Perform supplier capability assessment; Understand internal mfg. capability, risk and core competencies      |                               |                  |
| <b>Q Clauses, Contract Clauses, Requirement Doc</b>   | Develop contract clauses for counterfeit requirements (Ref AS5553 Appendices for clause language)   |                               |                  |
| <b>Program Quality Plan</b>   | Incorporate Counterfeit Parts Control Plan; Integrate with Parts Material Plan  |                               |                  |
| <b>Supplier Assessment/ Approvals</b>   | Develop Counterfeit parts approval requirements and maintenance surveillance; Perform onsite supplier assessments                             |                               |                  |
| <b>Control Conditional/ Limited Approvals</b>   | Establish criteria (duration, scope, business unit, PN, PO)   |                               |                  |
| <b>Risk Mitigation Plans</b>  | Establish necessary Inspection and testing; Establish source inspection requirements  |                               |                  |
| <b>Product verification (supplier responsible for test/inspection; source inspection, supplier delegated, receiving inspection)</b> | Execute appropriate levels of inspection and testing to determine authenticity and conformance. Ensure use of approved test labs if required. |                               |                  |
| <b>Perform Surveillance</b>   | Establish risk based surveillance plan that is continually updated based on supplier performance  |                               |                  |
| <b>Supplier Performance Metrics</b>   | Establish supplier/distributor metrics; process health metrics to allow for continuous improvement of counterfeit risk mitigation             |                               |                  |

## Receiving Inspection

Inspection & Test (Receiving, in-process production, final product acceptance, etc.) – Inspection & Test typically has the role of verifying that the received parts meet the specified requirements for Form, Fit & Function. Inspection & Test activities come in various flavours, each with different levels of depth and rigor in verifying that the parts meet the organization’s needs.

| Topic Area   | Considerations  | Comments/Notes/Audit Evidence | Actions/Findings |
|--|---|-------------------------------|------------------|
| <b>Receiving Inspections Test Protocols and Planning</b> | Add additional tests commensurate with and inspection into RI plans by commodity/part number/supplier commensurate with counterfeit risk. Incorporate Risk Mitigation Plan actions accordingly.   |                               |                  |
| <b>Product Validation and Disposition</b>                | Execute appropriate levels of inspection and testing per specific RI Plan to validate conformance. Ensure use of approved test labs if required.  |                               |                  |
| <b>Reporting Incidents</b>                               | Ensure the reporting of suspect counterfeit parts across all appropriate business units / functions (include Legal/ Contracts) and notify customer/ GIDEP/regulatory agencies as required.  |                               |                  |
| <b>Inventory Control &amp; Segregation</b>               | Coordinate with Parts Control to ensure suspect counterfeit parts are bonded; ensure adequate inspection prior to acceptance of parts returned to stock; Avoid comingling of parts procured from independent distributors; Ensure segregation and traceability by supplier lot # and date code. |                               |                  |