Counterfeit Electronic Parts Detection and Avoidance System

1. PURPOSE

1.1. Content

The purpose of this document is to describe the process and due diligence performed to prevent the purchase and / or use of Counterfeit Electronic Parts and meet to the requirements of DFARS 252.246-7007and AS5553 - Counterfeit Electronic Parts, Avoidance, Detection, Mitigation, and Disposition Application.

1.2. Application

This specification applies to Aerospace, Defense and Marine Business Unit. Supporting specifications and/or procedures may be developed, however, such supporting documentation shall not conflict with or supersede this specification.

TABLE OF CONTENTS

| Indicates Change

2. SCOPE

This document applies to the procurement activities at TE Connectivity to the extent specified herein. This document shall not be applicable to TE's procurement activities unless such activity is (i) subject to the Cost Accounting Standards under 41 U.S.C. chapter 14, as implemented in regulations found at 48 CFR 9903.201-1, or (ii) such requirements are flowed down and accepted by TE by a contractor to the U.S. Government.

3. APPLICABLE DOCUMENTS AND FORMS

The following documents constitute a part of this specification to the extent specified herein. Unless otherwise indicated, the latest edition of the document applies.

3.1. Industry Standards

- DFARS 252.246-7007 requirements
- SEC.818. Detection and Avoidance of Counterfeit Electronics Parts, National Defense
- Authorization Act for Fiscal Year 2012.
- AS5553 Counterfeit Electronic Parts, Avoidance, Detection, Mitigation, and Disposition
- AS6081 Fraudulent / Counterfeit Electronic Parts: Avoidance, Detection, Mitigation, and Distribution – Distributors Counterfeit Electronics Parts
- AS 9100 Quality Management System Requirements – Aerospace
- ISO 9001 Quality Management System Requirements

3.2. Documents

TEC-1037	Document Control, TE Global Corporate Quality Specifications
102-19	Control of Nonconforming Material
102-32039	Counterfeit Electronic Parts Detection and Avoidance System

4. DEFINITIONS

4.1. Counterfeit Electronic Part

An unlawful or unauthorized reproduction, substitution, or alteration that has been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified electronic part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used electronic parts represented as new, or the false indication of grade, serial number, lot number, date code, or performance characteristics..

4.2. Suspected Counterfeit Part

An electronic part for which credible evidence (including, but not limited to visual inspection or testing) provides reasonable doubt that the electronic part is not authentic.*(as defined in DFARS 202.101*

4.3. Electronic Part

An integrated circuit, a discrete electronic component (including but not limited to transistors, capacitors, resistors, or diodes), or a circuit assembly. The term "electronic part" includes any embedded software or firmware.

4.4. Related Definitions

Aftermarket Manufacturer – A manufacturer meeting one or more of the following criteria:

1. The manufacturer is authorized by the OCM to produce and sell replacement parts, usually due to an OCM decision to discontinue production of a part. Parts produced are from dice that have been: transferred from the OCM manufacturer to the aftermarket manufacturer or produced by the aftermarket manufacturer using the OCM tooling or intellectual property (IP).

2. The manufacturer produces semi-conductor parts using dice or wafers manufactured by and traceable to an OCM, that have been properly stored until use and are subsequently assembled, tested, and qualified using processes that meet technical specifications without violating the OCM's intellectual property rights, patents, and copyrights.
3. The manufacturer produces parts through emulation, reverse engineering, or redesign that matches the OCM specification and satisfies Customer needs without violating the OCM intellectual property rights (IPR), patents, or copyrights.

NOTE 1
The above definitions shown in italics are for reference use only; and as defined in AS 5553

NOTE 2
The Aftermarket Manufacturer must label or otherwise identify a part to ensure the "as shipped" product is not mistaken for the product manufactured by the OCM.

Approved Supplier – Suppliers who are formally assessed and determined to have a low risk of providing counterfeit electronic parts.

Authorized Supplier – Aftermarket manufacturers authorized by the OCM or OCM authorized sources of supply for a specific part.

Broker – In the independent distribution market, brokers are professionally referred to as an Independent Distributor.

Certificate of Conformance (C of C) – A document provided by the supplier formally declaring the purchase order requirements are met. The document may include information relative to the manufacturer, distributor, quantity, date code, inspection date that is signed by a responsible associate for the supplier.

Certificate of Conformance and Traceability (C of CT) – A certificate of conformance applicable to some military specifications requiring documented traceability of the product from the Qualified Parts List / Qualified Materials manufacturer through the product delivery to the Government.

Certificate of Test Conformance (C of TC) – A document provided by the seller or a test laboratory capable of performing such tests, showing documented results of testing performed, required to meet the electrical requirements listed in the test specification document. The results of such tests shall be documented and provided upon request, and shall include test information relative to the manufacturer, distributor, quantity, date code, inspection date.

Government Industry Data Exchange Program (GIDEP) – A cooperative activity between the Government and industry participants seeking to reduce or eliminate resource expenses by sharing technical information essential for research, design, development, production, and operational phases of the life cycle of the system, facility, or equipment.

Obsolete electronic part – means an electronic part that is no longer in production by the original manufacturer or an aftermarket manufacturer that has been provided express written authorization from the current design activity or original manufacturer.

Original Component Manufacturer (OCM) – Company that designs and manufactures an electronic part and holds the intellectual property for the original part design.

Packaging – Component packaging refers to the manner the electronic parts are packaged in preparation for use. There are four basic types of packaging: (A) Bulk, (B) Tray, (C) Tube, and (D) Reel.

Refinishing – Using a plating process method after manufacture to alter the original plating composition on a parts lead or lead wire.

Refurbished – Subjecting parts to a process to brighten, polish, or renovate the item in an effort to restore the item to a "like new" condition. Refurbished parts may have the leads realigned and tinned.

Trusted Supplier - Use of suppliers that are the original manufacturer, sources with the express written authority of the original manufacturer or current design activity, including an aftermarket manufacturer authorized by the OCM or suppliers that obtain parts exclusively from one or more of these sources

Uprated – Assessment resulting in an extension of a parts rating to meet performance requirements for an application where the part is used outside the specification range of the manufacturer.

Upscreened – Additional part testing performed to produce parts verified beyond the specification parameters of the manufacturer.

NOTE
Other definitions are available for review in Section 3.3 of the AS5553 Standard

5. RESPONSIBILITY

5.1. Training of Personnel:

[Addresses DFARS 252.246-7007 requirements]

This specification is valid for the TE Connectivity Aerospace, Defense and Marine Business Units (ADM BU). It is the responsibility of ADM BU Commodity Management, Local Business Unit Procurement Department Management (BUPDM) or designee, and Supplier Quality management at the business unit level to ensure that all personnel involved / interfacing with potential suppliers of electronic parts are trained in this procedure. The requirements of this procedure shall be flowed down contractually to our ADM BU supply base for those applicable suppliers of electronic parts in accordance with TE Connectivity procedures.

Buyer / Planner, engineering, materials, and other associates as appropriate or required are responsible to comply with the requirements and processes identified in this document.

A. Buyer / Planner is responsible to procure the correct electronic part using the applicable drawing, specification, description, or other information to meet the intended use.

B. Engineering is responsible to ensure the drawing, specification, process, or other description identifies the applicable type, class, style, part number, manufacturer, or other related information so the correct part or product is identified.

C. Quality associates are responsible to examine, inspect, select, kit, and / or maintain the parts to identify or mitigate the receipt and / or use of counterfeit electronic parts.

D. Purchasing is responsible to reference and / or attach the following statement to each purchase order. “Seller shall not deliver any Products to Buyer that do not meet the requirements of this procedure which may be amended from time to time”.

6. PROCEDURE / PROCESS DESCRIPTION

6.1. Process to Abolish Counterfeit Electronic Parts Proliferation:

[Addresses DFARS 252.246-7007 requirements]

Engineering and Procurement should maximize the availability of authentic, original, qualified parts. The control should extend through the life cycle up to obsolescence. Planning, design, and Buyer / Planner should assess the availability of original or authentic product in support of manufacturing. To reduce the risk associated with counterfeit electronic parts lifetime buys, multiple supply sources, and part substitutions may be considered.

6.2. Review and Approval of Suppliers:

[Addresses Section (2) ELEMENTS, sub-section (B)]

A. Each supplier must be reviewed and approved prior to use. Appendix B of AS5553 includes guidelines related to the Buyer / Planner process, the supplier selection / approval process, supplier auditing activities, and multiple risk mitigation flow diagrams.

Buyer / Planner must examine a potential source of supply to assess the risk of receiving counterfeit parts. Based upon such assessment, a potential source of supply shall be assigned a risk of “low”, “medium” or “high”. Assessment may be a survey, audit, product alert review, and a review of the supplier quality data to determine the likelihood of whether such supplier would supply a counterfeit electronic part.

NOTE
Some Customers maintain a list of suppliers, original equipment manufacturers, and other approved sources for component parts. Many Customers are willing to share this information as a way to avoid the purchase of counterfeit electronic components or parts.

B. Supplier Quality must assure sources of supply maintain effective process controls to mitigate the risk of supplying counterfeit electronic parts. Assurance may be a survey, audit, product alert review, or a review of the supplier quality data to verify performance.

C. Unless during the assessment a concern is identified, a trusted supplier or authorized supplier shall be assigned a “low” risk. Purchasing / Engineering must assess the risk of procuring parts from a source other than a trusted supplier or authorized supplier (ie; independent distributor) in accordance with AS5553 and AS6081Standards. Such supplier may only be approved if it is determined that such supplier presents a low risk for providing a counterfeit electronic part. Additionally, Buyer / Planner must document a reason whenever a part is procured from a source other than a trusted supplier or authorized supplier.

NOTE 1
TE Connectivity should obtain parts from an independent distributor or part broker ONLY as a last resort. Buyer / Planner may contact Quality for guidance to determine if TE Connectivity must contact the Customer on the use of an independent distributor or part broker. The review occurs on a case by case basis. TE Connectivity may be required to obtain documented Customer approval on the use of an independent distributor or part broker before processing the purchase order. TE Connectivity must retain the approval in accordance with Quality Specification TEC-1037.

D. Only suppliers that have been determine to present a low risk for providing a counterfeit electronic part shall be an approved supplier

E. Buyer / Planner must maintain a list of suppliers to minimize the risk associated with the supply and / or receipt of counterfeit electronic parts. After the risk assessment has been completed, if the supplier has been approved, the Buyer / Planner will add such supplier to the approved supplier list.

6.3. Use of Approved Suppliers:

[Addresses DFARS 252.246-7007 (c) (5) requirements]

A. Buyer / Planner must obtain electronic parts directly from a trusted supplier, authorized supplier, or approved supplier. If Buyer / Planner procures from an independent distributor or a supplier other than a trusted supplier, authorized supplier, or approved supplier, it shall be done in accordance with the AS6081 Standard. These companies are reviewed and approved by the original component manufacturer.

6.4. Mechanisms to Enable Traceability of Parts: Processes for maintaining electronic part traceability

[Addresses DFARS 252.246-7007 requirements]

A. Purchasing must specify the OCM, aftermarket manufacturer, or independent distributor traceability requirements to identify the name / location of all supply chain intermediaries from the part manufacturer to the direct source of the product to the seller.

B. Buyer / Planner may reference Appendix C of the AS5553 and AS6081standards for guidelines and information related to Supply Chain Traceability. At a minimum, the OCM, distributor, the aftermarket manufacturer or independent distributor, should be required to provide certificates of conformance and acquisition traceability. These certification requirements must be clearly identified on the purchase document as deliverable data. In general, product with electronic components destined for Government or military use requires a manufacturer certification. In general, product with electronic components destined for commercial use may not require the certification or traceability documents. The electronic component requirements for the product may be identified

from a review of the customer purchase order, specification, or flow-down requirements. It is always prudent for Buyer / Planner to request certification and traceability data as a deliverable item.]

6.5. Flow Down of Counterfeit Avoidance and Detection Requirements to Subcontractors:

[Addresses DFARS 252.246-7007 requirements]

A. Buyer / Planner must specify the flow down requirements from the Counterfeit Electronic Parts Procedure applicable to suppliers and subcontractors at all levels in the supply chain that are responsible for buying or selling electronic parts or assemblies containing electronic parts or for performing authentication testing. Buyer / Planner must perform some level of risk assessment if the supplier or subcontractor does not maintain a documented counterfeit electronic part control plan compliant to the AS5553 / AS6081Standards.

B. The purchase document must specify the applicable requirements of the Counterfeit Electronic Part Procedure to the suppliers and subcontracts at all levels in the supply chain that are responsible for buying or selling electronic parts or assemblies containing electronic parts or for performing authentication testing to minimize the risk of receiving counterfeit electronic parts. In order to minimize the risk of procuring counterfeit electronic parts the Buyer / Planner document language should include requirements to ensure conforming, original, and authentic parts are provided. The Buyer / Planner document may list certification or traceability requirements, test and / or inspection results, Quality System requirement for the supplier, a statement of financial responsibility, the length of obligation, and any penalties associated with fraud.

NOTE
Additional guidelines related to Procurement Contract Requirements are available to review in Appendix D of the AS 5553 Standard and AS6081

6.6. Inspection and T**e**sting of Electronic Parts:

A. Inspection and testing of all received electronic parts is not required. The DoD has acknowledged in the preamble that "requiring the contractor to test and inspect all electronic parts would be prohibitive." TE Connectivity, may define the "requirement to test or inspect" as it "is dependent on the source of the electronic part". TE Connectivity is further allowed "to make risk-based decisions based on supply chain assurance measures." In accordance with DFARS 252.246-7007(c)(2), TE Connectivity will, where appropriate, select the test and inspections based on minimizing risk to the Government. Specifically, it will be based on (1) the assessed probability of receiving a counterfeit electronic part; (2) the probability that the inspection or test selected will detect a counterfeit electronic part; and (3) the potential negative consequences of a counterfeit electronic part being installed (e.g., human safety, mission success) where such consequences are made known to the TE.

NOTE
Additional guidelines for Product Assurance may be reviewed in Appendix E of the AS5553 Standard. These guidelines relate to test / inspect, documents, packing, visual inspection, and test activity to verify the part met the applicable requirements when sourced from non-authorized suppliers. Appendix E references flow diagrams as an aid to determining part compliance and to reduce the risk of using counterfeit electronic parts in any manufacturing operations or function

B. TE Connectivity deems electronic parts procured from trusted suppliers, authorized suppliers, and approved suppliers as low risk. All other suppliers will need to be assessed and a risk rating assigned.

C. Low risk electronic parts may not be required to be tested or inspected unless there is reason to believe the part may be suspected counterfeit part.

D. For electronic parts that are assigned a risk other than low risk or where a received electronic part is a suspected counterfeit part, those associates receiving, inspecting, or processing such parts must examine the electronic part to ensure the drawing, specification, type, class, style, part number, manufacturer, or other related information is present to detect or verify if it is in fact a suspected or counterfeit electronic parts. If any of these items are not present or, based upon the review, the electronic part remains a suspected counterfeit part, then the electronic parts should be identified in a nonconforming material document so the items may be identified and segregated to a nonconforming part location for further analysis.

E. In accordance with the process to control nonconforming product, suspected or counterfeit electronic parts are segregated to a nonconforming part location for storage until the disposition of the nonconforming material document is completed.

NOTE
Additional guidelines for Material or Surplus Material are available to review in Appendix F of the AS5553 Standard. The guidelines in Appendix F relate to scrap product, surplus product, return product, and suspect or confirmed counterfeit electronic parts.

F. If further investigation concludes the electronic parts are not suspected or counterfeit electronic parts, the nonconforming material document may be dispositioned as “Accept”. The reason for accepting the electronic part must be recorded on the document as a reference to the due diligence work and / or activity performed and then the parts released to inventory with in (3) days.

G. If further investigation concludes that the electronic parts are suspected or counterfeit electronics parts, the parts shall be dispositioned accordingly, all required notices shall be given pursuant to Section 6.7 below, the Law Department shall be notified, and the parts shall be retained until otherwise directed by Law Department.

NOTE
Buyer / Planner, quality, and operations may aid supplier quality in the disposition of suspect or counterfeit electronic parts. TE Connectivity may contact legal counsel and review the reporting process listed in the AS5553 Standard, Appendix G, for guidance.

6.7. Reporting / Quarantining of Counterfeit / Suspected Counterfeit Electronic Parts:

[Addresses DFARS 252.246-7007 requirements]

Processes to abolish counterfeit electronic parts proliferation; the reporting and quarantining of counterfeit electronic parts and suspect counterfeit electronic parts and the quarantine process for such nonconforming product:

A. TE Connectivity must report counterfeit electronic parts and suspected counterfeit electronic parts to the Contracting Officer and to the Government-Industry Data Exchange Program (GIDEP), if TE becomes aware of, or have reason to suspect that, any electronic part or end item, component, part, or assembly containing electronic parts purchased by the DoD, or purchased by TE or a TE customer for delivery to, or on behalf of, the DoD, contains counterfeit electronic parts or suspected counterfeit electronic parts.

B. Internally a suspect and verified counterfeit electronic part must be reported to Procurement and Quality Management and must remain at TE Connectivity. All suspected and verified counterfeit electronic parts (nonconforming material) must be contained and quarantined in accordance with quality TE Connectivity specification 102-19 – Nonconforming Material. Management should contact legal counsel and review the reporting process listed in the AS5553 Standard, Appendix G, for guidance.

C. Procurement and Quality Management are responsible to determine how the counterfeit electronic part occurrence is reported internally, to Customers, to the Government, the Government Cooperative (GIDEP), other industry reporting programs (ERAI), and criminal authorities in accordance with Quality Specification 102-64 - GIDEP Report Review and Response Procedure as well as using the reporting process listed in the AS5553 Standard, Appendix G.

7. VERIFICATION OF DUE DILIGENCE – ELECTRICAL COMPONENTS / ELECTRONIC PRODUCT

TE Connectivity considers the due diligence applied to the material purchase successful when this procedure is followed and when finished product meets the test or inspection requirements identified for the product or the standard work established for the product. A failed Electrical Component or Product does not mean the instance was caused by a counterfeit electronic part. TE Connectivity must verify the cause of the nonconformance and disposition the defect in accordance with Quality Specification 102-19 – Nonconforming Material. This procedure will apply if the deficiency is suspected or attributed to a counterfeit electronic part.

8. ELECTRONIC, FINISHED ELECTRONIC PRODUCT, AND / OR ELECTRONIC COMPONENT PARTS

8.1. Design, Operation, and Maintenance of Systems to Detect and Avoid Counterfeit Part

[Addresses DFARS 252.246-7007 requirements]

TE Connectivity may require documentation or process verification to ensure compliance to the TE Connectivity standard operating procedure for Counterfeit Parts for Electronic, Finished Electronic Product, and / or Electronic Component Parts when directed to obtain this information by one of its customers.

A. Buyer / Planner or the purchase order document will specify a Certificate of Conformance from the Supplier is delivered with the product or material.

B. Buyer / Planner will issue the purchase order document to the supplier listed on the drawing.

C. Buyer / Planner will issue the purchase order document to an approved distributor identified by the original part manufacturer or another resource when applicable.

D. Buyer / Planner will issue the purchase order document only to approved suppliers identified by TE Connectivity.

In the event electronic parts are procured from non-authorized sources (above requirements a through d inclusive) Purchase order documented additional requirements, must include:

E. Testing – In House / On Site Verification and / or Annual Testing – Outside Laboratory, Organization, or Service Verification

F. Semi-annual Testing In House / On Site Verification -The Materials Engineer / Supplier Quality select product to test to verify compliance with the material requirements from in house or on site testing . The Materials Engineer and Supplier Quality determine the tests to perform using documented procedures like an ASTM, ANSI, SAE, Military, or Industry process.

G. Annual Testing – Outside Laboratory, Organization, or Service Verification - The Materials Engineer or Supplier Quality selects product to test to verify compliance with the material requirements from outside laboratories, organizations, or service verification. The Materials Engineer and Supplier Quality arrange for the material delivery and determine the test to perform using documented procedures like an ASTM, ANSI, SAE, Military, or Industry process.

H. Test Results - The Materials Engineer or Supplier Quality review the test results to determine if the material tested meets the requirements identified.

I. Complete Certificate of Conformance and Traceability (C of CT) and Certificate of Test Conformance (C of TC)

J. Acceptable Test Results - The Materials Engineer or Supplier Quality contacts the Buyer / Planner Leader and the Operations Manager when the material meets the test requirements.

K. Failed Test Results - The Materials Engineer or Supplier Quality contacts the applicable Buyer / Planner function and the plant Operations Manager, when the material does not meet the test

requirements. The Materials Engineer, Supplier Quality, Buyer / Planner function and plant Operations Manager when applicable, as well as other associates deemed necessary, determine the action to perform or implement when the material does not meet the test requirements.

NOTE
Guidelines for Reporting Counterfeit Parts are listed in Appendix G of the AS5553 Standard. TE Connectivity Management is responsible to determine the action to pursue if a counterfeit electronic part is Identified, detected, and / or verified. Management should consult all corporate legal resources available to avoid, minimize, or mitigate risks related to counterfeit electronic parts. Appendix G of the AS5553 Standard lists the contact information of private, military, Government, regulatory, or criminal investigation services.]

L. Control of obsolete electronic parts

Where TE identifies electronic parts that are found to be obsolete they will make every effort to ensure the control of said obsolete electronic parts found in accordance with Quality Specification 102-19 – Nonconforming Material, in order to maximize the availability and use of authentic, originally designed, and qualified electronic parts throughout the product's life cycle in accordance with DFARS 252.246-7007(c)(12).

9. VERIFICATION OF DUE DILIGENCE – TE CONNECTIVITY SUPPLIED PARTS

9.1. Processes to abolish counterfeit electronic parts proliferation; the reporting and quarantining of counterfeit electronic parts and suspect counterfeit electronic parts

A. TE will report counterfeit electronic parts and suspect counterfeit electronic parts to the Contracting Officer and to the Government-Industry Data Exchange Program (GIDEP) in accordance with DFARS 252.246-7007(c)(6)

B. When TE becomes aware of, or has reason to suspect that, any electronic part or end item, component, part, or assembly containing electronic parts purchased by DoD, or purchased by a Contractor for delivery to, or on behalf of, the DoD, contains counterfeit electronic parts or suspect counterfeit electronic parts TE will report such in accordance with section 6.2 and 102-64 GIDEP Report Review and Response Procedure as well as DFARS 252.246-7007(c)(6).

Such parts will not be returned to the seller or otherwise returned to the supply chain until such time that the parts are determined to be authentic.

9.2. Process for screening the Government-Industry Data Exchange Program (GIDEP) reports and other credible sources of counterfeiting information.

A. TE Connectivity will employ processes to keep continually informed of current counterfeiting information and trends.

B. In accordance with DFARS 252.246-7007(c)(10) TE Connectivity will keep informed of counterfeiting information and trends, specifically including detection and avoidance techniques contained in appropriate industry standards, and using such information and techniques for continuously upgrading internal processes. This may include, but not be limited, to the screening of the Government-Industry Data Exchange Program (GIDEP) reports and other credible sources of counterfeiting information to avoid the purchase or use of counterfeit electronic parts in accordance with DFARS 252.246-7007(c)(11).

C. TE Connectivity considers the due diligence applied to the material purchase successful when this procedure is followed and when finished product meets the test or inspection requirements identified for the product or the standard work established for the product. A failed TE Part does not mean the instance was caused by a counterfeit electronic part. TE Connectivity must verify the cause of the nonconformance and disposition the defect in accordance with Quality Specification 102-19. This procedure will apply if the deficiency is suspected or attributed to a counterfeit electronic part.

D. TE Connectivity may require documentation or process verification to ensure compliance to the TE Connectivity standard operating procedures for Counterfeit Electronic Parts for TE Connectivity supplied product when directed to obtain this information by one of our Customers

10. COUNTERFEIT ELECTRONIC PART RISK MITIGATION

10.1. Methodologies to Identify Counterfeit Electronic Parts and Determination if Counterfeit:

[Addresses DFARS 252.246-7007 requirements]

TE Connectivity will make every effort to employ methodologies to identify suspect counterfeit electronic parts and to rapidly determine if a suspect counterfeit electronic part is, in fact, counterfeit. These methodologies will be directed at the design, operation, and maintenance of systems to detect and avoid counterfeit electronic parts and suspect electronic parts.

TE Connectivity may elect to use current Government- or industry-recognized standards to meet this requirement as outlined in DFARS 252.246-7007(c)(8).

The Original Component Manufacturer (OCM) referenced on the Purchase Order, TE Connectivity Drawing, or as indicated by the manufacturers unique part number shall be the manufacturer of the material supplied on the order. The material must be marked in accordance with the applicable procurement document whether it be a Military Specification, Defense Logistics Agency (DLA) drawing or TE Connectivity controlled drawing. Any unauthorized marking or remarking of components is prohibited. Unless otherwise specified in the purchase order the Seller shall verify by inspections and tests that the material conforms to this procedure.

The Seller or a test laboratory capable of performing such tests, (concurred to by TE Connectivity in writing), shall perform any testing required to meet the electrical requirements listed in this document. The results of such tests shall be documented and provided in the form of a C of TC (Certificate of Test Conformance). It shall be the requirement of the Supplier Quality function as requested by and in conjunction with purchasing function to assure this requirement.

A separate inspection data / report shall be provided for each component date code / lot code when and where required. Test and inspection data shall include:

1. Original manufacturer's name
2. TE Connectivity Purchase order number
3. Part number and revision as specified on the TE Connectivity purchase order.
4. Component Date Code & Lot Code
5. Test/inspection results, conditions, and parameters
6. Quantity of parts tested
7. Serial numbers (where applicable)
8. Date of test/inspection
9. Inspector Identification
10. Sellers authorized agent’s signature (or electronic equivalent), title, and date.

11. CONTRACTOR PURCHASING SYSTEM REVIEW (CPSR)

Based on the final ruling, it is understood that the new requirement considers TE’s contractor's counterfeit electronic parts detection and avoidance system a part of TE’s Contractor Purchasing System Review as performed by DCMA where applicable.

TE further understands that as of the effective date of the final rule, there will be two versions of the Contractor Purchasing System Administration clause, DFARS 252.244-7001. The "Basic" clause is supplemented to add additional criteria to subsection (c) that identifies the attributes a contractor's purchasing system must have related to a counterfeit electronic parts detection and avoidance system.

TE will assure that the "Basic" clause will be included in solicitations and contracts that contain FAR 52.244-2, Subcontracts. The "Alternate I" clause contains only the criteria related to a counterfeit electronic parts detection and avoidance system in subsection (c) and will be included in solicitations and contracts where compliance with the new DFARS 252.246-7007, Contractor Counterfeit Electronic Part Detection and Avoidance System, is required but otherwise do not contain FAR 52.244-2, Subcontracts.

TE further understands that if a deficiency related to the counterfeit electronic parts detection and avoidance system is determined by the ACO to be significant, the purchasing system may be disapproved and a withholding of payments can result.

TE further understands that the final ruling also addresses concerns about DCMA resources in expanding the scope of a CPSR and states that the CPSR will include assistance from the local DCMA Quality Assurance Representative and that the CPSR group will perform as many reviews as possible, based on yearly risk assessments and requests from administrative contracting officers. When performing a CPSR, the review will include an examination of the contractor's policies and procedures related to the detection and avoidance of counterfeit electronic part.