



Supplier Quality

The Foundation of Our Success

Lockheed Martin Missiles and Fire Control (LM MFC) Commitment to Suppliers

Lockheed Martin Missiles and Fire Control
5600 Sand Lake Rd. MP-430
Orlando, FL 32819-8907



Barry P. James
Vice President
Quality & Mission Success

Dear Valued Supplier:

At Lockheed Martin, we stand firmly behind the three core values that shape and guide us in our daily operations and relationships: *Do What's Right, Respect Others, and Perform With Excellence*. These simple yet essential values ensure that we conduct ourselves with the utmost integrity, delivering high quality products while following all applicable laws, regulations, and standards of business conduct, and avoiding even the appearance of impropriety. It's what our customers and shareholders expect. We are committed to meet those expectations, and we in turn trust that all of our suppliers and partners will honor the same values.

Our success is the direct result of the efforts and contributions of all members of our team, including you. Together, we must perform with excellence, operate seamlessly, deliver efficiently and adapt with extreme flexibility. We need our supply base to be focused on affordability, efficiency and quality. And through it all, we must always maintain the highest standards of ethical business conduct.

Our customers demand perfection, and they want it on cost and on schedule. It's our job to meet their expectations. At Lockheed Martin, we view our partnerships with our suppliers as essential to meeting our commitments to our customers.

We're thankful to have a world-class team of supplier partners to help us succeed and grow. We value your collaboration and thank you in advance for your shared commitment to meeting these principles that will not only ensure our business success, but will help us deliver the highest quality products to meet our customer's needs.

Sincerely,

A handwritten signature in black ink that reads "Barry P. James".

Barry P. James
Vice President, Quality & Mission Success

Goals and Reference Information

We can work together to accomplish:

- 100% Quality and 100% On Time Delivery
- Products that work the 1st Time, Every Time
- Flawless Management of All Tiers of Supply Chain
- Upfront Identification/Notification of Problems
- Innovative and Affordable Solutions
- Proactive Problem Solving
- Continuous Improvement
- Flawless Execution

Useful Links

- [About LM MFC](#)
- [LM MFC Products](#)
- [LM Supplier Wire](#)
 - [Supplier Wire News \(current events and webinars\)](#)
 - [LM MFC Supplier Wire](#)
 - [Contacts](#)
 - [External Forms & Guides](#)
 - [Supplier Toolkit](#)
 - [Energy - Engineering, Procurement & Construction](#)
- [New MFC Quality PO Note Cross-Reference Matrix](#)
- [P2P Help Desk](#)
- [P2P Guides](#)
- [P2P Help Videos](#)

***We Can't Deliver Flawless Performance to Our Customer
Without Flawless Performance From YOU***

Industry Concerns/Trends

Counterfeit Parts Prevention

Summary of MFC's expectations for suppliers

- Develop and implement a counterfeit parts protection plan based on prevailing Industry Counterfeit Specification or Standard
- Only purchase products to be delivered or incorporated as work to LM MFC directly from
 - Original Component Manufacturer (OCM)
 - Original Equipment Manufacturer (OEM)
 - OCM/OEM authorized suppliers (distributor)
 - Suppliers that obtain such parts exclusively from the original manufacturer of the parts or their authorized dealers with no intermediaries
- Conduct sampling inspections of parts for suspicious markings, packaging, labels, etc.
- Separately store parts with same part numbers purchased from difference sources (in case of later stock screening)
- Issue Government-Industry Data Exchange Program (GIDEP) alerts for suspect/confirmed counterfeits
- Notify LM MFC immediately of suspect/confirmed counterfeits
- Conduct awareness training with your supply base
- Hold your suppliers responsible for all costs to investigate/replace counterfeits including LM MFC's costs
- Comply with Corporate Document Clause – Entitled "Counterfeit Work"

For more information

- [Independent Distributors of Electronics Association \(IDEA\)](#)
- [Electronic Resellers Association International \(ERAI\)](#)
- [Supply Chain Management Handbook \(SCMH\)](#)
- [AS5553 - Counterfeit Electronic Parts](#)
- [What Makes a Good Counterfeit Prevention Control Plan?](#)



FOD Control and Prevention



What is FOD?

Just about anything can be classified as Foreign Object Debris (FOD) if it's not in its proper location.

Why be FOD Free?

Estimates put the cost to the Aerospace industry at billions of dollars a year. Ultimately, in our industry, the cost of FOD can be a human life.

Preventing FOD

Prevention starts with people. Everyone must make the mission their own to help prevent FOD.

Additional steps include:

- Personnel training
- Manufacturing process plans including inspection points throughout product build
- Policies and procedures
- Tool organization
- Visual aids
- Good housekeeping
- Qualification and inspection of work areas (auditing)

For additional guidance, refer to the following from multiple LM Business Areas

[FOD PowerPoint Guide](#)

[FOD Word Doc Guide](#)

Quality Management Systems (QMS)

QMS including Aerospace Standard / International Organization for Standardization (AS / ISO) certifications are key to achieving Supplier Excellence

Advantages of Achieving AS9100 / ISO9001 include:

- The ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements
- Facilitating opportunities to enhance customer satisfaction
- Addressing risks and opportunities associated with its context and objectives
- The ability to demonstrate conformity to specified quality management system requirements
- Increased visibility as a quality supplier
- Pride of ownership for all staff
- Rework cost reductions
- Improved quality and delivery
- Increased manufacturing productivity
- Required in becoming an LM MFC approved supplier; certifying to ISO9001 as a minimum is preferred

Contact LM buyer for any facility change that will impact manufacturing or processing of LM parts, provide a transition plan, and do not proceed with any manufacturing or processing of LM parts at the new facility without LM MFC approval

Note: QMS certifications come from an IAF accredited certifying body

[International Accreditation Forum \(IAF\) link](#)

All suppliers certified to AS9100 are located at [Online Aerospace Supplier Information System \(OASIS\)](#)



LM MFC Supplier Diversity Program & How to Become a LM Supplier

The LM MFC Supplier Diversity program embraces the development and enhancement of all types of small businesses to afford them maximum subcontracting opportunities and to ensure they are positioned to compete effectively. Our program ensures that our procurement practices remain consistent with both the letter and spirit of the law. Our objective is to aggressively pursue and cultivate relationships with qualified small and minority businesses in commodity areas where participation by such firms is low. Our success is, without question, due to our relentless effort to find new and innovative ways to ensure that these businesses are afforded an equitable opportunity to participate in our procurement process.

The Mission of the Supplier Diversity Program is to integrate diversity and inclusion in all aspects of the business rhythm where we can meet competitive challenges in the marketplace, maximize shareholder value and provide opportunities for diverse suppliers as we design and deliver solutions to our customers.

Access the following links for additional information and instructions on becoming a Lockheed Martin Supplier

<https://www.lockheedmartin.com/en-us/suppliers/information.html>

<https://www.lockheedmartin.com/en-us/suppliers/faqs/doing-business.html>

<https://www.lockheedmartin.com/en-us/suppliers/supplier-diversity.html>



Lockheed Martin Procure 2 Pay (P2P)

Exostar

- Access the LM P2P portal via your EXOSTAR account: <https://my.exostar.com/>
- Any questions should be directed to the EXOSTAR Help Desk @ 703-793-7800
- When creating an Exostar account, the 'Quality Manager' contact will receive automatic emails for SCARs / SCANs; if there is no 'Quality Manager' contact that is setup, the 'Main' contact will receive the automatic emails for SCARs / SCANs
- Users will need to setup a 2-factor authentication

Accessing LM P2P

For existing or new employees within your company who require access to the site, they should contact your onsite administrator. LM employees DO NOT have this function, therefore, cannot grant access.

Common Roles Required:

- **Supplier Administrator:** Visibility to all tabs including Manage My Users to add roles to supplier P2P users
- **Bidder:** Supplier Scorecard, Current Approvals and RFx & Auctions
- **Order Processor:** PO Delivery, Ship to LMC, Supplier Scorecard, Current Approvals, LM eInvoicing
- **Supplier Quality:** SCAR / SCAN, Supplier Scorecard, Current Approvals

It's recommended for the supplier to have multiple users with the same role(s) to prevent delays in processing in P2P

Lockheed Martin Procure 2 Pay (P2P)


P2P Portal commonly used tabs

- **Ship to LMC** - request lots (PO review, FAI, or Source Inspection) and generate the IBD/barcode
- **Supplier Scorecard** - view the LM Supplier Scorecard
- **SCAR / SCAN** - view SCARs / SCANs and can respond to SCARs
- **Current Approvals** - view LM approved suppliers, which includes LM approved Special Process suppliers

Assign Roles

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Save Changes

LM Procure to Pay 

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[Home](#) [PO Delivery](#) [RFx and Auctions](#) [Supplier Scorecard](#) [Ship to LMC](#) [LM Invoicing](#) [SCAR / SCAN](#) [Current Approvals](#) [Manage My Users](#) [Supplier Collaboration Hub](#)

P2P - Ship to LMC



These are hard stops (PO Review, FAI, and SI) in the P2P Ship to LMC Portal, which are required to be accepted in series as required per the PO by LM MFC prior to shipping.

Purchase Order (PO) Review

Purpose: The objective of the PO review is to ensure the supplier understands all PO requirements. The supplier to request Purchase Order Review **upon receipt of the PO or prior to commencing performance under this PO.**

First Article Inspection (FAI)

Purpose: FAI is a complete and documented physical and functional inspection process to verify that production methods have produced a fully conforming item as specified. A FAI is used to assure that test, manufacturing processes, tooling, inspection, supplier specifications and/or drawings can be verified to the contracted requirements.

Note: Supplier to perform a new full FAI when there is a lapse in production exceeding the contractual requirement. Any changes (e.g. manufacturing source(s), process(es), inspection method(s), location of manufacture, tooling, or materials) or deviations, as defined in AS9102, will require a full or partial/delta FAI. In addition, all design or process changes will require a full or partial/delta FAI. Changes must be communicated to LM MFC in advance. Actions associated with changes will require a new full (complete) or partial/delta (addressing changes).

FAI will be requested in advance per the applicable quality note (e.g. 10 working days). Overview of expectations for an acceptable AS9102 First Article can be found [here](#):

Refer to the [LM MFC AS9102 FAI Guidebook](#)

P2P - Ship to LMC

Source Inspection (SI)

Purpose: To have a Lockheed Martin representative ensure contractual requirements are met prior to shipment of the product(s)/service(s). SI will be requested in advance per the applicable quality note (e.g. 10 working days).

Inbound Delivery (IBD) Barcode - Electronic Submission of Data

Purpose: To maintain traceability and prevent issues upon receipt, which may prevent closure of Purchase Order/Line Item for Supplier.

The IBD is created in the Ship to LMC portal and is required to be generated prior to shipment. A copy of the IBD Barcode is also required to be attached to the outer packaging and must also be included inside each packaging box.

Helpful Guidelines

- Request approval (PO Review, FAI or SI lots) for each individual PO line item
- Ship the exact qty requested on the SI lot
- Electronically attach documents to the Inbound Delivery (IBD) Barcode per PO requirements
- Create a single IBD utilizing the 'No. of Cartons' field (for number of boxes) for the same PO line item shipment in the same day
- LM MFC PO Quality Notes take precedence over Ship to LMC portal default settings
- Contact LM buyer or Supplier Quality Engineer (SQE) if a FAI lot cannot be created for a new full or partial/delta FAI on a PO line item with previous FAI approval
- Contact LM buyer for any changes (e.g. facility change) that will impact manufacturing or processing of LM parts

How to videos to request PO Review, FAI, SI lots and create IBDs/Barcodes

<https://my.exostar.com/display/TE/LMP2P+Videos>

P2P - SCAR / SCAN

SCAR (Supplier Corrective Action Request)

A SCAR may be issued in the P2P Portal to the supplier upon discovery of any supplier escapes, audit/assessment/survey deficiencies or other material, system or process non-conformances as the Supplier Quality Engineer sees fit.

Upon receipt of a SCAR, refer to the LM MFC SCAR guide:

[MFC - SCAR Guide for Response and Review](#)

These actions should be completed within the due date of the SCAR (generally less than 30 days). If the supplier is unable to complete these actions in that time period, the supplier should request an extension through the P2P Portal - the SCAR Coordinator can be contacted with a request for extension.

Refer to the following link on how to input the SCAR response into the P2P Portal

[P2P SCAR Help Link](#)

SCAN (Supplier Corrective Action Notification)

A SCAN will be issued in the P2P Portal to the supplier upon discovery of supplier escapes. The SCAN does not require a formal response to LM MFC, but the supplier should take action to prevent recurrence. Repeated SCANS for similar issues may result in a SCAR.

P2P - Supplier Scorecard

What is Supplier Scorecard?

- The Supplier Scorecard is Lockheed Martin's enterprise supplier performance evaluation methodology. It aligns Lockheed Martin and suppliers under a standard supplier evaluation methodology with simplified, concise calculations
- The Supplier Scorecard consolidates supplier Quality and Delivery ratings, and displays them through a simplified and unified Scorecard view

Delivery rating notes

- Goods receipt shipment quantities posted earlier than the PO line item schedule month they're due in will not be assessed until explicit day of the PO line item schedule date has been realized
- A grace period is provided, see [Supplier Scorecard Guide](#)

Quality rating notes

- SCANs have no impact on the rating
- Closed SCARs with a sufficient response have no impact on the rating
- Open SCARs past the SCAR due date, Critical Production Impact (CPI) SCARs and SCARs closed with no response impact the quality rating
- Nonconformances impact the quality rating

Supplier Scorecard Rating Scale

	Excellent	Approved	Conditional	Unsatisfactory
Quality	100%	90% - 99.99%	80% - 89.99%	<80%
Delivery	100% - 98%	95% - 97.99%	90% - 94.99%	<90%

Refer to the [Supplier Scorecard Guide](#) for information and calculations

P2P - Supplier Approvals

The PO specifies requirements for special processes

The supplier must either utilize a Nadcap accredited special processor (preferred), or LM MFC approved special processor. If there are no current special processors approved, contact your procurement representative to have a survey conducted.

Note: all Welding, Brazing, Additive Manufacturing, and LM Controlled Special Process Specifications will be approved in the P2P portal after an LM survey is completed and approved, including those provided by sub-tier special process suppliers. Only suppliers listed as approved for these specific special processes within P2P may be used in the manufacture of the supplier's contracted articles. The special processor will have current approval at the time of performing the special process.

In the P2P Portal, select the "Current Approvals" tab, then click the pull down menu in the "Approval Code Spec Number" for a refined search

The screenshot displays the 'Current Approvals' section of the LM Procure to Pay portal. At the top, there is a navigation bar with the 'Current Approvals' tab highlighted. Below this, a message states: 'When selecting a LMC Approved Special Processor, use only those Special Processors with an Approved Disposition. Contact your Lockheed Martin representative if you need to utilize a special processor with an expired disposition.' A note follows: 'Note: Wildcard searches may be performed within any input field below by applying an asterisk after or before a keyword.' The search interface is divided into two main sections: 'You are logged on as' and 'Search Criteria'. The 'You are logged on as' section includes fields for Vendor Name, House no/street, City, State/Region, and Postal Code, with a blue box obscuring the input values. The 'Search Criteria' section includes fields for Vendor Name, LM Vendor Code, PO Line Item Text Key Number, Approval Code Number, Approval Code Spec Number (with a dropdown menu highlighted in yellow), City, State/Region, and a checkbox for 'View Expired Approval Codes [Y/N]'. A 'Search >' button is located at the bottom left of the search criteria section. A footer note states: '* Only specific searches performed by PO line item text key or by approval code number will display all matching approvals.'

Refer to [eAuditNet](#) for Nadcap approvals