

Q211 – Counterfeit Parts Control

1. All parts and materials shall be procured only through Original Equipment Manufacturer (OEM) / Original Component Manufacturer (OCM) or their authorized dealer or distributors. The seller shall verify the procurement source and associated certifying paperwork.
2. Appropriate incoming inspection test methods (e.g. material verification testing) shall be used to detect potential counterfeit parts and materials. When testing is required, an independent lab shall be used.
3. The seller shall not use unapproved resellers/brokers (any company, person, or entity) who are not an OEM/OCM or not an OEM/OCM authorized dealer or distributor for the purchase of components/materials/parts. The subcontractor shall impose the same requirement to all its sub-tiers.
4. In the event that the seller becomes aware or suspects that it has furnished counterfeit parts or materials, the seller shall immediately notify PWR Supply Management organization, in writing.
5. The seller shall provide Certification, with each delivery, to PWR that all parts and materials shall be procured only through Original Equipment Manufacturer (OEM) / Original Component Manufacturer (OCM) or their authorized dealer or distributors.

Definitions:

After Market Supplier – Distributors or Manufacturers that buy inventory and/or manufacturing rights from the Original Equipment Manufacturer (OEM) when the OEM declares a product obsolete and no longer wishes to sell it. Typically, the OEM will not honor its warranty for this product. However, the after market supplier may offer its own warranty. An after market supplier may become an approved or qualified source after meeting technical requirements and approved by PWR.

Authorized Dealer or Distributor – Has a contractual relationship with OEM to stock and sell its products, is able to offer full OEM warranty, and may be trained to offer value added services on OEM's behalf. An Authorized Dealer is able to provide traceability to point of origin.

Broker/Reseller – Buys and sells products on the open market. Typically, will not offer a warranty and may not be able to trace the origin (provide acquisition traceability from OEM to PWR) of the product. Brokers may also be referred to as Independent Distributors or third party sources.

Counterfeit Parts – A part that is a copy or substitute, or a part sold by a supplier without legal right or authority to do so, or a part with material or performance characteristics knowingly misrepresented by a supplier at any level in the supply chain. Examples of Counterfeit Parts may include, but are not limited to:

- a. Parts which do not contain the proper internal construction (die, manufacturer, wire bonding, etc.) consistent with the ordered part.
- b. Parts which have been used, refurbished or reclaimed, but represented as new product.
- c. Parts which have a different package style or surface plating/finish than the ordered parts.
- d. Parts which have not successfully completed the OEM's full production and test flow, but are represented as completed product.
- e. Parts sold as upscreened parts, which have not successfully completed upscreening.
- f. Parts sold with modified labeling or markings intended to misrepresent the part's form, fit, function, grade or manufacturing date.

Franchised Dealer or Distributor – Has a contractual relationship with OEM to stock and sell its products. Is able to offer full OEM warranty and may be trained to offer value added services on OEM's behalf.

Independent Distributors - Distributor that is not franchised by the OEM for resale of their Parts. Typically not able to offer warranty and may not be able to trace the origin (provide acquisition traceability from OEM to PWR) of the part.

Manufacturer's Representative – Has a contractual relationship with OEM to act as its agent.

Original Equipment Manufacturer (OEM) (also, Original Component Manufacturer (OCM)) – The supply chain entity who designs and controls manufacture of an item. The OEM/OCM warrants performance of the item to its published specifications. This is the source of supply typically called out on PWR drawings, or Approved Sourcing Lists that specify source of supply.