



Registered
to AS9100
(with ISO 9001)

Supplier Terms and Conditions

A. All Suppliers

NOTICE: Please note the following terms and conditions are for purchase orders and contracts issued by Precision Machining Services and are issued to each supplier upon commencement of Precision Machining doing business with that supplier. The terms and conditions may be changed by written notification or in the body of the order. The terms Vendor and Supplier have the same meaning.

1. **ACCEPTANCE:** This PO supersedes all communications, representations and agreements, oral and written, between PMS and the vendor in respect to this PO. Any of the following shall constitute acceptance of all the Terms and Conditions set out herein: your signing of this Purchase Order, acknowledging this Order, shipping, sending, delivering the articles, or performing the service therein. Acceptance of this Order must be in strict accordance with its terms, including these terms and conditions. No changes in, modifications of, or revision to, this Order shall be valid unless in writing and signed by the Purchasing Administrator.
2. **COMMUNICATION:** Communication between Precision Machining Services is paramount to the success of this PO and delivery of parts to customer. Open communication is welcomed and expected between supplier and Precision Machining Services. However, in addition to the other requirements recorded within this document, suppliers shall hold all information received from Precision Machining Services in confidence and no third part request for information will be authorized unless approved by Precision Machining Services.
3. **DELIVERY:** Time and rate of deliveries, or performance of the services therein, are of the essence of this Order. Seller's failure to deliver at the time and rate specified shall be the basis for rejection, default termination and back billing by Precision Machining Services. If, at any time, vendor cannot meet delivery schedule, vendor shall notify PMS at the time vendor determines delivery schedule cannot be met. Vendor will notify PMS as to the cause; of the action being taken to remove such cause and when on-schedule status will be achieved. Anytime delivery times are used, delivery is the item being delivered to Precision Machining's dock, NOT delivery to a carrier.
4. **INSPECTION AND ACCEPTANCE:** Inspection and acceptance will be at destination, unless otherwise provided. Until delivery and acceptance, and after any rejections, risk of loss will be on the seller unless the loss results from negligence of Precision Machining Services. The seller shall perform or have performed the inspections and tests required to substantiate that the supplies, services, construction provide under this Order conform to the drawings, specifications, and other requirements listed herein, including, if applicable the technical requirements for the manufacturers' part number specified herein, notwithstanding any requirements for inspection and test by Precision Machining Services elsewhere in this Order.
5. **TERMINATION:** The Purchasing Administrator may at any time, by written notice, terminate this Order, in whole or in part, when it is in the best interest of Precision Machining Services due to default or negligence on behalf of the seller.
6. **DEFAULT:** Time is of the essence on this contract. In the event of default by the seller, the Purchasing Administrator may by written notice terminate this Order or any part thereof. Failure to deliver as specified, or failure to comply with any other conditions set forth on the Order or in these conditions shall constitute default. Should the seller default, the buyer may purchase similar materials elsewhere, and the original seller shall be liable for any excess cost occasioned by this procurement.
7. **GENERAL:** The Purchasing Administrator reserves the right to correct obvious clerical or typographical errors with no liability. The seller may not assign this Order or any rights there under, including monies due or to become due without the written consent of the Purchasing Administrator. The seller shall not without prior written consent of the Purchasing Administrator in any manner advertise or publish the fact that the Purchasing Administrator has placed this Order. Blueprints, models, specifications or any other information supplied by the Purchasing Administrator, for use on this Order shall be considered the sole property of seller and Purchasing Administration. This information will not be disclosed to others, except to subcontractors as necessary for the completion of this PO. Subcontractors shall have the same obligation of nondisclosure and restriction on use. Its use shall be restricted to this Order. Its improper use shall constitute default.
8. **SUPPLIER PERFORMANCE:** Precision Machining Services will score suppliers based on quality and delivery of products/processes performed. Based on these two factors, supplier will be issued corrective actions as warranted. Suppliers multiple corrective actions in a single quarter will be reviewed at Management Review for increased action as necessary.



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The terms on this page only apply to outsource vendors, even though all suppliers sign on this page.

B. Outsource Vendors

NOTICE: The following terms and conditions are in addendum to Precision Machining Services standard terms and conditions and are issued to each outsource vendor upon commencement of Precision Machining doing business with that vendor. These are also issued with every Purchase Order to an outsource processor.

9. *If PMS identifies that this is a rated order certified for national defense use, the vendor shall follow all the requirements of the Defense Priorities and Allocations System regulation (15 CFR 700). This regulation and its subparts can be seen electronically at <http://www.gpo.gov/nara/cfr/index.html>.*
10. Precision Machining Services (hereafter referred as PMS) requires a hardcopy of all quotations.
11. PMS requires vendors to maintain the current revision of applicable specifications.
12. PMS requires outsource processors to return a signed copy of the Purchase Order (PO) prior to beginning work.
13. Failure to submit appropriate Quality System paperwork when requested may delay payment for services. Vendor shall notify PMS of any change in its quality program that may affect the way we do business together.
14. For all goods or services not delivered by the agreed upon delivery date as specified on the PO, PMS reserves the right to invoke a charge not to exceed three and one-half percent of the total order, per calendar day. This charge will not be waived unless in writing from PMS. This will not apply to acts of God or other situations beyond the control of vendor only after it has left vendor's premises.
15. PMS and authorized representatives of PMS shall have direct access to all areas of vendor's and vendor's subcontractors' plants where work is being performed in connection with any item to be delivered under the issued PO, to review progress and witness testing of such items.
16. PMS requires vendors to perform a 100% Quality Inspection on all goods, and to fax the inspection reports to PMS prior to shipment of goods. If either of these conditions are not met then PMS reserves the right to return goods to vendor, at vendor's expense, until both conditions are fulfilled or PMS cancels the PO. If PMS cancels the PO due to nonconformance by vendor, then vendor must return goods to an "as before" condition and ship goods to location specified by PMS. See also #17.
17. Vendor MUST return processed parts in the original packaging as sent by Precision Machining Services. Vendor MUST return the completed shipping checklist sent by PMS and any applicable inspection sheets as specified in item 14. Vendor shall ensure that all packing and packaging will guarantee the receipt of items in an acceptable condition at the destination specified by PMS. Vendor shall be liable for any damage occurring during shipping as a result of poor packaging.
18. PMS will perform a 100% Quality Conformance Inspection prior to accepting any goods received. All inspection documents must accompany shipment, and if any goods are found to be nonconforming PMS reserves the right to enact clauses 17 and 18 of this document. PMS reserves the right to keep all conforming goods as a partial tender of goods.
19. If vendor incorrectly processes goods or damages goods in shipment and goods cannot be returned to an "as before" condition, vendor shall be liable for PMS's replacement costs of the goods.
20. Vendor shall be liable for handling charges, return shipment costs and Quality Control inspection costs for all items rejected by our Quality Control department.

Sign and return to Precision Machining Services

All Suppliers- Signature: _____ Title: _____ Date: _____