

Bob Lewis Machine Co., Inc.
Purchase Order Terms and Conditions

Revision I

1/1/2020

BLM QP 7.410

THE FOLLOWING GENERAL TERMS AND CONDITIONS (GTC) APPLY TO ALL BLM, Inc. PURCHASE ORDERS (P.O.) AND CONTRACTS, UNLESS OTHERWISE NOTED. SPECIFIC BLM Inc. QUALITY REQUIREMENTS (QR) CLAUSES APPLY ONLY WHEN NOTED ON THE P.O.

General Terms and Conditions

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| ACCEPTANCE of this order, or the initiating of any process, or the furnishing of any product, or the acceptance of payment, constitutes unconditional acceptance of this order and applicable Terms and Conditions. |
| AMMENDMENTS to this order, changes to product or process definition, or supplier logistics, which alters strict compliance with this P.O., or changes and/or exceptions to these Terms and Conditions will be set forth in writing via Purchase Order Change Notices once approved by BLM Inc. after requests of such changes are presented to BLM, Inc. in writing, prior to the acceptance of the order. |
| RIGHT OF ENTRY to all facilities involved in the procurement of this order, is reserved by BLM Inc., its customers, and/or all of its Regulatory Authorities to review documentation and perform inspection on site/s to ensure compliance with this P.O. |
| PRIVACY AND NON-DISCLOSURE of all details associated with this Order will be strictly maintained between the parties identified on this P.O. |
| RECORD RETENTION of all documents generated in the procurement of this order shall be kept for a minimum of 20 years minimum. |
| SCHEDULE for delivery of all goods or completion of services will be the responsibility of the supplier. BLM Inc. may approve revised scheduling, once provided by supplier in writing to BLM Inc., if there is a delay outside the control of the supplier to furnish product or services in accordance with schedule on P.O. However if the supplier does not meet the schedule on the accepted P.O., BLM Inc. reserves the right to terminate the order without liability for such termination. |
| CANCELLATION shall remain the right of BLM Inc. and may be initiated at any time and shall be free of liability to BLM Inc. prior to the receipt of goods or completion of services. Processing and general services may have cost prorated to evaluate liability amount if cancellation occurs after commencement of work in accordance with accepted P.O. This cost will not exceed previously accepted P.O. amount and shall be amended via P.O. change notice prior to final invoicing. |
| INSPECTION - If the Supplier is providing a manufactured product or a manufacturing service, the supplier shall inspect the product and provide as documentation a First Article Inspection Report as well as an Inspection Report for the balance lot using Zero Defect Sampling Plan on 100% of dimensional properties associated with said product or service. Sampling Plan to be ANSI/ASQ Z1.4 1.5% AQL NORMAL LEVEL II |
| DOCUMENTATION AND PACKAGING of the product shipped shall be completed in accordance with BLM Inc. P.O. or best commercial practice in order to prevent damage or deterioration to the product and will be free of Foreign Object Debris (FOD). The following documentation will be provided at a minimum: Supplier Company name and location, contact information, Shipper number, Date, BLM P.O. number, Part number, Serial number (if applicable), Part name, quantity, unit of measure, Certifications, compliant Specifications and Revision (if applicable), Test and/or inspection data (if applicable), and test reports (if applicable). A signed and dated statement of quality (Certificate of Conformance), from authorized representative, stating that all methods and/or materials used to procurement of order are in accordance with P.O. instructions and that all required inspections and/or tests have been successfully completed. |
| NONCONFORMING PRODUCT may be returned to the supplier for rework or credit and will be sole financial responsibility of the supplier. Nonconforming product found to be scrapped out due to Supplier failure to process per BLM Inc. P.O. instructions will be sole financial responsibility of the Supplier and recovery cost thereof may be determined by sum of material, pre-existing manufacturing and processing costs. Nonconformances detected by Supplier will be issued to BLM, Inc. along with a Failure Analysis prior to shipment of goods and will include the following at a minimum: Supplier Company name and location, contact information, Shipper number, Date, BLM P.O. number, Part number, Serial number (if applicable), Part name, quantity, unit of measure, Certifications, applicable Specifications and Revision (if applicable), Test and/or inspection data (if applicable), and test reports (if applicable), Reject document identification number, Description of failed items or components, Cause of the Failure, Corrective action to prevent future failures, and Effectivity of such corrective action. Approval of product and/or shipment must be received from BLM, Inc. before shipment in such case. |
| FLOWDOWN of all requirements listed on the P.O. and on these Terms and Conditions must be further flowed down to all sub-tier suppliers involved in the procurement of the order. Flow down also includes management of key characteristics listed, if any. |
| PERFORMANCE Rating of Provider Quality and Delivery on this order is assessed on a 12-month cumulative cycle and needs to meet or exceed 97.5% for both Quality and Delivery, in order to be maintained on the Approved Supplier List (ASL) Poor performance that does not meet this performance goal is cause for review and/or removal from the ASL. On-Time Delivery is defined as Unlimited Days Early, and 0 Days Late. |
| DELIGATION OF TEST REPORT VERIFICATION by the Supplier is accepted upon processing of this Order. The Supplier is responsible to ensure that the test reports of any and all materials used in the processing of this order meet the requirements of this P.O. and all derivative specifications. |
| DFARS MATERIALS and/or Product acquisitions are pursuant to the Specialty Metal requirements of DFARS 252.225-7014 Alt 1. Supplier shall furnish chemical/physical test reports with each shipment identifying the applicable specification and revision, actual chemical composition and physical properties, heat or lot number, and Manufacturer name and location. The general shape, type, temper and condition of purchased material will be supplied unmodified direct from the material manufacturer. Do not heat treat, process or modify manufacturer's material unless expressed in writing by BLM Inc. Violations will be rejected and returned at Supplier's expense. |
| INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR) are in effect for this order, as this purchase order and/or appendage thereof contains technical data which is subject to export control laws of the U.S. Government. Transfer of this data by any means to a foreign person, whether in the U.S. or abroad, without an export license or any other approval from the U.S. Department of State or of the U.S. Department of Defense Trade Controls is strictly prohibited. |
| COUNTERFEIT PREVENTION AND ETHICAL BEHAVIOR - Suppliers shall Purchase all products directly from the original equipment/component manufacturer (OEM), OEM approved distributors, or Reseller supplier who must provide full traceability back to the OEM. Electronic Components shall ONLY be purchased directly from the OEM or their authorized representatives and/or distributors. Suppliers shall practice ethical behavior in order to ensure product safety and conformity. Honest and ethical recording and reporting business practices shall be used and through the submission of a Certificate of Conformance, certify the product meets the requirements of the Purchase Order, and is accurately and properly represented as such. |
| CONFLICT MINERALS - If the Supplier is providing any Mineral based materials subject to the Conflict Mineral Policy outlined in section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Supplier will conduct reasonable due diligence to ensure that the minerals provided are conflict free. The supplier will provide Certification of such conformance with each Order as required herein in accordance with the Law. |
| APPROVED SUBTIER PROCESSING LIST - When applicable, the Supplier will use only BLM, Inc. approved sub-tier sources concurrent with Customer Qualified Products List (QPL) and Qualified Manufacturer List (QML). Please request designated sources prior to subcontract processing of this Order. Designated sources must be used, and any deviation thereof will be considered breach of contract and the product nonconformant. |

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| QR1 | AS9100 SYSTEM - The supplier shall implement and maintain a Quality Management System compliant with ISO9001; AS9100. Any changes to Supplier Quality System Certification will be issued to BLM, Inc. immediately upon effect. |
| QR2 | CALIBRATION SYSTEM - The supplier shall implement and maintain a Calibration System compliant with Calibration Requirements ISO10012; ANSI Z540-1 or ISO 17025. Non-conforming calibration results of test equipment will be issued to BLM, Inc. as soon as possible after determination. |
| QR3 | 100% INSPECTION - The supplier shall perform 100% inspection of noted dimensional characteristics on each piece. Serialization of each piece is to be completed and results submitted via inspection report documentation matching the serial number. |
| QR4 | SOURCE INSPECTION - BLM Inc. and/or regulatory authorities require an Interim or Final Source Inspection at supplier facility at designated inspection point/s as detailed in P.O. body. Inspection to be confirmed using an Inspection stamp entry on the supplier router and/or shipper. Please contact BLM Inc. 48 hours prior to schedule Source Inspection activity. |