



MILCO WIRE EDM, INC. /dba



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## PURCHASING TERMS & CONDITION CLAUSES

DEAR SUPPLIER: PLEASE BE APPRISED OF THE FOLLOWING REQUIREMENTS PERTAINING TO MILCO PROCUREMENTS STARTING JANUARY 1, 2013. THE FOLLOWING APPLY TO ALL ORDERS: 1 THRU 4; 13 & 14. ADDITIONAL REQUIREMENTS ARE SPECIFIED ON THE PURCHASE ORDER. PURCHASING & QUALITY TERMS & CONDITIONS ARE AVAILABLE ON MILCO'S WEBSITE @ [WWW.MILCOWIREEDM.COM](http://WWW.MILCOWIREEDM.COM) OR [WWW.MILCOWATERJET.COM](http://WWW.MILCOWATERJET.COM)

1. **Right of Entry** - The buyer, the buyer's customer and their customers or any applicable regulatory agency shall have right of access to all applicable areas of all facilities, at any level of the supply chain involved in the order and to all applicable records.
2. **Quality System** - The supplier shall maintain a quality system meeting the requirements of ISO 9001 family of standards unless otherwise agreed to by MILCO Wire EDM. The inspection system shall be adequate to assure that material delivered under this order will comply with all applicable drawings, specifications, and other purchase order requirements.
3. **Notification of Nonconforming Product** - The supplier shall immediately notify MILCO Wire EDM when a nonconformance has occurred or it is suspected or known that nonconforming material has been delivered. The notification must include a clear description of the actual or suspected nonconformance. A request for approval of the rework is required.
4. **Notification of Inability to Ship** - The supplier shall notify MILCO Wire EDM as soon as it has been determined that supplier is not able to ship as specified.
5. **Certificate of Conformance/Material Specifications** - The supplier shall submit Certificates of Conformance with each shipment. Supporting certification for raw materials and/or Acceptance Testing of the materials shall accompany each lot/shipment.
6. **Required Test Specimens** - The supplier shall provide test coupons or specimens as requested by MILCO Wire EDM's purchase order.
7. **Required Test, Inspections, & Related Instructions** - The supplier shall perform/obtain test and/or inspections and provide the resulting data to MILCO Wire EDM prior to shipment or with shipment of product, as instructed on MILCO Wire EDM's purchase order. First article must conform to AS9102 when applicable.
8. **Domestic Specialty Metals** - Raw materials shall not be procured from foreign agencies or produced in non-domestic mills unless previously approved by MILCO Wire EDM. Specialty metals identified in DFARS Clause 252.225-7014 which have been melted outside the United States, its possessions, or Puerto Rico are prohibited and must be approved by MILCO Wire EDM prior to shipment. If approval is granted, an independent laboratory analysis may be required.
9. **Changes in Process/ Product Definition** - The supplier shall notify MILCO Wire EDM & obtain its approval of any changes in the definition of products, supplies, or manufacturing locations prior to shipment of the product.
10. **Use of Customer Approved Special Process Sources** - The supplier shall use and direct sub-tier suppliers to use MILCO Wire EDM or MILCO Wire EDM's customer's designated suppliers and applicable requirements as instructed on MILCO Wire EDM's purchase order.
11. **Hazardous Material** - The supplier shall furnish applicable Material Safety Data Sheets for products designated by industry, state, or federal agencies as hazardous material.
12. **Segregation of Product** - Raw materials must be supplied in single heat lots only. Supplier must obtain approval from MILCO Wire EDM prior to shipping multiple heat lots. If permission is granted, the material must be shipped in separate, clearly identified containers, bundles or skids. The supplier shall not mix material of any type. Material of different type, thickness, etc., must be shipped in clearly identified and separate containers, bundles, or skids.
13. **Packaging & Preservation** - The supplier shall ensure that packaging and preservation is adequate to prevent damage or deterioration during shipment to MILCO Wire EDM.
14. **Records** - Supplier shall retain and maintain quality records associated with product shipped to MILCO Wire EDM from deterioration for a minimum of ten (10) years unless otherwise specified by purchase order.
15. **Other Requirements** - See purchase order for additional requirements.