



Bay CNC Machine, LLC

Supplier Terms & Conditions

1. Governing Law

All contracts issued under these Terms and Conditions shall be governed by and interpreted in accordance with the laws of the State of Florida, USA.

2. Approval Rights

Bay CNC Machine, LLC reserves the right to grant final approval of products, processes, procedures, and equipment used in the fulfillment of purchase orders.

3. Special Processes

All special processes required by this purchase order must be performed by qualified personnel.

4. Quality Management System (QMS)

Bay CNC Machine, LLC reserves the right to review and approve the supplier's Quality Management System (QMS).

a. Standard QMS requirements include:

- Suppliers performing special processes must maintain a system to validate those processes.
- Customer-directed sources must comply with customer specifications and standards.
- Suppliers approved based on certification (ISO, AS9100, ISO 17025, AS9120, etc.) must notify Bay CNC Machine, LLC of any changes to certification status.



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5. Design & Testing

Bay CNC Machine, LLC reserves the right to approve or specify designs, tests, inspection plans, verifications, statistical techniques, and any applicable critical items, including key characteristics.

6. Test Specimens

Suppliers may be required to provide test specimens for design approval, inspection/verification, investigation, or audit purposes.

7. Right of Access

Suppliers shall allow Bay CNC Machine, LLC, our customers, and regulatory authorities access to facilities, records, and materials necessary to verify conformance with contractual requirements.

8. Supplier Responsibilities

- Ensure correct identification and revision status of all specifications, drawings, process requirements, and instructions.
- Notify Bay CNC Machine, LLC of any nonconforming product and obtain approval for disposition.
- Notify Bay CNC Machine, LLC of any changes in product, process, suppliers, or manufacturing facility location.
- Flow down all applicable requirements to their supply chain.
- Provide root cause analysis and corrective/preventive action when requested.
- Retain all records related to this purchase order for seven (7) years, or as otherwise required by contract.



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9. Calibration

- All calibration services must be accredited to ISO 17025 (or equivalent). Certificates must identify standards used and demonstrate traceability to NIST.
- Suppliers must maintain a documented calibration system for the control and maintenance of measuring and test equipment.

10. Shipping & Packing

Suppliers must provide a valid Bill of Lading or equivalent shipping documents upon delivery. Suppliers are responsible for costs resulting from improper packing or handling.

11. Certifications

All shipments must include applicable material and/or process certifications. Invoices will be processed for payment based on the date certifications are received.

12. FAR Requirements

When applicable, FAR Clauses 52.246-2 (Inspection of Supplies) and 52.203-7 (Anti-Kickback) are invoked.

13. Defense Priorities (DPAS)

Suppliers must comply with DPAS priority ratings when listed on the purchase order:

- DX = Highest national defense urgency
- DO = Critical to national defense

Reference: www.dcmil.com/DPAS



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14. Export/Import Compliance (ITAR/EAR)

Information furnished under this contract may be subject to U.S. Export Control Laws and Regulations. Such data may not be exported or re-exported to foreign persons or lower-tier suppliers without prior written approval and applicable licensing. Suppliers shall indemnify Bay CNC Machine, LLC against any violations.

15. Counterfeit Parts Prevention

- Suppliers shall ensure counterfeit or suspect counterfeit parts are not provided to Bay CNC Machine, LLC
- Only new, unused, authentic, and legitimate parts shall be supplied.

16. Performance Requirements

- Suppliers must understand the importance of their contribution to product quality, safety, and ethical conduct.
- Supplier performance will be monitored based on on-time delivery and product conformity.
- Consistently poor performance may result in removal from Bay CNC Machine, LLC's approved supplier list.

17. Code of Ethics

All business shall be conducted with the highest standards of ethics and integrity. Employees, contractors, and representatives must:

- Avoid actual or perceived conflicts of interest.
- Treat all business partners fairly and without favoritism.
- Seek management guidance whenever ethical concerns arise.