



Purchase Order Terms and Conditions

1. INVOICES AND SHIPMENTS - rejections, delivery delays, errors and omissions will be considered just cause for withholding settlement without losing cash discount privilege. Invoices shall be mailed immediately after shipping date. SELLER agrees to allow BUYER ten days from receipt of material and invoices in which to make payment without losing cash discount privileges. Shipment in whole or in part must not be made prior to the date or dates specified on the original of this order without BUYER'S approval. Delay in delivery beyond the agreed schedule shall be cause for termination of this order unless such delay is mutually agreed to in writing by both BUYER and SELLER.
2. FURNISHED MATERIAL - If BUYER furnishes material to SELLER, BUYER will provide quantity of material needed plus normal spoilage allowance as noted on the face of the order. IF due to abnormal spoilage, additional material will be borne by SELLER, NO material sold or furnished by BUYER to SELLER will be diverted to uses other than the performance of this order without written permission of the BUYER, Jaco Engineering BUYER is to be notified within 24 hours of any scrappage of Jaco Engineering furnished material.
3. FURNISHED BOEING / GOVERNMENT TOOLING / GAGES: Acceptance of tooling, supplier acknowledges and accepts to the requirements and responsibilities defined by Boeing Doc. D950-11059-1. Jaco and Boeing reserve the right to conduct surveillance at the supplier's facility to determine supplier's compliance to the requirements.
4. INSPECTION AND REJECTION - All articles are subject to inspection by BUYER at destination. Rejected material will be held at Seller's risk, subject to Seller's disposal. Inspection Records are required from the Seller and must accompany each shipment.
5. CHANGES - BUYER shall have the right to make changes in drawings and/or specifications relating to this order. Upon such change, proper adjustment in the price and in the delivery schedule shall be made. Claim for adjustment shall be made within thirty days.
6. CHANGES IN SCHEDULE- Changes in delivery schedule may be made by Buyer at any time and for an indefinite period at no cost to Buyer.
7. VARIATION IN QUANTITY - Quantity variation will be zero unless otherwise stated on the purchase order.
8. DELIVERY - SELLER shall not be liable for delay in delivery due to cause beyond SELLER'S control and without SELLER'S fault or negligence, provided SELLER exercises due diligence in promptly notifying BUYER of conditions which will result in delay.
9. WARRANTIES - The SELLER warrants that all articles or materials delivered hereunder shall be free from defects or material or workmanship, and guarantees all parts furnished will conform to specifications and/or drawings. The warranties of the SELLER together with its service warranties and guarantees, if any, shall run to BUYER and/or its customers.
10. TERMINATION FOR CAUSE OR FOR CONVENIENCE OF BUYER - BUYER reserves the right to terminate this order if not filled in accordance with delivery schedule and specifications. In the event of any suspension of payment or the institution of any proceedings by or against either party, voluntary or involuntary in bankruptcy or insolvency, or under the provisions of the United States Bankruptcy Act, as amended, or for the appointment of a receiver or trustee or an assignee for the benefit of creditors or for the appointment of a receiver or trustee or an assignee for the benefit of creditors of either party, or in the event of a breach of any of the terms hereof, including warranties of SELLER, the other party shall be entitled to terminate this order forthwith.
11. CANCELLATION - Buyer may cancel any Purchase order at any time without cost to Buyer in the event that Jaco Engineering's requirements are cancelled with our customer, or if Quality disqualifies the Seller for any reason.
12. COMPLIANCE WITH LAWS - SELLER agrees in accepting this order that the same is subject to and that SELLER has complied with or will comply with all applicable local, State and Federal laws, regulations, and executive orders as to labor, origin and procurement of material, national security, fixation of prices, profit limitations, price re-negotiation and price re-determination.
13. NON-DISCRIMINATION - In connection with the performance of work under this order, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, creed, age, sex, color, or national origin; and further agrees to insert the foregoing provision in all subcontracts hereunder except subcontracts for standard commercial supplies or for raw materials. (Not applicable if order is for standard commercial supplies or for raw materials.)
14. Seller must operate under a Quality Management System that is approved by Jaco Engineering. Any changes to QMS status such as NADCAP approval must be reported to Jaco Engineering. Pre-authorization from Jaco Engineering is required before any changes to product, processes, or services provided to Jaco Engineering. Quality records on file at supplier must be retained a minimum 7 yrs.
15. RETURNABLE CONTAINERS ARE TO BE RETURNED TO JACO ENGINEERING.
16. RIGHT OF ENTRY - The Buyer and its representatives are afforded the right to verify at the Seller's premises the quality of work, records and materials. Such verification by buyer shall not absolve the seller of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the Buyer. Right of Entry is also extended to the buyer's representatives, customers, the buyer's customer's customers and applicable regulatory agencies. Seller shall be notified within a reasonable amount of time (typically no less than five working days) by the Buyer to host such events.
17. SUBCONTRACT WORK - Seller may not further subcontract work without written authorization from Jaco Engineering.
18. SPECIAL PROCESSES - Seller must only perform and certify applicable processes such as nondestructive testing using only approved, qualified, authorized, certified facilities, equipment and personnel.
19. NON CONFORMANCE NOTIFICATION - Supplier will provide immediate written notification to Jaco procurement representative when known or suspect defective / nonconformance parts, materials, components, software, or vendor items have been delivered to Jaco or Jaco customers. The report shall contain a detailed description of the non-conformance, lot and / or serial number traceability, along with supplier corrective / preventative actions taken place to preclude recurrence.
20. CUSTOMER RIGHT OF ACCESS - The supplier shall provide right of access to Jaco Engineering, their customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.