

Blue Line Engineering, Co.

Purchasing Standard Terms & Conditions

1. All of our external providers (Suppliers) are important contributors to product and service conformity, product safety, and ethical business practices.
2. The Supplier is required to:
 - a. Maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.
 - b. Notify BLE of nonconforming product/s.
 - c. Obtain our organization approval for nonconforming product disposition.
 - d. Notify our organization of changes in product and/or process, changes of suppliers, and changes of manufacturing facility locations.
 - e. Flow down to the supply chain the applicable requirements including customer requirements.
 - f. Provide root cause analysis, effective corrective and preventive action as requested.
 - g. The Supplier is required to retain all Records associated with the Purchase Order for 7 (seven) years or as required by contract.
3. Blue Line reserves the right to approve or specify any tests, inspection plans, verifications, use of statistical techniques for product acceptance, and any applicable critical items including key characteristics.
4. Seller shall notify Blue Line Engineering of changes in product and/or process, changes of suppliers, changes of manufacturing facility location that might impact quality.
5. With prior coordination, Supplier shall provide right of access to BLE, BLE's customer & customer advisors, and regulatory authorities to the applicable areas of Supplier's facilities involved in the order and to all applicable records.
6. Cleanliness: Product and Material procured under this purchase order shall be provided "clean & dry". That is: free of contaminants such as dirt, dust, machine oils & lubricants, coolants, solvents, grease, grit, scale and grime. Chemicals used to inhibit corrosion are allowed but must be declared so parts can be properly cleaned after delivery.
7. BLE reserves the right to engage with the Supplier about the Supplier's Quality Management System.
 - a. Standard QMS Requirements Include:
 - i. Suppliers providing special processing must maintain a system for validating and/or documenting those processes.
 - ii. Customer Directed sources must operate in accordance with approved specifications and standards as dictated and controlled by the customer in question.
 - iii. Suppliers initially approved for use via Certification (ISO, AS9100, etc) must notify our organization of any changes to that certification.
8. Supplier shall provide a proper Bill of Lading signed by Carrier, or any other legally applicable documents providing title to the goods to Purchaser upon delivery, fully protecting all parties in case of damages in transit. All cost incurred due to improper packing will be paid by Supplier.
9. FAR Clauses 52.246-2 (Inspection of Supplies-Fixed-Price) and 52.203-7 (Anti-Kickback Procedures) apply.

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10. As applicable, the Supplier shall comply with the DPAS priority ratings and information security requirements, imposed by the Federal Government, referenced on the purchase order. DPAS Ratings: (DX) Highest national defense urgency. (DO) Critical to national defense.
(<http://www.dcm.mil/DPAS/>)
11. Environment, Safety and Occupational Health: The Supplier shall establish Environment, Safety and Occupational Health (ESOH) management systems to ensure compliance with applicable federal, state, and local environmental laws, regulations, and policies for all activities defined in this purchase order. The Supplier shall ensure that all products delivered are in compliance with state and federal regulations.
12. EXPORT/IMPORT/ITAR Compliance
Information furnished to supplier under this purchase contract may contain data subject to U.S. Export Laws and Regulations. Supplier is advised that such data may not be exported or re-exported to foreign persons, employed by or associated with, or under contract to supplier or supplier's lower-tier suppliers, without the prior written consent of Blue Line Engineering, Co., and under the authority of an export license or applicable license exemption. If such data is marked as export controlled, supplier shall indemnify and hold buyer harmless from and against any and all claims, liabilities and expenses resulting from suppliers' failure to comply with the Export Laws and Regulation of the United States.
13. Counterfeit Parts Prevention
 - a. The Supplier warrants that Counterfeit Supplies shall not be supplied to the Purchaser or installed in the Purchaser's products by the Supplier.
 - b. The Supplier warrants that only new, unused, authentic, genuine, and legitimate items shall form part of the supplies supplied to the Purchaser.
14. Conflict Minerals
We expect our external providers to take commercially reasonable measures to avoid the use of the following conflict minerals sourced from covered countries (including the Democratic Republic of Congo and certain adjoining countries) in any materials, items, or processes purchased by Blue Line Engineering, including finishing services: Cassiterite (tin), Columbite-tantalite (tantalum), Wolframite (tungsten), and Gold.
15. Code of Ethics
Supplier and representatives of BLE shall conduct business affairs with integrity and in an ethical manner. Should there be any questions as to whether a payment, receipt, or other action is unethical, lacking integrity, or illegal, the matter must be reviewed by Blue Line. When in doubt, ask for guidance. Because we do business with the federal government, business ethics are especially important. All employees, contract workers, interns, and representatives, must avoid all actual or perceived conflicts of interest.
16. Confidentiality
Supplier shall refer all questions regarding confidentiality of information to BLE.
17. Any disputes arising out of any Contract issued pursuant to the Terms and Conditions shall be interpreted in accordance with and governed by the Laws of the State of Colorado, USA.