

## **PURCHASING TERMS AND CONDITIONS**

Effective December 30, 2017

Delta Information Systems requires as a part of any purchase order that:

1. Right of access will be granted to Delta Information Systems, our customer, and regulatory authorities to all facilities involved in the order and all applicable records, in accordance with the supplier's policies for security and protection of its intellectual property.
2. When the supplier has knowledge of any non-conformance in the product being supplied, the supplier shall provide notification of non-conforming material in writing. No non-conforming material will be shipped without prior approval in writing from the Delta Quality department.
3. The supplier shall provide written notification of changes in product, and/or process definition and, where required, obtain approval.
4. The supplier shall use only approved sub-tier suppliers and provide for the flow down of applicable requirements in the purchasing documents, including key characteristics where required.
5. For all purchase orders that state, "DFARS applies" the supplier shall comply with; "DFARS 252.225-7014 Preference for Domestic Specialty Metals", and flow down the requirement to any sub-tier supplier used for the same Purchase Order.
6. Diminishing Manufacturing Sources:
  - a. In the event a component is no longer to be stocked or manufactured as part of Seller's product or product line. Seller shall notify Delta's buyer in writing of any pending future action as soon as Seller is aware of any obsolescence issue or has made such decision and no later than one hundred eighty (180) days in advance, whichever occurs first.
  - b. Seller shall provide Delta's buyer with a "Last Time Buy Notice" to allow Delta's buyer the opportunity to purchase additional quantities of components, and shall take all reasonable steps to investigate an alternate part.
7. All Certificates of Conformance must be signed by an authorized person.
8. All items requiring test or inspection shall include documentation of test examination, and/or inspection.
9. Certificate of Compliance referencing the OEM part number will be required for all purchase orders for active components.
10. Non-franchised distributors of active components shall have and maintain an approved documented counterfeit parts protection program.
11. To ensure that Delta Information Systems does not receive counterfeit parts from any vendor the following applies. The seller may only purchase components from original equipment manufacturers (OEM) or the OEM's authorized distribution chain, or if through an independent distributor the seller must make available to Delta Information Systems OEM documentation that authenticates traceability to that applicable OEM or other compelling evidence prior to shipment. Approval for shipment is to be granted or denied in writing by Delta Information Systems. Delta Information Systems reserves the right to reject material without appropriate documentation.
12. ESD sensitive active components shall be handled and packaged in accordance with ESD TR20.20.
13. Delta reserves the right to cancel a Purchase Order within two business days of placing the PO.



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14. Objective Quality Evidence – Seller agrees to maintain objective quality evidence for materials procured and supplied hereunder. Objective quality evidence may be consistent with their Certified Quality Management System (ISO, AS etc.) compliance or equivalent, lot traceability, calibration records, inspection reports, Material Certificates, shipping documents, Certificate of Origin, Certificate of Conformance, ROHS compliance. Seller shall supply this evidence upon request. If not a certified QMS, then quality records will be kept for 7 years as a minimum or sent to Delta with the shipment. This is not applicable to “Commercial of the Shelf” items.
15. All purchased material and services must be processed in accordance your Quality Management System (ISO, AS, MIL-STD etc.). Including training in safety & ethics.
16. All suppliers must maintain a FOD prevention program and measure its effectiveness so that shipments to Delta will be free of FOD (Foreign Object Damage or Debris). The supplier must flow down this requirement to; and measure effectiveness of any sub-tier suppliers FOD program that is used for the same Delta Purchase Order.
17. Conflict Materials: All suppliers must be in compliance with the Dodd-Frank Act, Section 1502.
18. All suppliers shall be in compliance with ITAR 2011, Part 120 through Part 130, by going to link. [http://www.pmdtdc.state.gov/regulations\\_laws/itar.html](http://www.pmdtdc.state.gov/regulations_laws/itar.html)
19. GOVERNMENT PROCUREMENT REGULATION FLOWDOWN: The following clauses set forth in the Federal Acquisition Regulation’s (FAR) and Defense Federal Acquisition Regulation’s (DFAR) as in effect on the date hereof, are incorporated herein by reference. Where necessary to make the context applicable hereto, the term “Contractor” shall mean Seller. “Government” and “Contracting Officer” shall mean Buyer or the Government, and “Contract” shall mean this order.
  - (i) FAR 52.203-13, Contractor Code of Business Ethics and Conduct.
  - (ii) FAR 52.203-19 – Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements.
  - (iii) FAR 52.219-8, Utilization of Small Business Concerns (May 2004) (15 U.S.C. 637(d) (2) (3), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceed \$550,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.
  - (iv) FAR 52.222-26, Equal Opportunity (Mar 2007) (E.O. 11246).
  - (v) FAR 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2006) (38 U.S.C. 4212(a).
  - (vi) FAR 52.222-36, Affirmative Action for Workers with Disabilities (Jun 1998) (29 U.S.C. 793).
  - (vii) FAR 52.222-39, Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004) (E.O. 13201). (Flow down a required in accordance with paragraph (g) of FAR clause 52.222-39.)
  - (viii) FAR 52.222-50, Combating Trafficking in Persons (Feb 2009) (22 U.S.C. 7104(g).
  - (ix) FAR 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) (46 U.S.C. Appx 1241 and 10 U.S.C. 2631) (flow down required in accordance with paragraph (d) of FAR clause 52.247-64).
  - (x) DFAR 252.204-7012, Safeguarding of Unclassified Controlled Technical Information
  - (xi) DFAR 252.225-7014 Preference for Domestic Specialty Metals, Alternate I (10 U.S.C. 2241 note).

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- (xii) DFAR 252.236-7013 Requirement for Competition Opportunity for American Steel Producers, Fabricators, and Manufacturers (Pub. L. 110-329, Division E, Section 108).
- (xiii) DFAR 252.246-7003 Notification of Potential Safety Issues.
- (xiv) DFAR 252.247-7023 Transportation of Supplies by Sea (10 U.S.C. 2631).
- (xv) DFAR 252.247-7024 Notification of Transportation of Supplies by Sea (10 U.S.C. 2631).

The Contractor shall include the terms of this clause, including this paragraph (19), in subcontracts awarded under this contract.