



SUPPLIER GUIDE

Revision 6
As of 4/8/21

INTRODUCTION

This Supplier Guide specifies the requirements for the following companies – JWFI & JWF Defense Systems, (known hereafter in this handbook as **JWFI**). This Supplier Guide is used to help JWFI meet its customer’s requirements. JWFI is a process-based contract manufacturer with a wide array of capabilities in the field of metal manufacturing. Our customer base includes large commercial, oil & gas customers, as well as prime DOD contractors. JWFI is well known for our expertise in welding, fabrication, machining, painting, assembly, and project management. We have a “best value” reputation in the industries we serve for high quality content.

Customer’s expectations are achieved through relentless emphasis on reliable processes that provide consistent results. We do not believe in simply expecting people to do what they are told; rather, we make them part of the manufacturing process, allow them to train and certify to attain the full range of their talents and capabilities. Focusing on the process transforms the work but it also transforms the organization and the people within it. As a supplier we hold you to these same standards and expect you to partner with us in exceeding our customers’ expectations.

The intent of this publication is to establish a set of procedures, practices, and expectations pertaining to the procurement and quality requirements of items purchased by JWFI. The requirements set forth herein will ensure a consistent, quality based relationship between JWFI and its suppliers. This information should serve as both a requirement and a general guideline to the extent of quality and supply chain expectations. JWFI will assist suppliers in any reasonable manner to establish an understanding of our requirements and ensure compliance with our purchase order Supplier Quality Requirements (SQRs).

If there are questions following review of the data, please contact your buyer. These requirements are to be implemented immediately. Please note that these requirements are subject to change at the discretion of JWFI Industries. For the most current version of our requirements please refer to <http://jwfds.com/wordpress1/supplier-portal>

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DEFINITIONS / ACRONYMS

ANSI	American National Standards Institute
AST	Advanced Shipping Technologies
AWS	American Welding Society
CoC	Certificate of Compliance
COTS	Commercial Off the Shelf Items
DFAR	Defense Federal Acquisition Regulation https://www.federalregister.gov/defense-federal-acquisition-regulation-supplement-dfars- https://www.acq.osd.mil/dpap/dfars/html/current/225_0.htm
DO	DOD order rating https://www.dcms.mil/DPAS/
DOD	U. S. Department of Defense
DX	DOD order rating – Highest Priority Rating (See DO Rating link)
FAI	First Article Inspection
FAR	Federal Acquisition Regulations (See DFAR link)
FOB	Freight on Board
FOD	Foreign Object & Debris
GPA	Government Purchase Agreement https://www.trade.gov/mas/ian/tradeagreements/multilateral/wto/tg_ian_002072.asp https://www.wto.org/english/tratop_e/gproc_e/memobs_e.htm
ITAR	International Traffic in Arms Regulation
JWFI	JWF Industries, including JWF Defense Systems, ETC & ETC Texas
MTR	Material Test Reports
NCNDA	Non-Compete Non-Disclosure Agreement
PO	Purchase Order
RFQ	Request for Quotation
SCAR	Supplier Corrective Action Request
SDS	Safety Data Sheets
SQR	Supplier Quality Requirements
UPS	United Parcel Service
WTO	World Trade Organization

New Suppliers/Supplier Approval Process

Every supplier must complete a New Supplier Packet prior to quoting and/or receiving orders from JWFI. This packet consists of a Non-Compete Non-Disclosure Agreement (NCNDA), Supplier Application and Certification & Representation Form. At a minimum, before technical data can be released for quoting purposes, a fully executed NDA must be on file. Prior to the issuance of purchase orders, the Supplier Application and Certification Form must be completed. A copy of your W9 & ISO certification, if applicable are also requested. These documents remain active on file for a period of 1 year.

Reference the JWF Supplier web site <http://jwfds.com/wordpress1/supplier-portal>

To get the latest revisions of the forms listed below:

Non-Compete Non-Disclosure Agreement
Supplier Application
Certification & Representations

Suppliers may be qualified by a review of their approved 3rd party certifications, a Quality Audit of the suppliers system, capability surveys and evaluation and/or the promptness and effectiveness of response by the supplier. Continued qualification will be contingent upon continued quality of performance and satisfactory results.

Confidentiality

All documents provided for the purpose of submitting a quotation or fulfilling purchase order requirements, are customer property and should be considered of a strictly confidential nature. These documents must be returned to JWFI upon request.

Quote Process

JWFI considers our ability to quickly quote and start up new projects as one of our strategic advantages. You play a vital role in helping us maintain this advantage. It is essential that quotes are returned within the requested time frame. Late responses may not be given consideration and will impact future opportunities to quote. All Requests for Quotes (RFQs) must be returned in a formal manner either on company letterhead or in a spreadsheet provided by JWFI.

Hierarchy of Documents

The Purchase Order is the governing document which transmits JWFI requirements to the Supplier. In the event of a conflict between documents, the order of precedence from highest to lowest is as follows:

1. JWFI Purchase Order
2. JWFI Drawing or JWFI's customer's drawing
3. Part Process Specification
4. Material Specification
5. General Requirements Specifications

Federal Regulations

Depending on customer and contract there may be various federal regulations that apply to purchase orders issued to you. Requirements in regards to these regulations will be called out through the Supplier Quality Requirements (SQRs) on the face of each PO. There will be some level of impact on all military contracts from the below regulations.

Federal Acquisition Regulations (FAR)

The Federal Acquisition Regulations outlines the guidelines necessary for all Government related acquisitions. Specific FAR requirements may be flowed down on the face of your purchase order, be included within the JWFI terms and conditions, or flowed down as an SQR (Supplier Quality Requirement). You can find the full regulation at: <http://farsite.hill.af.mil/>

Defense Federal Acquisition Regulations (DFAR)

The Defense Federal Acquisition Regulations outlines the guidelines necessary for all Department of Defense related acquisitions. Specific DFAR requirements may be flowed down on the face of your purchase order, be included within the JWFI terms and conditions, or flowed down as an SQR (Supplier Quality Requirement). You can find the full regulation at: <http://farsite.hill.af.mil/>

International Traffic in Arms Regulation (ITAR)

The International Traffic in Arms Regulation controls the import and export of all defense articles to include intellectual property. This regulation may impact the shipment of your product and also limit the transmittal of documents electronically. Sections of ITAR will also restrict individuals that have access to information and work pertaining to military contracts. In most cases foreign nationals are not permitted to work or view military contracts which call out this regulation. You can find the full regulation at: http://pmdtc.state.gov/regulations_laws/itar_official.html.

Communication

The JWFI purchase order designates the “Buyer” who is the primary contact with the supplier for any issues. The supplier must identify and notify JWFI of its designated point of contact for the procurement process.

Right of Access

During performance of JWFI’s purchase orders, the supplier’s Quality Management System, and manufacturing process are subject to review, verification, and analysis by JWFI, its customer, and/or regulatory agencies including an authorized government representative. Access to the facilities involved and all applicable records pertaining to that order must be granted.

Orders / Acknowledgments

Purchase Orders must be acknowledged within 48 hours of order receipt, unless contract is DX rated which requires confirmation within 24 hours of receipt. If a response is not received, the due dates become your contract delivery date. Contract delivery dates will be used to determine delivery performance on the supplier scorecard (as detailed below).

Terms and Conditions

JWFI General Purchase Order Terms and Conditions apply to each purchase order. These terms and conditions include but are not limited to; order acceptance, independent contracting, invoicing, payment, packing, inspection, and warranty, intellectual property, order cancellation, dispute resolution, and export compliance. To review the most current terms and conditions please refer to the JWFI Supplier website <http://jwfds.com/wordpress1/supplier-portal>

Contract Ratings

Rated orders are identified by a priority rating - either DX or DO - on the face of the purchase order. Rated orders take preference over all unrated orders as necessary to meet required delivery dates. Among rated orders, DX rated orders take preference over DO rated orders.

Suppliers receiving rated orders must give them preferential treatment. Unrated orders must be rescheduled if they conflict with performance against a rated order. DO rated orders must be rescheduled if they conflict with performance against a DX rated order. Among orders with the same priority rating, preference is given based on the sequence in which the orders are to be performed, not based on the date of receipt of each order.

All rated orders must be scheduled to the extent possible to ensure delivery by the required delivery date.

Suppliers who receive rated orders must in turn place rated orders with their subcontractors for the items they need to fill the orders. This provision ensures that suppliers will give priority treatment to rated orders from contractor to subcontractor to suppliers throughout the procurement chain.

Safety Data Sheets

SDS is required for all initial shipments of applicable materials. These documents should be faxed to the Safety Department at (814) 532-4103 when shipment is made.

Accounting Requirements

To mitigate accounts payable issues and to ensure timely payment, please verify your packing slips reference the correct purchase order number/line and invoicing cross-reference the packing slip. Incorrect packing slips or missing paperwork could result in the delay of receipt or rejection of your shipment. Vendor is not to ship material/items if purchase order price is not correct. Purchase order must be revised by JWFI at time of PO confirmation for PO to be accepted and shippable. Invoices are to be emailed to invoices@jwfi.com. Shipping an order that will be billed at a different amount than the PO will result in your invoice being rejected.

Subcontracts

Subcontracting a process that the supplier was contracted to perform is **prohibited**.

Receiving Hours

All deliveries must be scheduled 24 hours in advance of shipping. Check the JWFI PO for contact number or email to reciving@jwfi.com.

Only carriers such as UPS & FedEx are not required to schedule.

Substitution of Materials

Reference FAR 46.07 Nonconforming supplies or services

Reference FAR 52.211-5 Material Requirements

JWFI will **not** accept any deviation from exact material call out specifications. The material certifications you provide with every delivery should have the exact material specification and grade as listed on the drawing or specification.

No material, part substitutions or exemptions are permitted to be quoted or provided "**WITHOUT**" prior written consent from JWFI.

If for any reason you cannot meet the specification provided, then provide a "**No Quote**" during the bid process.

Occasionally we understand that an exception may need to be taken, but this must be approved in writing by JWFI, before quote is provided. If an exception is granted by JWFI, then it must be clearly called out on your quote detailing the exception in **red font**.

The specified materials are as requested by our customers and deviation from drawing requirements can be an extensive, time-consuming undertaking. Substitutions often promote unexpected added cost, lead-time and schedule changes not reflected in our customer quotes. Please refrain from requesting these changes and never assume the materials you feel are viable substitutes are acceptable.

JWFI purchase orders will note any approved drawing or specification deviations. Existing JWFI purchase orders may be updated as required by new deviations. Suppliers providing material/parts not conforming to these deviations will be issued a SCAR and possible debarment with JWFI.

Supplier Material Review Board (MRB) Authority

Supplier's Material Review Board (MRB) authority is **not** authorized on any purchaser orders.

Supplier Rating System

JWFI suppliers will be rated on the following criteria:

- Quality (including paperwork issues) – 60% of score
- Delivery – 40% of score

Quality Criteria:

- Must consistently meet all quality requirements as established by SQRs and documented herein.
- Paperwork **must meet all** SQR requirements. Your documents should be checked and double checked prior to delivery. This could significantly affect your quality score and future business.

Quality Score (including paperwork issues):

- Gold – 100%
- Silver $\geq 99.85\%$
- Bronze $\geq 99.55\%$
- Yellow/Warning $\geq 98\%$
- Red $< 98\%$

Quality Score will be on a rolling 6 months of data.

Delivery Criteria:

- Must deliver to committed promised and/or contract delivery date. You control your destiny. Promise what you can deliver.
- A delivery is considered to be the materials/parts as well as the accompanying accurate documentation (pack list, MTR with country of origin and mercury certification-if required, ballistic certification-if required, and a Certificate of Compliance). Parts with incorrect documents are quarantined and will not be received until accurate documents are provided.
- Each late delivery by line item, will deduct from the delivery score. A deduction will occur on shipments earlier than 10 days to contract date.

Delivery Score:

- Gold – 100%
- Silver $\geq 98\%$
- Bronze $\geq 96\%$
- Yellow/Warning $\geq 90\%$
- Red $< 90\%$

Delivery Score will be on a rolling 6 months of data.

Suppliers overall score will be based on the lower of the Quality or Delivery Score.

Suppliers with 3 consecutive individual monthly scores in the “Red” criteria for quality ($<98\%$) or delivery ($<90\%$) may be subject to loss or reduction of orders. Based on the severity of an individual issue JWFI may subject the supplier to immediate loss or reduction of orders.

Quality Assurance and Procurement will work with suppliers in Yellow & Red categories to identify and correct issues, establish procedures to prevent reoccurrence, and elevate their score.

Non-Conforming Product

Supplied items must meet the Supplier Quality Requirements (SQR's) stated on the Purchase Order. If the SQR request documentation, it must accompany or be sent prior to the shipment.

In the event that the documentation is not supplied, the item(s) will be placed into a quarantine area and not received into our MRP system, delaying the received date. The supplier is notified by the buyer and will have **24 hours** to provide the required documentation. Any documentation not received prior to the contract date, the supplier's scorecard will have points deducted for each day past the promise date.

Supplied items that do not meet *dimensional requirements* will be issued a "Red Tag" and placed into a non-conforming cage or area. The supplier will have points deducted from their Scorecard.

The Supplier will be notified by the buyer that a red tag has been issued noting the part number, quantity, defect(s) and the disposition.

Dispositions can be:

1. Rework by the company – back charge to supplier (agreed to by the supplier)
2. Rework by supplier – (at the company location)
3. Return to supplier *
4. Scrap – disposed of at company location

* If the product is "Return to Supplier" – the Supplier will provide a return authorization and preferred shipping method/account number for return within 24 hours of notification. If the supplier does NOT provide return instructions within 1 week of notification, then product will be "Scrapped" at supplier's expense.

A Supplier Corrective Action Request (SCAR) may be submitted to the supplier for any red tagged material. This SCAR will be in an 8D format. The supplier will have 10 working days upon receipt of the SCAR document to respond in writing. A supplier may request in writing for an extension due to extenuating circumstances. The SCAR response may be subject to a formal review by JWF management either through the supplier representatives coming to JWF or through a WebEx meeting. Failure to respond to the SCAR is subject to loss or reduction of orders.

Supplier Quality Requirements

Supplier Quality Requirements (SQRs) are flowed down on each line item on the purchase order. It is very important that the supplier understand each SQR that is listed under each line item. SQRs establish specific Quality Requirements the supplier is responsible for.

JWFI will assist suppliers in any reasonable manner to establish an understanding of our requirements and ensure compliance with our purchase order SQRs. The supplier must be particularly cautioned that no departure from any drawing and/or specification is permitted without the written approval by JWFI. It is not anticipated that these requirements will add costs to the supplier or JWFI.

The Supplier shall flow-down all applicable SQRs to any and all lower tier sub-contractors performing work involving JWFI's purchase orders. During performance of JWFI's purchase orders, the supplier's Quality Management System, and manufacturing process are subject to review, verification and analysis by JWFI, JWFI's customer, and/or regulatory agencies including an authorized government representative.

First Article Inspection (FAI)

SQR04 will be imposed when there is a First Article Inspection (FAI) required or if duly noted within purchase order notes.

IMPORTANT: Two (2) First Article Inspections are required.

Submit two (2) separate First Article Inspection Reports for the first two (2) parts/assemblies built.

Please reference SQR04 for more details.

Certificate of Compliance

All deliveries require a C of C.

SQR06 will be imposed when a Certificate of Compliance (CoC) is required on all component part shipments delivered to JWFI. Deliveries will be quarantined without this important document.

The JWFI CoC certifies that the items detailed by JWFI part number, revision number, and purchase order no, heat number and quantity; conform in all respects to the contract/purchase order, specification, drawing, etc. All items have been inspected and tested in accordance with the applicable requirement. Reference SQR06 for more details.

JWFI suggest that the supplier use the Certificate of Compliance Form located on the web site. This will speed up the receiving process and help your supplier scorecard rating.

Production Run Component Shipments

All production run component shipments after the completion of a first article require a Certificate of Compliance, if required on the Purchase Order "SQR06"

Reference the latest revision of the [Supplier Production Run Inspection Guide](http://jwfds.com/wordpress1/supplier-portal) on the JWF web site <http://jwfds.com/wordpress1/supplier-portal> this guide is to be used to help the supplier send the correct documents with the shipment. The Guide does not have to accompany the shipment.

Material Certifications / Ballistic Test Certifications

SQR07 is imposed when a Material Test Report (MTR) is required for all raw material shipments. Reference SQR07 for more details.

Identification, Preservation and Packaging

SQR33 is imposed on all raw materials, structural shapes, components parts and hardware which need to be identified, preserved and/or packaged. Reference SQR33 for more details.

Free of Foreign Object & Debris, FOD

All deliveries, items and materials are to be delivered Free of FOD.

Shipping Preferences

All shipments are FOB Destination unless otherwise negotiated. Other acceptable shipping methods are UPS Collect, FedEx Collect or Advanced Shipping Technologies (phone 877-692-0570).

All material/items need to be marked with item number and heat (if raw material) or on packaging if size of part does not allow. Packaging should be separated by item number. All shipping information is to be emailed to receiving@jwfi.com and the buyer on the PO 24 hours in advance if possible but before the shipment delivers.

The packing slips included with all shipments must have this information:

- Supplier Company Name and Address
- JWFI Ship to Address (as on PO – Identify the “Dock” number on the packing slip)
- Packing Slip Number
- Ship Date
- Part Number (as on PO)
- Part Description (as on PO)
- JWFI Purchase Order Number
- Quantity
- Heat Number (Raw Material Only)

Packaging ID Requirements: Identification must be on each box/pallet.

Do not mix different parts numbers in the same box.

If different part numbers are on a pallet, they must be Identified and separated on the pallet.

All paperwork contained with shipment should be:

- Pack Slip containing above information
- MTR
- C of C
- FAI paperwork if designated by/on PO

Failure to comply with the attached could result in your delivery being rejected at gate.

Personal Protection Equipment, PPE

When entering the facility as a supplier or driver the following PPE is required. You cannot enter without.

- Hard Hat
- Ear Protection
- Safety Glasses
- Metatarsal Shoes

Document Retention – Inspection and Testing Records

Supplier shall retain verifiable evidence of inspection and tests performed and results obtained for a period of seven (7) years minimum after shipment. These records shall be identified to associated articles, including heat and lot numbers of materials, and unit or lot serialization as applicable. These records shall indicate the nature and number of observations made the number and type of deficiencies found, the quantities approved and rejected, and the nature of the corrective action taken.

Cyber Security

Any Defense related PO’s are subject to the following DFARS. As a result of doing business with JWFI whether commercial or defense we ask that you apply the following. Please advise of any concerns.

DFARS 252.204-7009 Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information.

DFARS 252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting.

Reference Supplier Quality Requirements (SQRs)

Located at <http://jwfds.com/wordpress1/supplier-portal>

**Cyber Security Acknowledgment:
Please sign & return to JWFI:**

We have ____ or have not ____ been the victim of a cyber-incident within the last 12 months.

Going forward if (Supplier Name) _____ is a victim of a cyber-incident we will notify JWFI in accordance with DFARS 252.204-7009 and 252.204-7012.

**Acknowledgement of Guide Review:
Please sign & return to JWFI:**

(Supplier Name) _____ attests that we have read & agree to the referenced processes & stipulations. We understand the ramifications of substituting material/parts without prior written approval whether on a quote or purchase order. We also understand the importance of [100% Quality Together](#) and will strive to support that goal alongside JWFI. We understand all guidance set forth in the Supplier Guide.

(Print Name)

(Signature)

(Title)

(Date)