**Winco Program Agreement**

At Winco, we believe forming metal and relationships are of utmost importance. This **Winco Program Agreement** is used in conjunction with the **Quote** and other written and confirmed documents to both explain program expectations and establish the rights and obligations of both parties: **Winco** and **Customer**. Our goal is to get started with clarity, a meeting of the minds, and build a strong foundation to help each other be successful.

**Definitions**

**Lead Time**: The notice **Winco** needs to have parts ready to ship. **Lead Time** will vary by the inventory program selected.

**Lead Time**

**to Manufacture:** This is the amount of time it takes **Winco** to manufacture the part and have it on our dock ready to ship. When included with your quote, it is generally based on 2500 parts unless otherwise indicated. As **Winco** strives to provide the best possible **Lead Time** to our **Customer** and the **Lead Time to Manufacture** will fluctuate (potential causes include: order size, value-added outside services, material procurements slow-downs, requote needed, and holidays), **Customer** should flex this time up in their system to allow for these contingencies (**Winco** recommends a minimum of 3-5 days). The actual, then current, **Lead Time to Manufacture** will be confirmed upon request or during the confirmation of your PO.

**Minimum**

**Invoice Amount:** Invoices for any shipment, regardless of program are subject to a $250 minimum invoice amount to cover additional expenses for the shipping and handling time required.

**Quote:** The document identifying the piece price, quantity, and all other supporting requirements and program terms to be used in conjunction with this **Winco Program Agreement** to outline both **Winco’s** and the **Customer’s** **Rights and Obligations**.

**Ready Date:** The first **Ship Date** a **Customer** may use on a PO for a part being manufactured. It is an agreed upon date on or after the **Lead Time to Manufacture** the part.

**ROP:** The Re-Order Point, **ROP**, is used by **Winco** and **Customer** to establish the trigger for generating another manufacturing run. It must be established at a point high enough to cover all potential shipments during the **Lead Time to Manufacture** the **Customer** part.

**ROQ:** The Re-Order Quantity, **ROQ**, is used by **Winco** and **Customer** to establish the maximum pieces to begin when inventory falls below the ROP.

**Sales Order**

**Confirmation:** The confirmation **Winco** sends after **Customer** PO has been validated and entered in **Winco’s** ERP.

**Ship Date:** The date **Winco** will have **Customer** part ready to ship from our dock. As ship-to’s vary, as well as transportation methods, **Winco** is not responsible for actual shipping performance.

**Reference Quote for the following included Program Agreement information**

* Payment Terms
* Lead Time to Manufacture, based on \_\_\_\_\_\_ parts
* Quote Good thru Date
* Program Option:
	+ MTO
	+ Stocking Program: ROP & ROQ
	+ Blanket: Length, Qty, Inv option selection: MTO, Pre-Scheduled, ROP or Forecast
* Quote includes reference to all Rights and Obligations as referenced in the Program Agreement
* New Tool information – anticipated time to complete
* 1st Run Parts Notice: Customer’s first run part production is based on our then estimated Lead Time to Manufacture and production will begin following Customer’s sample part approval.

**Rights and Obligations**

1. To keep the piece price low, **Winco** strives to not over-manufacture. This may result in some over- or under-shipments by up to 10% in either direction. **Winco** reserves the right to ship and invoice **Customer** accordingly. If **Customer** wishes to opt-out of the 10% over- or under-shipment flex, **Customer** must notify the Sales Manager or Account Rep so the C**ustomer** profile, pricing, and manufacturing allowances will reflect this.
2. **Customer** Purchase Order (PO) must reference Winco Quote number.
3. **Customer** is obligated to make payment within the terms specified on the **Quote**. Should there be an issue with an order **Customer** is entitled to an attentive and timely response.
4. To keep piece prices low, **Customer** invoice is subject to **Winco’s Minimum Invoice Amount** to cover higher material handling and shipping overhead for smaller shipments.
5. **Customer** and **Winco** will work together to determine the most appropriate **Inventory Program Option** to best fit **Customer’s** needs. Each Program entails its own Rights and Obligations outlined herein.
6. **Make to Order** – Parts will be manufactured after a S**ales Order Confirmation** has been sent by Winco. If this **Program** **Option** is indicated on the quote:
7. **Winco** will have parts ready to ship by the **Ship Date**, ship to the **Ship To** address, and invoice at the purchase price – as confirmed on **Winco’s** **Sales Order Confirmation** emailed to the **Customer**.
8. **Customer** must issue purchase orders with a ship date far enough in the future to allow for the **Lead Time to Manufacture**, the requoting process and any other contingencies as described in the **Lead Time to Manufacture** definition.
9. **Quotes** are good for a minimum of 60 days unless otherwise indicated. **Quotes** may vary by or be quantity specific. **Winco** will notify customer within 4 hours of receiving a **Customer** PO or requote request if a re-**Quote** is needed and will turn around within 24 hours.
10. **Stocking Program** – Parts are manufactured and inventoried by **Winco**, providing for a 2-day-turn-around for the **Customer.** This program is official and manufacturing will begin when an approved **Quote** identifying the Stocking Program to be initiated has been received by **Winco**. If this **Program** **Option** is indicated on the quote:
11. **Winco** will keep inventory available consistent with the **ROP** identified on the **Quote** or subsequent written and confirmed modifications. The **ROP** indicates the minimum we will have ready to ship within any period equal to the **Lead Time to Manufacture**.
12. **Customer** POs for shipment of parts must be received providing a minimum, full 2-day business notice, and occur after the **Ready Date**. If the first order will be larger than normal, **Customer** must notify **Winco** to accommodate a larger beginning balance.
13. If a **Stocking Program** is discontinued or parts remain in inventory for more than 90 days, **Customer** will issue a PO for all remaining parts in inventory and being manufactured up to the ROP plus ROQ stated in the quote or subsequent written and confirmed modifications.
14. **Customer** may provide instruction for **Winco** to modify the inventory balances via a request to change the **ROP** when Customer requirements change. When **Winco** takes this action, this is considered a confirmed modification to the agreement.
15. If **Customer** decreases program requirements, Winco has the right to re-**Quote** the **Stocking Program** considering the new quantity.
16. **Winco** **Stocking Program Agreement** / Q**uotes** must be signed by **Customer** within 15 days. Once signed, **Winco** will honor the piece price for POs received over a minimum of the next 90 days (or twice the **Lead Time to Manufacture** in the **Quote** if longer).
17. **Blanket Agreement** – A blanket Agreement is primarily a methodology to secure a longer-term price by promising to purchase a specific quantity over a stated period of time. This agreement is official when a S**ales Order Confirmation** has been sent by **Winco**.
18. Winco will keep inventory available consistent with the **Customer** request specified on the **Quote**. This may include MTO, a ROP (the minimum we will have ready to ship within any period equal to the **Lead Time to Manufacture**), or forecast methodology (must be communicated via **Customer’s** Account Manager at **Winco**).
19. If **Winco** becomes unable to secure material or services to manufacture the parts or at a reasonable price, **Winco** has the right to revise or terminate the blanket obligations with the **Customer**.
20. POs for shipment of ROP and Forecast parts must be received providing a minimum full 2-day business notice. During the initiation of a new program, or subsequent modification, the **Lead Time to Manufacture** will be a required waiting period in order to manufacture the initial inventory.
21. At the termination of the Blank Agreement, **Customer** must issue a PO for all blanket quantities that remain.
22. Should the **Customer** wish to terminate or modify the blanket, **Winco** will work with them regarding a reasonable termination fee.
23. **Customer** PO must be received within 15 days (unless otherwise indicated) on a **Winco** **Blanket Agreement** **Quote**. Once a Customer PO is received, the quote details are honored for the duration of the blanket.
24. **Forecast Agreement** – A modified **Blanket Agreement** with the quantity equal to the forecast amount, the price equal to the approved quote, and a termination date equal to 90 days after the **Ready Date**. This agreement is official when a S**ales Order Confirmation** has been sent by **Winco.**
25. **Winco** will have all inventory ready by the **Ready Date**.
26. **Customer** will notify **Winco**, of the “Ready Date” the **Customer** would like parts available. This must not be shorter than the **Lead-Time to Manufacture.**
27. POs for shipment of these parts must be received providing a minimum full 2-day business notice after the **Ready Date**.
28. At the termination of the **Forecast Agreement**, **Customer** must issue a PO for all forecast quantities that remain.
29. **Customer Forecast** must be received within 15 days (unless otherwise indicated) on a **Winco** **Forecast Agreement** **Quote**. Once received, the quote details are honored for the duration of the agreement.
30. **Take/Make Program** – Parts are manufactured and inventoried by **Winco**, providing for a 2-day-turn-around for the **Customer.** This program is official and manufacturing will begin when an approved **Quote** identifying the Make Take Agreement to be initiated has been received by **Winco**. If this **Program** **Option** is indicated on the quote:
31. **Winco** will manufacture parts consistent with the **Take/Make Program** amount identified on the **Quote** following a Customer order and shipment for the same amount.
32. **Customer** POs for shipment of parts must be received providing a minimum, full 2-day business notice, and occur after the **Ready Date/Lead Time to Manufacture**.
33. When the **Take/Make Program** is discontinued or parts remain in inventory for more than 90 days, **Customer** will issue a PO for all remaining parts in inventory up to the **Take/Make Program** amount stated in the **quote** or subsequent written and confirmed modifications.
34. **Winco** **Take/Make Program** Q**uotes** must be signed by **Customer** within 15 days.
35. Once signed, **Quotes** are good for a minimum of 60 days unless otherwise indicated. **Winco** will notify customer within 4 hours of receiving a **Customer** PO or requote request if a re-**Quote** is needed and will turn around within 24 hours.