

SM&P CONTRACT BRIEF PRIME CONTRACT SUMMARY

The Boeing Company
St. Louis, MO

Issue Date: September 1, 2004

Project Name: Modification Kits

Prime Contract/Order Number: N00019-03-C-0065

Customer: Naval Air Systems Command
Patuxent River, MD

Prime Contract Type: FFP

DPAS Priority: DO-A7

Security Classification: See below

Prime Contract Completion Date: August 2005

Customer Approving Authority: DCMA – St. Louis
St. Louis, MO

Prime Contract Administrator:

Prepared By: Jill Holmes

General:

This SM&P Contract Brief/Prime Contract Summary (CB)/(PCS) sets forth the required Special and General Provisions of the prime contract. Unless otherwise noted in the body of this CB/PCS, references herein to "SPOC" or "SPOCs" shall refer to the provisions set forth at <http://www.boeing.com/companyoffices/doingbiz/spocs/>. Buyers are required to review the optional use clauses and their corresponding procedures not referenced in this CB/PCS for possible inclusion in their purchase order. The buyers shall also be required to obtain from the responsible organizations the other flowdown requirements such as, but not necessarily limited to, patent rights, deliverable data, prime contract warranty requirements, technical, quality, schedule, configuration control, and logistics support.

1. Purchase Order Terms and Conditions

The general provisions of this contract consist of selected FAR and DFARS provisions, and special provisions. Use the appropriate GP series General Provisions and SPOC 8010 to incorporate the Customer Contract Requirements (CCR). Please note, that if a purchase order is issued for commercial items (as defined in FAR 2-101 and PRO-4605), NONE of the certification requirements contained in this contract brief are required. The GP series form and CCR meet prime contract requirements, except as may otherwise be noted below.

2. Advance Notification and/or Consent to Issue

The prime contract has no advance notification written consent requirements.

3. Patent and Data Rights

3.1. Patent Rights

The prime contract does not include FAR 52.227-12 and there are no patent reporting requirements.

3.2. Data Rights

The data rights provisions in this prime contract are included in the general terms and conditions, in Government/Customer Contract Terms and Conditions or are specified in this CB/PCS.

4. Certifications

4.1. Price Reduction for Defective Cost or Pricing Data

The prime contract includes FAR 52.215-11 Price Reduction for Defective Cost or Pricing Data - Modifications, and FAR 52.215-13 Subcontractor Cost or Pricing Data - Modifications. Cost or Pricing is required only for modifications resulting from Prime contract modifications exceeding the TINA threshold. If such modifications are made, the use of SPOC 0520 is required in all solicitations expected to exceed the cost or pricing data threshold. The dollar threshold for compliance with these requirements is \$550,000.

Buying personnel shall obtain, when cost or pricing data is required, a Certificate of Current Cost or Pricing Data on Form MDC858-2. Refer to Procedure PRO-1655 and [SMPM 5.03.04](#) for further information and guidance.

4.2. Cost Accounting Standards

The prime contract includes FAR 52.230-2, Cost Accounting Standards, and FAR 52.230-6, Administration of Cost Accounting Standards. Unless exempt, solicitations and purchase orders in excess of \$500,000 are subject to cost accounting standards. Use SPOC 0209 in all solicitations expected to exceed the CAS threshold. Use Form MDC-417 for the certification.

The prime contract incorporates FAR 52.230-6, which requires that every subcontract that is subject to cost accounting standards shall be reported to the cognizant Administrative Contracting Officer.

If Cost Accounting Standards are required (FAR 52.230-2 or FAR 52.230-3 and FAR 52.230-6), use SPOC 8004, 8005 or 8030 (as required [SMPM 5.01.25](#)) in purchase orders. Refer to [SMPM 5.01.25](#) for further information and guidance.

4.3. Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment

This prime contract incorporates FAR 52.209-6, Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment. The clause prohibits the company from issuing purchase orders of \$25,000 or more to subcontractors who are debarred, suspended, or proposed for debarment without giving notice, as set forth in FAR 52.209-6, signed by a corporate officer or designee, to the Government Contracting Officer. Procurement agents shall obtain an Annual Certification on Form MDC 858-12 to comply with this requirement. Contact the Procurement/Subcontract Advisor for further guidance if a supplier fails or refuses to execute the designated certification. Refer to Procedure [SMPM 5.03.06](#) for further information and guidance.

4.4. Limitation on Payments to Influence Certain Federal Transactions

The prime contract contains FAR 52.203-12, Limitation on Payments to Influence Certain Federal Transactions. This provision requires that certification pursuant to FAR 52.203-11, Certification and Disclosure Regarding to Influence Certain Federal Transactions, be included in all RFQ's expected to exceed \$100,000 and that FAR 52.203-12 be included in all subcontracts over \$100,000. The prospective subcontractor, by signing and returning its proposal to the RFQ, certifies that it is in compliance with FAR 52.203-11, Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions. In lieu of signing and returning the RFQ, the subcontractor may certify by returning a signed copy of Form MAC 5417 prior to contract award. This Certification states that the prospective subcontractor has not engaged in any of the prohibited activities set forth in these clauses except for those disclosed on OMB Standard Form LLL, Disclosure of Lobbying Activities. The buyer must obtain from the seller a signed proposal which included FAR 52.203-11 or a signed Form MAC 5417 prior to the release of purchase order. Refer to Procedure PRO-1626 and [SMPM 5.03.06](#) for further information and guidance.

5. Socio-Economic

5.1. Subcontracting Plan Certification

This prime contract incorporates FAR 52.219-9, Small Business Subcontracting Plan. Where the anticipated contract may exceed \$500,000 (one million dollars for construction of any public facility) including firm options prices, the Buyer must obtain from Seller a small business subcontracting plan or certification that Seller is in full compliance with the requirements of FAR 52.219-9. Include Solicitation SPOC 0214 in the RFQ in order to obtain the requisite certification from Seller prior to issuance of any purchase orders. Refer to Procedure PRO-5676 and [SMPM 5.01.11](#) for further information and guidance.

5.2. Affirmative Action

The prime contract contains FAR 52.222-26, Equal Opportunity. Procurement agents shall comply with their local site requirements regarding the certification required by this FAR clause prior to issuing a purchase contract/order over \$10,000. Refer to POL-5 and Procedure [SMPM 5.03.06](#) for further information and guidance.

5.3. Small Business Information

In order to assure that the company receives full credit for small business and labor surplus area participation, be sure that a current Annual Certification, Form MDC 858-12, is on file.

6. Government Property

6.1. Government Furnished Property

The company is authorized by the prime contract to use on a rent-free, non-interference basis, Government-owned property accountable under prime contracts:

N00019-02-C-3189
N68335-97-C-0090
MDC Report 36.06

Refer to Procedures PRO-3652, PRO-4908 and [SMPM 5.01.26](#) for further information and guidance.

7. Foreign Procurements

7.1. Duty-Free Entry

This prime contract contains FAR 52.225-08, Duty-Free Entry. This provision provides for duty-free entry for certain items designated in the contract. The following items are designated in the prime contract as being procurable with duty-free entry:

This Provision also provides that if items in excess of \$10,000 are to be imported into the United States for incorporation into deliverable products which are not designated in the prime contract, this clause provides for the request for duty-free entry from the contracting officer. This request shall be furnished to the Contracting Officer at least 20 days before the importation of such items. This request shall include (1) the foreign supplies, (2) the estimated amount of duty, and (3) the country of origin. Refer to Procedure r BPI-945 for further information and guidance.

The buyer shall coordinate with Export/Import Operations regarding appropriate shipping instructions to be included in such order.

7.2. Duty-Free Entry - Qualifying Country End Products and Supplies

This prime contract includes the provisions of DoD FAR Supplement 252.225-7009, Duty-Free Entry of qualifying Country End Products and Supplies. In all subcontracts for which duty free entry is claimed and under which items are intended to be delivered to the Government or incorporated in end items to be delivered under this contract, consult Procedure BPI-945 for information and guidance. The qualifying countries are Australia, Austria, Belgium, Canada, Denmark, Egypt, Federal Republic of Germany, Finland, France, Greece, Israel, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey and the United Kingdom of Great Britain and Northern Ireland.

7.3. Qualifying Country Sources as Subcontractors

The prime contract contains the DoD FAR Supplement 252.225-7002, which prohibits the company from precluding foreign companies located in qualifying countries from competing for subcontracts. Therefore, buyers shall not preclude foreign companies from qualifying countries from competing with U.S. firms for any subcontract issued under this prime contract. As used herein, the term "Qualifying Countries" means: Australia, Belgium, Canada, Denmark, Egypt, Federal Republic of Germany, France, Greece, Israel, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey and the United Kingdom of Great Britain and Northern Ireland.

8. Contract Financing

8.1. Progress Payments

This prime contract incorporates FAR 52.232-16, Progress Payments. This clause provides for progress payments to Boeing and also requires the offering and providing of progress payments to large and small business provided the criteria is met for offering such progress payments. The prime progress payment rate is 80%. Refer to PRO-5888 (for applicable sites) and [SMPM 5.04.03](#) for further guidance. Include SPOC 4515 or 4518 in all applicable RFQ's and contracts.

9. Security Classification

The Government's Basic Ordering Agreement may include the procurement of classified goods/services. Use SPOC 0230 in all RFQ's and SPOC 7530 or 7539 (as appropriate) in purchase contracts that require the use of classified data or information by the supplier, and comply with the Corporate Security Manual. Refer to Procedure PRO-1877 and [SMPM 5.01.31](#) for further information and guidance.

10. Commercial Items and Commercial Components

The prime contract includes FAR 52.244-6, Subcontracts for Commercial Items and Commercial Components. This provision deletes the flowdown requirement of all but a few FAR and DFARS clauses for subcontracts for commercial items or commercial components. This provision also deletes the certifications requirements contained in this contract brief (except for the annual certification). However, all of the other procedural requirements must be complied with including adequate price analysis of such subcontracts. Refer to Procedure PRO-4605 for further information and guidance.