

BDS Terms and Conditions Guide

Clause Number: J001

Effective: 07/28/2022

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Repair/Rework

1. Upon receipt of Buyer's property or Customer property for repair/rework (in this clause "Property"), Seller shall:
 - a) Immediately acknowledge such receipt;
 - b) Examine the Property for damage, and provide descriptive and photographic evidence of any damage, which may have occurred during shipment, and/or due to improper packaging; and
 - c) Provide written notification of any damage, and hold the Property pending further direction from Buyer's Authorized Procurement Representative.

2. If no damage is identified, Seller is authorized to begin repairs under the terms of this clause. Seller is authorized to inspect the Property, including disassembly as necessary. If Buyer's customer induced damage is identified, Seller shall:
 - a) Promptly provide written notification of such damage; and
 - b) Hold the Property pending further direction from Buyer's Authorized Procurement Representative.

3. Seller shall identify additional provided property (e.g. equipment, special test equipment, special tooling) required for performance of this Contract, by completing and returning Form X36080, "Supplier Property Identification Checklist". Under no circumstances is use of additional provided property authorized for this Contract until properly identified as specified herein and authorized for use in accordance with E000.
 - a) When proposed, all property acquisition costs shall be priced separately. Pricing must be clearly presented in a format Buyer's Authorized Procurement Representative can distinguish the special tooling cost from the equipment/special test equipment cost.
 - b) Costs for Seller fabricated or acquired shop aids; general purpose, perishable or portable tools that do not fit the definition of special tooling, equipment or special test equipment must be funded by Seller or otherwise be treated as accountable special tooling.
 - c) In the event Seller requires the use of property not originally identified for performance of this repair/rework, Seller shall submit amended Form X36080, approval for which must be authorized via modification to this Contract before additional provided property can be used.

4. Seller shall commence work and may not exceed the negotiated funded dollar value as stated on the Contract. If Seller discovers additional scope that exceeds the negotiated or settled price, Seller must promptly stop work and notify Buyer's Authorized Procurement Representative for further direction.

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5. Seller shall promptly furnish in writing a complete failure report for repair/rework, suggested corrective action, estimated time for accomplishing the necessary repair/rework effort, and a firm price quotation for such work.
 - a) The quotation shall include a detailed cost breakdown including labor hours and rates, material costs for repair/replacement parts list, overhead and profit.
 - i. If long lead material is identified which prevents repair and return of any item within the standard lead time, Seller shall notify the Buyer's Authorized Procurement Representative of the part number(s) and quantity required. Buyer's Authorized Procurement Representative will determine if such material is available for use on this Contract.
6. In the event Seller determines the Property is Beyond Physical Repair (BPR), Seller shall notify Buyer's Authorized Procurement Representative and request written disposition instructions. Buyer shall determine the final disposition of the repair item.
7. In the event Seller recommends the Property is Beyond Economical Repair (BER), Seller shall notify Buyer's Authorized Procurement Representative and request written disposition instructions. Buyer has the right to request that Seller submit a quote of the BER unit and/or new item of the same description and lead time for delivery. Buyer shall determine the final disposition of the repair item.
8. Upon agreement on the scope of work, pricing and delivery schedule for the repair/rework proposed, Buyer's Authorized Procurement Representative will issue a change to this Contract authorizing the repair/rework effort.
9. Seller shall reference Buyer's Contract number, part number and serial number, if applicable, on all documents, invoices and Seller packing sheets or shippers.