



Boeing Commercial Airplanes (BCA) Terms and Conditions

SUPPLIER ACCOUNTABILITY REQUIREMENTS FOR SPECIAL TEST EQUIPMENT

Form DAC 26-807A (Rev. 3-89)

This document establishes responsibilities of McDonnell Douglas Corporation (MDC) suppliers for procurement, manufacture and control of special test equipment. It further establishes requirements for records and reports related to the maintenance and disposition of special test equipment. This procedure is mainly an extension of MDC's DoD prime contractual requirements and applies to all Purchase Orders in which it is incorporated unless specifically modified or restricted therein.

1.0 DEFINITIONS

1.1 Special Test Equipment: Either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in performing a contract.

a. It consists of items or assemblies of equipment, including standard or general purpose items or components, that are interconnected and interdependent so as to become a new functional entity for special testing purposes.

b. It does not include material, special tooling, facilities (except foundations and similar improvements necessary for installing special test equipment), and plant equipment items used for general plant testing purposes.

2.0 SUPPLIERS NOTICE OF INTENT (NOI) TO ACQUIRE SPECIAL TEST EQUIPMENT

2.1 The supplier shall furnish a Form DAC 30-2521, NOTICE OF INTENT TO ACQUIRE SPECIAL TEST EQUIPMENT, at least 60 days in advance of his intention to acquire or fabricate such special test equipment or components thereof, regardless of acquisition cost.

2.2 Accompanying the NOI DAC 30-2521 supplier shall submit methods analysis/engineering data to support the requested STE as required.

2.3 If MDC or the government furnishes, rather than approves acquisition or fabrication of, special test equipment or any components thereof, such items shall be furnished subject to the government property clause of the prime contract. The government shall not be obligated to deliver such items any sooner than the supplier could have acquired or fabricated them after expiration of the 60 days notice period prescribed in Paragraph 2.1 above. The supplier shall not proceed to acquire or fabricate such equipment or components until explicit approval is received in writing from the MDC Buyer.

2.4 The supplier shall, with respect to any subcontract hereunder which provides that special test equipment or components may be acquired or fabricated for the government, insert provisions in the Purchase Order which conform substantially to the language of this clause including this Paragraph 2.4 and furnish the names of such subcontractors to MDC.

2.5 If an engineering change requires either the acquisition or fabrication of new or substantial modification to existing special test equipment, the supplier shall comply with 2.1 above. Reference shall be made to the change document which resulted in either the proposed acquisition or fabrication of or modification to special test equipment.

2.6 Any previous proposals, drawings, reports, studies or similar data related to special test equipment, provided by the supplier in the negotiation or performance of this Purchase Order does not negate, supercede or replace the requirements of this document.

3.0 SCREENING OF GOVERNMENT INVENTORIES

3.1 Supplier will provide MDC an executed DD1419, DoD INDUSTRIAL PLANT EQUIPMENT REQUISITION, to be used for screening of government inventories for each item of special test equipment or component thereof which is:

- a. Defense Industrial Plant Equipment Center (DIPEC) - controlled equipment for which the estimated per item acquisition cost is \$10,000 or more.
- b. Defense Automation Resource Information Center (DARIC) - controlled automated data processing equipment (ADPE) for which the estimated per item acquisition cost is \$1,500 or more.
- c. National Aeronautics and Space Administration (NASA) - equipment for which the estimated per item acquisition cost is \$1,000 or more.

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3.2 When a government owned item or an apparent substitute is available to fill a DOD INDUSTRIAL PLANT EQUIPMENT REQUISITION, MDC will notify the supplier and arrangements will be made for inspection if deemed necessary. Offered items are normally on a 30 day hold basis and inspection and notification of acceptance/rejection must be completed within that time.

3.3 Supplier will notify MDC within 10 days of acceptance or rejection. Reasons for nonacceptance must be provided where applicable.

3.4 MDC will arrange for shipment of accepted items.

3.5 Where no government owned items are available, a copy of the DOD INDUSTRIAL PLANT EQUIPMENT REQUISITION, with Section V, Nonavailability Certificate completed, will be forwarded to the supplier by MDC.

3.6 Supplier procurement of items described in Paragraph 3.1 above must be identified to a specific nonavailability certificate. Procurement action must be initiated within 45 days of the nonavailability certificate date or rescreening of government sources is required.

3.7 Supplier will provide MDC a copy of DD1149 REQUISITION AND INVOICE/SHIPPING DOCUMENT for each component of special test equipment furnished by the government.

4.0 SPECIAL TEST EQUIPMENT COMPLETION REPORT (DAC FORM 26-856)

4.1 When requested by MDC, the SPECIAL TEST EQUIPMENT COMPLETION REPORT shall be signed by an officer of the supplier, or an authorized representative, as certification that special test equipment quality, quantity and identification statements are correct.

5.0 OWNERSHIP OF SPECIAL TEST EQUIPMENT

5.1 Special test equipment either produced hereunder or furnished by the government is government owned property and will be used only for the performance of MDC Purchase Orders unless otherwise

specified by MDC.

6.0 IDENTIFICATION OF SPECIAL TEST EQUIPMENT

6.1 Special test equipment produced hereunder will be permanently marked to identify the composite STE and all components. Identification shall be in accordance with document C652-74916-TDSI, TOOL IDENTIFICATION AND CONTROL - SUPPLIER, unless the size or nature of the equipment makes it impractical. As a minimum, however, the supplier shall provide the Part/Drawing number of the STE, the prime contract number, and the ownership as specified in the Purchase Order (USAF, USN, etc.).

7.0 MODIFICATIONS AND REWORK

7.1 No changes to government furnished special test equipment or components may be made without MDC approval. Discrepancies in such furnished special test equipment must be reported to MDC within 30 days after receipt of such special test equipment by supplier if charges for restoration to design configuration are to be considered and accepted by MDC.

8.0 MAINTENANCE

8.1 The supplier shall establish an approved preventive maintenance program as required by FAR/DAR/NASPR. Maintenance and repair records shall be maintained for each item of government owned special equipment.

8.2 Special test equipment drawings shall be maintained to the latest configuration.

9.0 INVENTORY AND UTILIZATION

9.1 MDC will furnish supplier biennially, two copies of an inventory of government owned special test equipment, by plant location, as shown in MDC records. Supplier is required to verify the listed inventory and return one signed copy to MDC attaching a statement, when necessary, indicating differences or discrepancies between the listed inventory and the supplier's inventory.

9.2 The supplier shall conduct a utilization analysis concurrent with the inventory and furnish results to MDC. Special test equipment no longer required by supplier will be reported in accordance with Paragraph 13, below.

9.3 Supplier shall provide an itemized list of special test equipment when use is required on a concurrent basis or when requesting authority to use or transfer to another Purchase Order.

9.4 MDC or the cognizant contracting officer must approve the use of special test equipment on other than MDC Purchase Orders providing said special test equipment was originally furnished or authorized by MDC.

10.0 LIABILITY

10.1 Except to the extent that the supplier may be expressly relieved of liability elsewhere in the Purchase Order, the supplier assumes all risk for loss or damage to special test equipment in supplier's possession, custody or control, or in the possession, custody, or control of his supplier. This provision is in addition to any requirements appearing in MDC's Purchase Orders.

11.0 RECORD REQUIREMENTS

11.1 The supplier is responsible for maintaining accountability records, maintenance of government owned special test equipment and periodic inventories in accordance with his approved property control system, and pursuant to requirements set forth in FAR/DAR/NASPR. Supplier shall advise MDC Buyer of all special test equipment accountability discrepancies. Supplier will maintain the official special test equipment accountability records for any of his (lower tier) suppliers unless otherwise approved by MDC.

11.2 Records will reflect ownership and Purchase Order or contract number under which each item was acquired.

11.3 Records reflecting the authority for disposal of special test equipment shall be retained by the supplier for four years.

11.4 The supplier shall furnish upon request, copies of drawings, technical data and related documents relative to government owned special test equipment acquired under MDC Purchase Orders.

12.0 COMPLIANCE

12.1 In the event this document is incorporated into an existing Purchase Order, the supplier shall conform to these requirements within 30 days from the issuance of the Change Advice unless otherwise specified.

12.2 Provisions of this document apply to special test equipment acquired on previous MDC Purchase Orders and transferred to or use authorized on this Purchase Order.

13.0 DISPOSITION

13.1 Special test equipment procured hereunder or supplied by MDC is government property and is not to be destroyed, dispositioned or transferred without written authorization from MDC.

13.2 Supplier will upon written request, recommend disposition, determine scrap value, credit MDC with scrap value, execute various forms related to disposition, provide copies of shipping documents, ship, provide rework information, or any other information required by MDC.

13.3 When it becomes known that government owned special test equipment will no longer be required, the supplier shall notify MDC at least 90 days prior to the date of availability, if possible, permitting MDC to screen other product suppliers for possible need.

13.4 This notice will be accomplished by submission to MDC Buyer of the applicable inventory forms. Special test equipment will be dispositioned in accordance with MDC/Government instructions, i.e., conduct sale, scrap, or shipment. Supplier is to withhold this equipment pending disposition instructions from MDC/Government.

13.5 If a need exists elsewhere in the program, shipping instructions will be provided. The maintenance record and local property records shall accompany the item to its new location. A copy of the DD1149, REQUISITION AND INVOICE/SHIPPING DOCUMENT, shall be furnished to MDC.

13.6 The supplier shall provide MDC with an executed copy of the disposition document which relieves the supplier and MDC of accountability.

(END)

