SUPPLIER MANAGEMENT

**PRIME CONTRACT SUMMARY**

**The Boeing Company**

Issue Date of PCS: October 23, 2017

Program Name: Proprietary

Prime Contract/Order Number: 16C1517

Customer: Proprietary

Prime Contract Type: CPFF/FMS

Prime Contract Funding: TBD

Boeing Contract Representative: Victoria Richey

PCS Prepared By: Michele Deck

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General:

This Prime Contract Summary (PCS) sets forth the required Special and General Provisions of the prime contract. Unless otherwise noted in the body of the PCS, references to "Clause" or "Clauses" refer to the terms and conditions in the Boeing Defense, Space and Security Common Terms and Conditions. Procurement agents should review the BDS Common Clauses for possible inclusion in their purchase contracts (See the Clause Applicability Guide in the BDS Buyer’s Terms and Conditions Guide for the use of these clauses). **The PCS does not provide an exhaustive list of prime contract requirements of interest to procurement agents.** **Procurement agents should obtain, as necessary and from the responsible organizations, other prime contract requirements such as, but not limited to, deliverable data, prime contract warranty requirements, technical requirements, quality, schedule, configuration control, and logistics support. In the event a prime contract flowdown requires the supplier to submit documentation or report information to Boeing or the customer, the submitted information/documentation should be sent to the Boeing Contract Representative.**

**1. Purchase Contract Terms and Conditions**

 The general provisions of this contract consist of selected FAR provisions, Government agency clauses (DFARS/NFS/NRO/etc.) and special provisions. Incorporate the appropriate GP-series General Provisions. Incorporate clause H202 to incorporate the Customer Contract Requirements (CCR). In addition, incorporate clause H203 in PCs for commercial items as defined in FAR Part 2. The GP-series General Provisions and the CCR meet customer contract requirements except as may otherwise be noted below. (NOTE: If required, include clause H900 in accordance with the clause-applicability statement for H900.)

2. Advance Notification and/or Consent to Issue

The prime contract incorporates FAR 52.244-2, Subcontracts (OCT 2010), WITHOUT Alternate I and paragraph (d) does not list any subcontracts requiring consent; therefore, there are no advance notification or consent requirements.

**3. Intellectual Property Provisions**

**3.1 Patent Rights**

 The prime contract incorporates DFARS 252.227-7038, Patent Rights ‑ Ownership by the Contractor (Large Business). A subcontract for experimental, developmental or research work awarded to other than a small business concern is subject to DFARS 252.227-7038. A subcontract for experimental, developmental or research work awarded to a small business concern or nonprofit organization is subject to FAR 52.227‑11, Patent Rights - Ownership by the Contractor.

The prime contract incorporates FAR 52.227-10, Filing of Patent Applications - Classified Subject Matter. A subcontract where the nature of the work reasonably might result in a patent application containing classified subject matter is subject to FAR 52.227-10.

 All subcontracts for experimental, developmental or research work awarded to large or small business concerns or non‑profit organizations shall specify that the subcontract involves experimental, developmental or research work. Every subcontractor who performs experimental, developmental or research work will be required to submit periodic patent reports to the Government. To implement these requirements, include Clause I000 in all applicable solicitations and PCs. Clause I000 instructs suppliers to contact Boeing for the name and address of the Contracting Officer. Contact the Boeing Contract Representative to obtain the name and address of the Contracting Officer.

 Provide notification to the ACO and the Boeing Patent Analyst in accordance with PRO-5052 and BPI-650.

 Refer to PRO-5052 and BPI-650 for further information and guidance.

**3.2 Data Rights**

 The data rights provisions in this prime contract are included in the general terms and conditions, in Customer Contract Requirements or are specified in this PCS.

**4. Certifications**

**4.1 Truth in Negotiations Act (TINA)**

 The prime contract includes FAR 52.215‑12, Subcontractor Certified Cost or Pricing Data. In implementing the requirements of this clause, include clause A701 in all solicitations expected to exceed the cost or pricing data threshold. The dollar threshold for compliance with these requirements is $750,000.

 When cost or pricing data is required, the procurement agent must obtain a Certificate of Current Cost or Pricing Data. Refer to PRO-1655 and BPI-639 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 $750,000 are subject to Cost Accounting Standards. Use Clause A700 in all solicitations expected to exceed the CAS threshold. Use [Form X31631](http://forms.boeing.com/detail.cfm?fnum=X31631) for the certification (form can be found in BPI-614).

Unless exempt, the subcontract must include one of the following CAS clauses:

 If the supplier is subject to full coverage (FAR 52.230-2), use clause H001.

 If the supplier is subject to modified coverage (FAR 52.230-3), use clause H002.

 If the supplier is an educational institution (FAR 52.230-5), use clause H004.

 If the supplier is a foreign concern subject to CAS coverage (FAR 52.230-4), use clause H007.

 Within 30 days after award of each subcontract that includes H001, H002, H004, or H007 send a completed X32738, Notice of Cost Accounting Standards (CAS) – Covered Award, to the Cognizant Federal Agency Official (CFAO). (Some sites have arranged with the CFAO to fulfill this requirement by use of a consolidated report.)

Refer to BPI-614 for further information and guidance.

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

 The 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 $35,000 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 comply with their local site requirements regarding the certification required by this FAR clause. Contact the Procurement/Subcontract Advisor for further guidance if a supplier fails or refuses to execute the designated certification. Refer to BPI-641 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 $150,000 and that FAR 52.203‑12 be included in all subcontracts over $150,000. This Certification, which is included in SP1 Representations and Certifications, 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. Refer to PRO-1626 and BPI-641 for further information and guidance.

**4.5 Combating Trafficking in Persons**

 The prime contract includes FAR 52.222-50, Combating Trafficking in Persons (MAR 2015). Include clause A717 and X37101 CERTIFICATION REGARDING COMBATING TRAFFICKING IN PERSONS and clause A719 and X37384 FOREIGN CONTENT in all solicitations. **NOTE:** X37101 is required **PRIOR TO AWARD**. If the Supplier returns a completed X37101 with their proposal and is subsequently awarded the contract, the certification is required to be updated annually, throughout the performance period of the contract via Boeing’s On-Line Annual Representations and Certifications in BEST.

**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 $700,000 including firm options prices, the procurement agent must obtain a Small Business Subcontracting Plan or an X31162, Small Business Subcontracting Plan Certificate of Compliance, from the supplier indicating that the supplier is in full compliance with the requirements of FAR 52.219‑9. Include clause A709 in the solicitation in order to obtain the required certification from the supplier prior to issuance of any purchase contract. Refer to Procedure PRO-5181 for further information and guidance. (If the prime contract includes FAR 52.244-6, the requirements of this paragraph are not applicable to procurements for commercial items as defined FAR Part 2.101.) (See Individual Subcontracting Plan, attached.)

**Note:** The prime contract includes DFARS 252.219-7003. Paragraph (g) of the clause requires that Boeing notify the ACO in writing of any substitution of small business firms it has specifically identified in its Individual Subcontracting Plan (ISP) with firms that are not small business firms.  The ISP supporting this effort is attached to the PCS in PDF format.  Click on this document to identify whether it specifically identifies small business firms. If the document does identify small business firms and a substitution is being made to one or more firms that are not small business firms, the procurement agent must notify the Boeing Contract Representative (CA) to facilitate compliance with the notification requirement to the ACO.  If alternate small or diverse sources are needed, contact Supplier Diversity (Assigned BU Small Business Liaison Officer (SBLO)) for assistance.

**5.2 Equal Opportunity**

 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. Refer to POL-5 and BPI-641 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, include Clause A012 in all RFQ's issued under this prime contract.

**6. Government Property**

**6.1 Special Tooling**

 N/A

**6.2 Special Test Equipment**

 N/A

**6.3 Government Furnished Property**

 N/A

**6.4 Government Property Installation Operation Services**

 N/A

**7. Foreign Procurements**

**7.1 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 PRO-6178 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, Sweden, Switzerland, Turkey and the United Kingdom of Great Britain and Northern Ireland.

**8. Contract Financing**

**8.1 Progress Payments**

N/A

**8.2 Performance Based Payments**

 N/A

**9. Security and Classified Data**

**9.1 Security Classification**

 The prime contract may require the procurement of classified items. Include clause A705 in all RFQs that require the use of classified data or information by the supplier, and comply with the Corporate Security Manual. Refer to PRO-1877 and BPI-620 for further information and guidance.

**10. Commercial Items and Commercial Components**

 The prime contract includes FAR 52.244‑6, Subcontracts for Commercial Items. If the goods purchased under the contract qualify as a commercial item in accordance with PRO-4605, include clause H203 in the purchase contract.

**11. Other Customer Contract Requirements**

**11.1 Acquisition Restriction Clauses**

The prime contract incorporates 252.225-7007 Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies. This clause requires that “any supplies or services covered by the United States Munitions List that are delivered under this contract may not be acquired, directly or indirectly, from a Communist Chinese military company.” Buyers should not award subcontracts to Communist Chinese military companies. Buyers should notify the Contract Representative if a supplier indicates that it will be subcontracting with a Communist Chinese military company.

The prime contract incorporates 252.225-7008 Restriction on Acquisition of Specialty Metals. This clause requires that “any specialty metal delivered under this contract shall be melted or produced in the United States or its outlying areas.” Buyers should notify the Contract Representative if a supplier indicates that it cannot or is unwilling to comply with the requirements of this clause. Buyers that are making direct purchases of metals should become with familiar with the details of this clause.

The prime contract incorporates 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals. This clause requires that “except as provided in paragraph (c) of this clause, any specialty metals incorporated in items delivered under this contract shall be melted or produced in the United States, its outlying areas, or a qualifying country.” Buyers should notify the Contract Representative if a supplier indicates that it cannot or is unwilling to comply with the requirements of this clause.

The prime contract incorporates 252.225-7012 Preference for Certain Domestic Commodities. This clause requires that a wide variety of commodities (e.g., food, tents and structural components of tents, spun silk yarn for cartridge cloth, wool, etc.) delivered under this contract, “either as end products or components, . . . have been grown, reprocessed, reused, or produced in the United States.” Buyers should notify the Contract Representative if a supplier indicates that it cannot or is unwilling to comply with the requirements of this clause.

The prime contract incorporates 252.225-7016 Restriction on Acquisition of Ball and Roller Bearings. This clause requires that all ball and roller bearings and roller bearing components delivered under this contract, either as end items or components of end items, shall be wholly manufactured in the United States, its outlying areas, or Canada. This restriction does not apply to ball or roller bearings that are acquired as: (1) Commercial components of a noncommercial end product; or (2) Commercial or noncommercial components of a commercial component of a noncommercial end product. If ball or roller bearings are components of a procurement and the supplier indicates that it cannot or is unwilling to comply with the requirements of this clause, buyers should notify the Contract Representative.

**11.2 Limitation on Pass-Through Charges**

The prime contract incorporates FAR 52.215-23, Limitation on Pass-Through Charges. Clauses A001 and A716 include a requirement for the supplier to include information regarding excessive pass-through charges in its proposal. Forward any information the supplier provides regarding pass-through charges to Contracts.

**11.3 Political Contributions, Fees, and Commissions**

The prime contract is a foreign military sales (FMS) contract. For U.S. suppliers, include clause H126 (1) in solicitations where the PC value is expected to have a value of $500,000 or more and (2) in PCs that have a value of $500,000 or more. For foreign suppliers, SP3, article 5, has the required language; therefore, H126 is not required or appropriate in solicitations or PCs with foreign suppliers. See BPI-651 for reporting requirements for political contributions, fees, and commissions.

**11.4 Performance Outside the United States and Canada**

The prime contract incorporates DFARS 252.225-7004, Report of Intended Performance Outside the United States and Canada – Submission After Award. Paragraph 21 in A001 instructs bidders to provide the required information.

**11.5 Prime Contract Provisions Containing Relief for Boeing**

For purposes of completing Risk Management Form X34613, the prime contract incorporates the following:

52.228-7 Insurance - Liability to Third Parties (MAR 1996)

52.245-1 Government Property (APR 2012)

52.245-9 Use and Charges (APR 2012)

52.246-23 Limitation of Liability (FEB 1997)

52.246-24 Limitation of Liability – High-Value Items (FEB 1997)

52.246-25 Limitation of Liability – Services (FEB 1997)