

IDS Terms and Conditions Guide
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ADDITIONAL GENERAL PROVISIONS

The following terms and conditions are in addition to the terms and conditions in GP1, The Boeing Company General Provisions (Fixed Price Contract), GP2, The Boeing Company General Provisions (Fixed Price Services Contract), GP3, The Boeing Company General Provisions (Labor Hour/Time & Material Contract), and GP4, The Boeing Company General Provisions (Cost Reimbursement Contract Under Government Prime Contract). In some cases, they modify or supplement terms and conditions with the same or similar titles as in GP1, GP2, GP3 or GP4.

1. BUYER'S USE OF DATA AND INFORMATION

(This article applies only if this contract is issued under a Government prime contract or subcontract.)

Seller agrees that any data such as drawings, instructions, or information furnished to Buyer in connection with this contract will be free from confidential, proprietary, or restrictive-use markings, other than statutory patent, copyright, U.S. Government security notices, or properly applied restrictive legends permitted by appropriate FAR, Department of Defense FAR Supplement (DFARS), or NASA FAR Supplement clauses incorporated herein. Buyer, its agents, or its assignees may duplicate or use such documents in connection with the manufacture, use, or disposition of the material furnished under this contract and may remove, obliterate, or ignore any such marking as may be on such documents unless such markings are specifically permitted by applicable FAR, DFARS, or NASA FAR Supplement clauses. Except as may be otherwise provided in this contract, all information and data disclosed or furnished to Buyer in connection herewith will be deemed to be disclosed or furnished as part of the consideration for this contract, and Seller agrees not to assert any claims (except claims for patent infringement) by reason of any use, duplication, or disclosure thereof.

2. PRECEDENCE

All documents and provisions in this contract shall be read so as to be consistent to the extent practicable. In the event various parts of this contract are inconsistent, the following order of precedence shall apply: (i) special terms and conditions; (ii) those terms and conditions from the IDS Common Terms and Conditions Guide that are incorporated in this contract by reference, including customer contract requirements; (iii) specifications; (iv) all other attachments, exhibits, appendices, etc. incorporated by reference. Buyer's specifications will prevail over any subsidiary documents referenced therein. Seller will not use any specification in lieu of those contained in this contract without the written consent of Buyer's Authorized Procurement Representative.

3. SUBCONTRACTING

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(This article applies only if this contract is a subcontract under a U.S. Government prime contract.)

Seller agrees that no subcontract placed under this contract will provide for payment on a cost-plus-a-percentage-of-cost basis.

4 BADGING REQUIREMENTS FOR FOREIGN PERSONS

(This article applies only if this contract requires Seller to work on facilities owned or controlled by Buyer or Buyer's customer.)

- a. An employee of Seller who is not a U.S. citizen and does not have a permanent-resident-alien "green" card on his or her person may not be admitted to Buyer's or Buyer's customer's facilities for purposes of performing work without special arrangements.
- b. If foreign persons are to be used for work at Buyer's or Buyer's customer's facilities, advance notice must be provided to Buyer's Authorized Procurement Representative at least three weeks prior to the scheduled need for access to Buyer's or Buyer's customer's facilities.
- c. The following specific information must be provided for each such foreign national:
 - (a) Complete name and address of employee;
 - (b) Company name and address;
 - (c) Contract number;
 - (d) Detailed description of employee's duties;
 - (e) Nationality;
 - (f) Date and place of birth (country of origin);
 - (g) Passport number and expiration date;
 - (h) Employment authorization and/or work permit number issued by the Immigration and Naturalization Service;
 - (i) Access requirements (i.e., facility locations, building number(s), controlled access areas, automated information systems, etc.), and

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- (j) Duration of need for access to Buyer's or Buyer's customer's facilities.
- d. Buyer's Authorized Procurement Representative will make arrangements for appropriate badging for Seller's foreign national employees, or will notify Seller if unescorted access is denied or delayed.
- e. Seller agrees that it will not employ for the performance of work at Buyer's or Buyer's customer's facilities any individuals who are not legally authorized to work in the United States.
- f. Nothing in this clause shall be construed as requiring or encouraging violation of the labor laws of the United States, including without limitation, those pertaining to equal employment opportunity.

5. SECURITY REQUIREMENTS FOR ACCESS TO PREMISES OWNED OR CONTROLLED BY BUYER OR THE GOVERNMENT
(This article applies only if this contract requires Seller to work on facilities owned or controlled by Buyer or Buyer's customer.)

All employees, agents, and representatives of Seller or its subcontractors who are expected to enter premises owned or controlled by Buyer or the Government are required to provide Buyer's Security personnel with proof of citizenship. Examples of original documents that are considered satisfactory are U.S. Birth Certificates, U.S. Passports, Certificates of Naturalization, Alien Registration Receipt Card (with photograph), and/or other evidence of citizenship satisfactory to Buyer before being allowed access to Buyer's premises. All such employees, agents, and representatives are bound by the provisions of the United States Criminal Code relating to espionage and sabotage and will conform to the standards and requirements established by the Government and Buyer's Security. Seller will submit the name and birth certificate and/or other satisfactory evidence of citizenship of each such employee, agent, or representative prior to the time for reporting for work. Selected positions and assignments of Seller's employees may require a security clearance.

6. SAFEGUARDS
(This article applies only if this contract requires Seller to work on facilities owned or controlled by Buyer or Buyer's customer.)

If this contract requires work to be performed on property owned or controlled by Buyer or the Government, Seller will provide suitable and adequate protection of the work, property adjacent to the work, and persons in the immediate vicinity of the work.

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7. INDEMNIFICATION, INSURANCE, AND PROTECTION OF PROPERTY
(This article applies only if this contract incorporates GP1 or GP4 and requires Seller to work at a Boeing site.)
- a. Indemnification Negligence of Seller or Subcontractor. Seller shall indemnify and hold harmless The Boeing Company, its subsidiaries, and their directors, officers, employees and agents from and against all actions, causes of action, liabilities, claims, suits, judgments, liens, awards, and damages, of any kind and nature whatsoever for property damage, personal injury, or death (including without limitation injury to or death of employees of Seller or any subcontractor thereof) and expenses, costs of litigation and counsel fees related thereto or incident to establishing the right to indemnification, arising out of or in any way related to this contract, the performance thereof by Seller or any subcontractor thereof or other third parties, including, without limitation, the provision of services, personnel, facilities, equipment, support, supervision or review. The foregoing indemnity shall apply only to the extent of the negligence of Seller, any subcontractor thereof, or their respective employees. In no event shall Seller's obligations hereunder be limited to the extent of any insurance available to or provided by Seller or any subcontractor thereof. Seller expressly waives any immunity under industrial insurance, whether arising out of statute or source, to the extent of the indemnity set forth in this paragraph (A).
 - b. Commercial General Liability. If Seller or any subcontractor thereof will be performing work on Buyer's premises, Seller shall carry and maintain, and ensure that all subcontractors thereof carry and maintain, throughout the period when work is performed and until final acceptance by Buyer, Commercial General Liability insurance with available limits of not less than one million dollars (\$1,000,000) per occurrence for bodily injury and property damage combined. Such insurance shall contain coverage for all premises and operations, broad form property damage, contractual liability (including, without limitation, that specifically assumed under paragraph (A) herein) and goods and completed-operations insurance with limits of not less than one million dollars (\$1,000,000) per occurrence for a minimum of 24 months after final acceptance of the work by Buyer. Such insurance shall not be maintained on a per-project basis unless the respective Seller or subcontractor thereof does not have blanket coverage.
 - c. Automobile Liability. If licensed vehicles will be used in connection with the performance of the work, Seller shall carry and maintain, and ensure that any subcontractor thereof who uses a licensed vehicle in connection with the performance of the work carries and maintains, throughout the period when work is performed and until final acceptance by Buyer, Business Automobile Liability insurance covering all vehicles, whether owned, hired, rented,

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borrowed or otherwise, with available limits of not less than one million dollars (\$1,000,000) per occurrence combined single limit for bodily injury and property damage.

- d. **Workers' Compensation.** Throughout the period when work is performed and until final acceptance by Buyer, Seller shall, and ensure that any subcontractor thereof shall, cover or maintain insurance in accordance with the applicable laws relating to Workers' Compensation with respect to all of their respective employees working on or about Buyer's premises. If Buyer is required by any applicable law to pay any Workers' Compensation premiums with respect to an employee of Seller or any subcontractor, Seller shall reimburse Buyer for such payment.
- e. **Certificates of Insurance.** Prior to commencement of the work, Seller shall provide for Buyer's review and approval certificates of insurance reflecting full compliance with the requirements set forth in paragraphs (B) Commercial General Liability, (C) Automobile Liability, and (D) Workers' Compensation. Such certificates shall be kept current and in compliance throughout the period when work is being performed and until final acceptance by Buyer, and shall provide for 30 days advance written notice to Buyer in the event of cancellation. Failure of Seller or any subcontractor thereof to furnish Certificates of Insurance, or to procure and maintain the insurance required herein or failure of Buyer to request such certificates, endorsements or other proof of coverage shall not constitute a waiver of the respective Seller's or subcontractor's obligations hereunder.
- f. **Self-Assumption.** Any self-insured retention, deductibles and exclusions in coverage in the policies required under this article shall be assumed by, for the account of and at the sole risk of Seller or the subcontractor which provides the insurance and to the extent applicable shall be paid by such Seller or subcontractor. In no event shall the liability of Seller or any subcontractor thereof be limited to the extent of any of the minimum limits of insurance required herein.
- g. **Protection of Property.** Seller assumes, and shall ensure that all subcontractors thereof and their respective employees assume, the risk of loss or destruction of or damage to any property of such parties whether owned, hired, rented, borrowed, or otherwise. Seller waives, and shall ensure that any subcontractor thereof and their respective employees waive, all rights of recovery against Buyer, its subsidiaries and their respective directors, officers, employees and agents for any such loss or destruction of or damage to any property of Seller, any subcontractor or their respective employees.

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h. At all times Seller shall, and ensure that any subcontractor thereof shall, use suitable precautions to prevent damage to Buyer's property. If any such property is damaged by the fault or negligence of Seller or any subcontractor thereof, Seller shall, at no cost to Buyer, promptly and equitably reimburse Buyer for such damage or repair or otherwise make good such property to Buyer's satisfaction. If Seller fails to do so, Buyer may do so and recover from Seller the cost thereof.

8. **ELECTRONIC SUBMITTAL OF QUALITY-RELATED DOCUMENTATION**
(This article applies only if Seller has access to the S&C Supplier Portal.)

Seller shall, prior to shipment and via the Supplier Portal, provide Buyer contract-required quality-related documentation for Buyer's review and acceptance.

9. **FINANCIAL DATA**

(This article applies only if this contract exceeds \$250,000 and has a period of performance of more than one year.)

If requested, Seller shall provide financial data, on a quarterly basis, or as requested to the Boeing Corporate Credit Office for credit and financial condition reviews. Said data shall include but not be limited to Balance Sheets, schedules of accounts payable and receivable, major lines of credit, creditors, Statements of Income (profit and loss), Statements of Cash Flow, firm backlog, and headcount. Copies of such data are to be made available within 72 hours of any written request by Boeing's Corporate Credit Office. All such information shall be treated as confidential.

10. **ETHICAL BUSINESS CONDUCT**

(This article applies only if this contract requires Seller's employees to work on Buyer's premises for extended periods of time.)

Seller will ensure that its employees performing under this contract comply with Boeing's Ethical Business Conduct Guidelines. The Guidelines are available at the following Internet address:

<http://www.boeing.com/companyoffices/aboutus/ethics/index.htm>

A hardcopy of the Guidelines will be provided upon request.

11. **FOREIGN SUPPLIER REPORTING**

(This article applies only if this contract exceeds \$500,000 and Seller is a domestic supplier.)

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In accordance with the Offset Credits article of Buyer's General Provisions, Seller shall:

- a. Immediately notify Buyer's Authorized Procurement Representative of potential foreign procurements where a request for quotation has been issued to a foreign supplier or a proposal has been received from a foreign supplier.
- b. Submit a quarterly report identifying awards and pending awards to foreign suppliers.
- c. Include the following information for each award and pending award in the quarterly report:
 - (1) Buyer's purchase contract number and a point of contact within Seller's company (name and telephone number);
 - (2) Name of foreign company;
 - (3) Address of foreign company;
 - (4) Foreign company point of contact (name, telephone, and FAX number);
 - (5) Part number(s) or description of product(s) and service(s) to be provided;
 - (6) Seller's order number;
 - (7) Anticipated award date (upon receipt of offer or issuance of solicitation to foreign firm);
 - (8) Estimated U.S. dollar value for pending awards;
 - (9) Date of award (if a contract change, indicate change number, and date change was issued);
 - (10) Actual U.S. dollar value for awarded contracts;
 - (11) Quantity and unit of measure, and
 - (12) Comments, if any.
- d. Negative reports are not required.

12. ITAR Registration Requirements

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Seller shall comply with International Traffic in Arms Regulation §122.1, Registration requirements.

13. EXPORT LICENSING INFORMATION/OFFSHORE PROCUREMENT

a. This contract, including any attachments or exhibits hereto, may contain information which is subject to the International Traffic in Arms Regulations (ITAR) or Export Administration Regulations (EAR) which may not be released to foreign concerns or foreign persons either inside or outside the United States without first obtaining the proper export authority. Seller shall obtain an export license pursuant to the requirements set forth herein for any items that Seller either manufactures or subcontracts outside the U.S or before allowing access to any technical data by a foreign person in the United States. If Seller is a "Foreign Person" (as defined by the International Traffic in Arms Regulations [ITAR] reference 22 CFR Sub-chapter M) the Seller shall, upon request of Buyer's Procurement Agent and without additional cost, provide such information as may be necessary to support Buyer's application for export license(s) covering any items ordered from Seller hereunder.

b. This Contract may contain defense related technical data. Buyer has obtained, or will obtain, the approval of the U.S. Government to furnish to Seller the data, and any other items hereunder requiring such approval, which are necessary for Seller to perform this Contract. U.S Government approval is based upon the following ITAR requirements with which Seller agrees to comply:

(1) Seller shall use the technical data furnished by Buyer only in the manufacture of defense articles in accordance with this Contract.

(2) Seller shall not disclose or provide technical data furnished by Buyer to any person except authorized U.S. citizen, intending citizen, permanent resident alien (immigrant alien). If Seller is a "Foreign Person," it may also disclose or provide technical data furnished by Buyer to its employees who are citizens of the same country and qualified subcontractors in the same country which require the data in performance of the subcontracts.

(3) Seller shall not disclose or provide technical data furnished by Buyer to any foreign person either in the U.S. or abroad unless obtaining prior authorization directly from the U.S. Department of State Office of Defense Trade Controls (ODTC). ITAR defines a "foreign person" as any person who is not a U.S. citizen, permanent resident alien, or a protected individual as defined by 8 USC 1324B(a)(3). Foreign person also means a foreign corporation (corporation not incorporated in the U.S.), foreign government, and any agency or subdivision of foreign governments (i.e. diplomatic mission).

(4) Seller shall not acquire any rights in the data furnished by Buyer except to use it in the performance of this Contract. Seller also shall not convey to its qualified subcontractors any greater rights in the data than Seller has. Seller's qualified subcontractors shall only have the right to use the data as required in performance of their subcontracts.

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(5) Seller shall deliver the defense articles manufactured in accordance with this Contract only to Buyer or to the U.S. Government.

(6) Upon completion or termination of this Contract, Seller shall destroy or return to Buyer all technical data furnished to Seller by Buyer pursuant to this Contract. At Buyer's election, Buyer may direct Seller to return or destroy the data and may require Seller to certify in writing that Seller has complied.

(7) Seller shall impose these requirements, (1) through (7), suitably revised to identify the parties properly, on all of its subcontractors to which Seller intends to furnish technical data provided by Buyer for use by the subcontractors in performance of the subcontracts.

14. BUYER APPROVALS

Seller agrees that any and all Buyer approvals of Seller's technical and quality specifications, drawings, plans, procedures, and reports shall neither relieve Seller from Seller's obligations to perform all of the requirements of this contract nor be used as conclusive evidence of Seller compliance with such requirements.

15. BAR CODING REQUIREMENTS

a. Seller shall provide bar coded shipping labels, pursuant to Information Technology Standard MRC 3.301-1, on all goods, items and packages shipped to Buyer hereunder.

b. Determination of payment due date, as set forth elsewhere in this contract, will also be based on the receipt by Buyer of correct bar coded shipping labels pursuant to paragraph a above.

16. CITIZENSHIP REQUIREMENTS

a. Employees of Seller who perform services under this Contract on the premises of Buyer shall be citizens of the United States of America (U.S.A.), its possessions or territories, in instances when the performance of such services requires Secret or Top Secret security classifications. If any employee of Seller who performs services on Buyer premises under this Contract is not a citizen of the U.S., its possessions or territories, and the performance of such services requires a Company Confidential security classification, Seller shall contact the cognizant Buyer Purchasing Representative prior to allowing said employee to perform such services. Following necessary coordination within Buyer, the Buyer Purchasing Representative shall provide specific instructions to Seller. When the performance of work on Buyer premises does not require a security clearance above, Seller shall bear exclusive responsibility for providing employees who are qualified under the Immigration Reform and Control Act ("IRCA") and who have completed an I-9 Form.

b. Upon the request of Buyer, Seller shall submit proof of citizenship or employment eligibility status to Buyer for each employee covered by Subparagraph a. who shall perform services under this Contract on the premises of Buyer. Examples of documents

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that may be considered satisfactory are birth certificates, U.S. passports, U.S. naturalization papers, and green cards issued by the U. S. Department of Immigration and Naturalization. Consistent with IRCA, the order of presentment of such documents shall be the sole prerogative of Seller's employees. If these documents are not available, a compilation of other evidence may suffice. Upon acceptance of proof of citizenship or employment eligibility, Buyer may issue identification badges or cards to employees of Seller.

c. Should Seller fail to comply with this Clause, Buyer may, at its option, terminate this Contract for default in accordance with Article 9 hereof. An example of such failure would be the submittal of falsified proof of citizenship or employment eligibility.

17. DISPOSITION OF NONCONFORMING MATERIAL

Nothing herein or in other parts of the contract shall be construed as granting the Seller the authority to make repairs, or accept without repair any nonconformance condition which adversely affects fit, form, function, safety, weight, maintainability or appearance (where a factor), of products to be applied to the contract.

It shall be Seller's continuing obligation to advise Buyer's Purchasing Representative in the event Seller discovers potential or actual nonconformances prior to or during manufacture, and/or subsequent to delivery of goods under this Contract. Seller must provide written notice within twenty-four (24) hours of discovery using:

a. for goods procured under this contract for military program application (C-17, B-1B etc.), Buyer's Form MD-1898, Request for Deviation/Waiver, in accordance with MIL-STD-973, Configuration Management, to seek concession from the Customer (Buyer) for use-as-is and repair dispositions, provided, however, those Sellers in the seven county Southern California area (Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara and Ventura Counties) shall contact Buyer's local source inspector in lieu of submitting Form MD-1898;

b. for goods procured under this Contract for other than military program application, (K/DC-10, MD-17, etc.) Buyer Form MD-7053, Supplier Information Request (SIR), or any similar format providing the same information.

18. REPRESENTATIONS AND CERTIFICATIONS

(This article applies only if this contract is a subcontract under a U.S. Government prime contract.)

This article includes representations and certifications that Buyer generally is required to obtain from Seller in order to comply with various provisions of its

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Government contracts. They have been stated in such a way as to allow Seller's acceptance of this contract to serve as representations and certifications that will present no bar to Buyer's award of this contract. If, upon receipt of a solicitation that precedes a contract that will incorporate these terms and conditions, Seller believes it is not prepared to make these representations and certifications, it will so notify Buyer as part of its response to the solicitation.

By the acceptance of this order, Seller makes the following representations and certifications:

a. Certification of Nonsegregated Facilities

- (1) "Segregated facilities," as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise.
- (2) Seller certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Seller agrees that a breach of this certification is a violation of the Equal Opportunity clause in the contract.
- (3) Seller further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will -
 - (A) Obtain identical certifications from proposed subcontractors before the award of contracts under which the subcontractor will be subject to the Equal Opportunity clause;
 - (B) Retain the certifications in the files; and
 - (C) Forward the following notice to the proposed subcontractors (except if the proposed subcontractors have submitted identical certifications for specific time periods).

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Notice to Proposed Subcontractors of Requirement for Certifications of

Nonsegregated Facilities.

A Certification of Nonsegregated Facilities must be submitted before the award of a subcontract under which the subcontractor will be subject to the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in bids is prescribed in 18 U.S.C. 1001.

b. Previous Contracts and Compliance Reports

Seller represents that:

- (1) It has participated in a previous contract or subcontract subject to the Equal Opportunity clause of this solicitation, the clause originally contained in Section 301 of Executive Order No. 10925, or the clause contained in Section 201 of Executive Order No. 11114.
- (2) It has filed all required compliance reports.
- (3) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained.

c. Affirmative Action Compliance (applicable if Seller has 50 or more employees)

Seller represents that:

- (1) If required to do so by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), it has developed and has on file a written Affirmative Action Compliance Program at each of its establishments, or
- (2) In the event such a program does not presently exist, and this contract is for \$50,000 or more, that it will develop and place in operation such a written Affirmative Action Compliance Program within 120 days from the award of this contract.

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- d. Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters

Seller certifies that, to the best of its knowledge and belief, it, or its principals, is not presently debarred, suspended, proposed for debarment, or ineligible from entering into contracts with the Executive Branch of the Federal Government.