



Boeing Commercial Airplanes (BCA) Terms and Conditions

1XXX - CONTRACT INFORMATION

NEW NO.	OLD NO.	REV NO.	CLAUSE TITLE/TEXT
10XX			SPECIAL TERMS & CONDITIONS
1001	505		MODIFICATIONS TO GENERAL TERMS AND CONDITIONS -- FOREIGN SUBCONTRACTORS
			The Clauses set forth in Form DAC 26-804, Modifications to General Terms and Conditions -- Foreign Subcontractors, are incorporated herein by reference. Said Form may be found in Section II of Form DAC 26-730.
1002	503**	072110	Deleted
1003	506**		GOVERNING LAW -- FOREIGN PROCUREMENTS
			The parties agree to exclude the application of the United Nations Convention on Contracts for the International Sale of Goods (1980).
1004	507**	072110	Deleted
1005	857**	072110	Deleted
1008	510	121600	APPLICABLE LAW AND FORUM
			<p>The Seller shall comply with following requirements and flowdown all applicable sections to its subcontractors:</p> <p>This Agreement is made and entered into in the State of California, and this Agreement and all disputes arising out of or relating thereto shall be governed by the laws of the State of California, without regard to any otherwise applicable conflict of law rules or requirements.</p> <p>Seller agrees that any action, suit, litigation or other proceeding (collectively "litigation") arising out of or in any way relating to this Agreement, or the matters referred to therein, shall be commenced exclusively in the Los Angeles County Superior Court or the United States District Court for the Central District of California, Western Division, and hereby irrevocably and unconditionally consent to the exclusive jurisdiction of those courts for the purpose of prosecuting and/or defending such litigation. Seller hereby waives and agrees not to assert by way of motion, as a defense, or otherwise, in any suit, action or proceeding, any claim that (a) Seller is not personally subject to the jurisdiction of the above-named courts, (b) the suit, action or proceeding is brought in an inconvenient forum or (c) the venue of the suit, action or proceeding.</p>
1010	850	072110	Deleted
1011	856**	072110	Deleted
1040	907		SOFTWARE LICENSE AGREEMENT

			The requirements as set forth in Form DAC 26-806, Software License Agreement, are incorporated herein by reference. The description of the Licensed Program, Designated Equipment and the location of the designated equipment is provided on the Purchase Order/Contract.
1045	901**		ELECTRONIC DATA INTERCHANGE
			The requirements set forth in Form DAC 26-914, Electronic Data Interchange Partner Agreement, are incorporated herein by reference. The referenced form may be found in Section III of Form DAC 26-730.
1050	909	121609	SPECIAL TOOLING ACCOUNTABILITY
			<p>The requirements set forth in Form DAC 26-807, Supplier Accountability Requirements for Special Tooling is hereby incorporated by reference.</p> <p>Seller hereby agrees to comply with the requirements of Form DAC 26-807 unless specifically modified or restricted under the terms of a particular purchase order/contract. (See Boeing commercial Airplanes (BCA) Terms and conditions for copies of the forms. Refer to http://www.boeingsuppliers.com/tc0692/.)</p> <p>This agreement applies to all Boeing, Long Beach Division special tooling while in seller's possession, custody or control, or in the possession, custody or control of seller's subcontractors.</p>
1065	902**	072110	Deleted
1070	243**		LABOR-HOUR AND TIME-AND-MATERIALS
			The requirements as set forth in Form DAC 26-890, Labor-Hour and Time-and-Materials Special Terms and Conditions, are incorporated herein by reference.
1080	910**	072110	Deleted
11XX			RIGHTS
1101	253	072110	RIGHT TO CANCEL ORDER
			Notwithstanding any other provision, Seller hereby agrees that Boeing may cancel this Purchase Order/Contract, in whole or in part, at any time up to and including the date specified on the Purchase Order/Contract where reference is made to this Clause, without charge to Boeing and/or the Government.
1110	882		PROPRIETARY RIGHTS, TECHNICAL DATA AND INVENTIONS
			<p>1. TITLE AND LICENSE RIGHTS</p> <p>a. Seller hereby grants to Boeing all right, title and interest in and to all inventions, works of authorship, improvements, developments, methods, processes, designs, software, technical information and data, manufacturing know-how and equipment, and other proprietary rights, whether or not patentable (all of which are hereinafter, individually and collectively called proprietary rights) first conceived, created or actually reduced to practice in the work performed under this contract.</p> <p>b. Boeing hereby grants to Seller a worldwide, royalty-free, nonexclusive and irrevocable license to use the aforesaid proprietary rights for any purpose other than to make for others goods which are substantially the same as made and furnished under this contract.</p> <p>c. Seller further grants to Boeing a nonexclusive, royalty-free, irrevocable, worldwide right and license under any of Seller's patents and to use any of Seller's proprietary information (including Seller's "manufacturing know-how") to the extent necessary to enable Boeing to make, or have made by others for it, use and sell goods furnished under this contract, unless otherwise agreed in</p>

			<p>writing by Boeing. Seller, at Boeing's written request, shall identify the patents and provide a description of its manufacturing know-how involved in the performance of this contract as may be necessary to enable Boeing to practice the rights granted herein.</p> <p>d. Seller further agrees to promptly disclose in writing any item reasonably appearing to be patentable and to execute or have executed any instruments of assignments, application papers and rightful oaths relating to the aforesaid proprietary rights, as may be required to enable Boeing to file and prosecute patent applications thereon in any country and to record title to such applications.</p> <p>e. Each document, article, design and other similar items relating to proprietary rights shall be appropriately identified to reflect ownership in Boeing and shall be furnished to Boeing. All designs, specifications and drawings that relate to proprietary rights shall be placed by Seller on Boeing formats and on no other and shall contain a proprietary rights notice indicating Boeing's ownership.</p> <p>2. FURNISHING OF DATA</p> <p>Seller agrees to furnish to Boeing (at no cost), at such times as may be directed by Boeing, the originals of all data originated by Seller under this contract and as to such of the data as may remain undelivered, these shall be furnished at the earlier of (1) the termination of this contract for default or (2) the completion of this contract.</p> <p>3. REPRODUCTION, USE AND DISCLOSURE RIGHTS</p> <p>Seller grants to Boeing the right to reproduce, use and disclose, for purposes as Boeing desires, all or any part of any report, drawing, specification, blueprint, technical information or data delivered or specified to be delivered to Boeing by Seller under this contract.</p>
1111	883		RIGHTS IN TECHNICAL DATA FOR PRODUCT CERTIFICATION/SIMULATION
			<p>Upon request, Seller shall provide Boeing at no additional charge, such existing technical data as Boeing deems necessary for Certification and Flight Training Simulation and Boeing may furnish such data to third parties for Certification or Flight Training Simulation. Seller's restrictive markings will be recognized by Boeing and imposed upon third parties, provided that such markings purporting to cover information already within a recipient's knowledge or which is obtainable from another source without restrictions or which for any reason is not protectable by law shall not be binding upon the recipient.</p> <p>Seller shall, in the alternative and upon Boeing's request, provide Boeing's aircraft customers or their designated simulator manufacturers at no extra charge, existing technical data pertaining to Seller's product and required for Certification or Flight Training Simulation. Seller and such third parties may enter into data exchange agreements as required to protect Seller's proprietary interests in such technical data.</p> <p>◆</p> <p>This Clause shall have precedence over any other Clauses herein relating to the transfer of Seller technical data and will be included in any subcontract placed by Seller.</p>
1112	881**	072110	Deleted
1120	864	072110	Deleted

1121	862	072110	Deleted
1125	917**		EXPERIMENTAL, DEVELOPMENTAL OR RESEARCH WORK
			Seller and Boeing agree that the effort required in this Purchase Order/Contract consists of experimental, developmental or research work. See the appropriate provisions in the General Terms and Conditions regarding patent rights.
1126	918**	072110	Deleted
1130	924**	072110	Deleted
1131	926**	072110	Deleted
12XX			NOTICES
1201	950**		MANDATORY PARTS MANUFACTURER AND OTHER APPROVALS
			The general terms and conditions of this Purchase Order/Contract contain a covenant which survives the performance of tendering the goods ordered under it. By accepting this order, Seller is obligated to perform the covenant.
13XX			WAIVERS
			RESERVED
14XX			WARRANTIES
1410	814**		RELIABILITY GUARANTEES
			<p>Seller shall provide reliability guarantees for Boeing acceptance. If the actual reliability values experienced in-service are less than the Seller guaranteed reliability values, the Seller shall, at its expense:</p> <ol style="list-style-type: none"> 1. Promptly conduct an analysis of the causes and determine or develop the corrective action required. 2. Submit corrective action recommendations for Boeing approval. 3. Implement corrective action as necessary on production units to upgrade the reliability to the required level. 4. Prepare and release service bulletins as required with Boeing coordination.
1420	910**	072110	Deleted
15XX			SECURITY
1501	824	072110	Deleted
1502	825		SELLER SECURITY REQUIREMENTS FOR ACCESS TO PREMISES
			Seller access to premises owned or controlled by Boeing in the performance of work hereunder shall be subject to prior approval of Boeing's Security Office. Seller further agrees to comply with Boeing security regulations manual and directions from Boeing security office.
1510	822		RETURN OF CLASSIFIED MATERIAL
			Final payment may not be made until return of all classified material furnished or developed under this Purchase Order/Contract, or until other disposition as authorized by Boeing.
16XX			CLAIMS
1601	875		NEGOTIATION OF TERMINATION CLAIM
			Termination claim to be negotiated in accordance with the termination for

			convenience Clause of the General Terms and Conditions.
1602	873		WAIVER OF TERMINATION CLAIM
			<p>1. Seller waives any claim against Boeing, known or unknown, arising directly or indirectly from performance of the terminated portion of this Purchase Order/Contract (which terminated portion is described herein) and from the termination thereof. Boeing releases Seller from any obligation to perform further work or make further deliveries under said terminated portion.</p> <p>2. If this Purchase Order/Contract, or any portion thereof, has been issued under a Government Prime Contract or Subcontract, Seller also waives any claim against the Government, known or unknown, arising directly or indirectly from performance of the terminated portion of this Purchase Order/Contract and from the termination thereof.</p>
1603	876		NEGOTIATION OF OBSOLESCENCE CLAIM
			Obsolescence claim to be negotiated. Seller certifies that the new unit price, if applicable, does not include obsolescence costs.
1604	874		RELEASE OF OBSOLESCENCE CLAIM
			Acknowledgment of this change advice releases Boeing and/or the Government, if this Purchase Order/Contract was issued under Government Management Risk Contract Funding or under a Government Prime Contract or Subcontract, from all obsolescence claims by the Seller in conjunction with this engineering change as shown herein.
17XX			PUBLIC LAWS
1701	848		COMPLIANCE WITH THE OCCUPATIONAL SAFETY AND HEALTH LAWS
			Seller warrants that the equipment and/or services for said equipment to be provided under this Purchase Order/Contract shall be, at the time of delivery or performance, in full compliance with all applicable federal, state and local statutes and regulations relating to health and safety. Seller further agrees to indemnify and hold harmless Boeing for all damages assessed against Boeing as a result of Seller's equipment or services noncompliance with such statutes and regulations.
1720	926**	072110	Deleted
18XX			ORDERING METHODS
1801	275**		RELEASE OF LIABILITIES (T&M/LH)
			<p>Unless otherwise prescribed in this Purchase Order/Contract, Boeing shall withhold five percent (5%) of the amounts due under Clause 1070, but the total amount withheld shall not exceed \$50,000. The amounts withheld shall be retained until the execution and delivery of a Release by Seller as provided in the paragraph below.</p> <p>Sellers and each assignee under an assignment entered into under this Purchase Order/Contract and in effect at the time of final payment under this Purchase Order/Contract, shall execute and deliver, at the time of and as a condition precedent to final payment under this Purchase Order/Contract, a Release discharging Boeing, its officers, agents, and employees of and from all liabilities, obligations, and claims arising out of or under this Purchase Order/Contract, subject only to the following exceptions:</p> <p>1. Specified claims in stated amounts, or in estimated amounts if the amounts are not susceptible of exact statement by Seller.</p>

		<p>2. Claims, together with reasonable incidental expenses, based upon the liabilities of Seller to third parties arising out of performing this Purchase Order/Contract, that are not known to Seller on the date of the execution of the release, and of which Seller gives notice in writing to the Boeing Purchasing Representative not more than two (2) years after the date of the release or the date of any notice to the Seller that Boeing is prepared to make final payment, whichever is earlier.</p>
1802	276**	<p>AVOIDANCE OF CONFLICTS IN CONTRACT TYPES</p> <p>While performing under this Purchase Order/Contract, Seller agrees that neither it nor any subcontractor will concurrently perform work for Boeing's benefit at the same Boeing location using the same skills and/or disciplines under the following conditions:</p> <ol style="list-style-type: none"> 1. If this is a lump sum type Purchase Order/Contract, then no concurrent work shall be undertaken pursuant to a Time-and-Materials or Labor-Hour type contract/subcontract. 2. If this is a Time-and-Materials or Labor-Hour type Purchase Order/Contract, then no concurrent work shall be undertaken pursuant to a Lump Sum type contract/subcontract. <p>Questions regarding the boundaries of an "Boeing location" shall be directed to the Boeing Purchasing Representative. Seller shall be responsible for requesting advice from Boeing to determine the existence of concurrent conflicting type contracts between Boeing and Seller's proposed subcontractors. Any contract in violation of the foregoing shall be voidable by Boeing at Boeing's election.</p>
1810	920**	<p>FAMILY PROCUREMENT ORDER -- MASTER (ATTACHMENT)</p> <p>Seller agrees that this order is one portion of a multi-part transaction awarded to Seller that was part of a single or coordinated solicitation effort on the part of Boeing. Regardless of the face value of this individual order, the terms and conditions applicable to the total dollar value of the entire transaction shall apply to the individual parts of the transaction. The Purchase Order/Contract numbers for all orders constituting this transaction are listed on the attachment which is identified on the face of this Purchase Order/Contract.</p>
1811	921**	<p>FAMILY PROCUREMENT ORDER -- MASTER (LISTING)</p> <p>Seller agrees that this order is one portion of a multi-part transaction awarded to Seller that was part of a single or a coordinated solicitation effort on the part of Boeing. Regardless of the face value of this individual order, the terms and conditions applicable to the total dollar value of the entire transaction shall apply to the individual parts of the transaction. The purchase order numbers for all orders constituting this transaction are listed on the face of this Purchase Order/Contract.</p>
1812	922**	<p>FAMILY PROCUREMENT ORDER -- MEMBER</p> <p>This Purchase Order/Contract is part of a multi-part transaction and is subject to Purchase Clause 1810 or 1811. A listing of all purchase orders which constitute the "family" transaction is given in conjunction with the purchase order referenced on the face of this order.</p>
1815	935**	<p>OPTIONS</p> <p>This Purchase Order/Contract includes an Option Agreement, which is incorporated herein by reference and attached hereto. All terms and conditions of this Purchase Order/Contract shall apply to all subsequent Purchase</p>

			Orders/Contracts exercising the option. Such subsequent Purchase Orders/Contracts shall reference this Purchase Order/Contract.
1820	914**		RELATED ORDERS
			This Purchase Order/Contract is related to one or more other Boeing Purchase Order(s)/Contract(s) for Boeing's internal administrative purposes only. See this Purchase Order/Contract for the listing of related orders.
1830	929**	072110	ORDER PURSUANT TO PRIOR AGREEMENT -- ORDER OF PRECEDENT
			<p>This Purchase Order/Contract utilizes the terms and conditions of a previously negotiated Purchase Order/Contract. It is awarded "pursuant to" those underlying terms and conditions and such additional general and special terms and conditions as may be specified in this Purchase Order/Contract. IF DAC 26-800, DAC 26-685, OR, GP1, WITH OR WITHOUT MODIFYING FORMS, IS CALLED OUT ON THE FACE OF THIS PURCHASE ORDER/CONTRACT, THE REFERENCE TO SAID FORMS SHALL BE DEEMED BY BOTH PARTIES TO BE INVALID AND UNENFORCEABLE.</p> <p>For purposes of this Purchase Order/Contract, the following order of precedence shall apply in the event of any inconsistency between the face of this Purchase Order/Contract, its attachments, its specifications, the terms and conditions of the previously negotiated Purchase Order/Contract, and attachments to the previously negotiated Purchase Order/Contract: (a) purchase clauses or quality clauses called out on the face of this Purchase Order/Contract; (b) terms and conditions written in full text on the face of this Purchase Order/Contract; (c) specifications applicable to this Purchase Order/Contract; (d) attachments to this Purchase Order/Contract incorporated herein by reference; (e) special terms and conditions called out by the previously negotiated Purchase Order/Contract; (f) general terms and conditions called out by the previously negotiated Purchase Order/Contract; (g) specifications applicable under the previously negotiated Purchase Order/Contract to the items ordered on this Purchase Order/Contract; and (h) all other attachments incorporated by reference into the previously negotiated Purchase Order/Contract. Boeing's specifications shall prevail over any subsidiary documents referenced therein. Seller shall not use any specification in lieu of those contained in this Purchase Order/Contract without written consent of Boeing's authorized Purchasing Representative.</p> <p>The Purchase Order/Contract number associated with the underlying terms and conditions, which terms and conditions are incorporated herein by this reference, is identified on the face of this Purchase Order/Contract where this clause is referenced.</p>
19XX			MISCELLANEOUS
1901	916**		INSURANCE
			If, in the performance of this Purchase Order/Contract, Seller's employees, with or without equipment, are required to enter the premises owned or controlled by Boeing or the Government, Seller shall maintain Workmen's Compensation, Comprehensive Public Liability and Property damage including Automobile Public Liability and Property Damage coverage in amounts, form and with carriers satisfactory to Boeing, and shall on request provide certificates covering such insurance with, or shall submit for inspection such policies to Boeing.
1910	925**		SUPERVISION AND REMOVAL OF SELLER'S PERSONNEL
			1. The Seller, in performance of this Purchase Order/Contract, shall be responsible for selecting personnel who are well qualified to perform the required services, for supervising his personnel and for keeping them informed of all improvements, changes and methods of operation.

			2. Boeing may direct the Seller to remove, and the Seller shall remove, any employee from assignment to performance of any services under this contract for reasons of security or misconduct.
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			3. When the reason for the removal request is due solely to misconduct on the part of the employee, replacement shall be at the Seller's expense.
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*New Clause, no corresponding Clause number assigned under "old" scheme.

**New Clause, "old" number assigned for Boeing internal use only.

***Clause not published in 1/87 edition of DAC 26-730, but was applied as a full text attachment to purchase orders.

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