

**CODE 81-1**  
**PURCHASED LABOR PROVISIONS**

I. General

Buyer will furnish sufficient materials or components to permit Seller to fabricate, process and deliver the quantity of articles required by this contract.

II. Material

- A. Seller will return the materials or components in as good condition as when received, except for reasonable wear and tear or for the utilization of the property in accordance with the provisions hereof.
- B. Should Seller, during performance of this contract, lose or damage any materials or components furnished by Buyer, Seller will immediately notify Buyer. Upon receipt of such notification, Buyer will, to the extent available, furnish replacement materials or components. If Buyer is unable to furnish additional materials or components, Seller will be notified accordingly. In either event, Seller's account will be debited with the replacement cost of the materials and/or components which were lost or damaged. With respect to materials, the term "cost" shall be understood to include the base cost of the materials, plus handling and transportation costs incurred by Buyer. The term "cost", as applied to components, shall be understood to mean the reasonable value of all costs relating thereto, including, but not limited to, materials, direct labor, burden, handling and transportation costs incurred prior to delivery to Seller.
- C. Unless otherwise specified in this contract, the fixed-price for items set forth therein includes allowances for scrap by-products normally generated in fabrication or processing of the parts as ordered, and these scrap by-products, such as trimmings, turnings, chips, borings, etc., will be retained by Seller and disposed by him for his account. Excess materials other than trimmings, turnings, chips, borings, etc., shall be returned to Buyer.

III. Inspection Gages and Perishable Tools

For performance of this contract, it shall be the responsibility of Seller to furnish all inspection gages and perishable tools other than those which may be specified in Buyer's contract.

IV. Buyer-Furnished Special Tooling

Buyer shall furnish Seller with only those special dies, tools, jigs, fixtures, master tooling and drawings specified in this contract. In the event dimensional differences exist between such Buyer-furnished items, the difference shall be immediately brought to the attention of Buyer. Seller shall make no changes or alterations to such Buyer-furnished items except to the extent and in accordance with Buyer's prior written instructions. Buyer shall not be in default nor liable for breach of contract by reason of any delay in delivery of such Buyer-furnished items or delivery thereof in a condition not suitable for their intended use.

When related design drawings, layout drawings or other requirements call for a "to match" condition or indicate a requirement for matching mold line surfaces, Seller will be governed by the master tooling furnished hereunder. In the event required master tooling is not furnished to fulfill these requirements, Seller shall immediately notify Buyer by telephone or wire and shall not perform any further work under this contract unless authorized by Buyer.

#### V. Inspection

The following paragraph will supplement the article titled "Inspection" appearing, in the terms and conditions of this contract.

Articles inspected at Buyer's plant which are found to be defective and which cannot be reworked will be reported to Seller either by telephone or in writing. In the event such notification is by telephone, Buyer will subsequently confirm notification in writing. Defective articles will be retained by Buyer for a period of days from the date of such notification, during which Seller may examine the defective articles. If such articles are not examined by Seller within said period, they shall be conclusively deemed defective and not reworkable, and may thereafter be defaced or destroyed by Buyer, and Seller's account debited accordingly. Buyer shall make available at Buyer's plant for return to Seller any salvageable materials furnished by Seller and incorporated in said defective articles; provided, however, if Seller does not claim such materials and remove same within \_\_\_\_\_ days from the date of such notification, Buyer may make such disposition thereof as Buyer deems appropriate without liability of any kind to Seller. In addition, Buyer shall have the right, at its option, in lieu of returning said salvageable materials, to pay the salvage value thereof to Seller. The provisions of this code concerning inspection do not relieve the Seller of the obligation to inspect materials and components when received from Buyer, as well as completed articles prior to shipment to Buyer to assure compliance with the requirements of this contract.

#### VI. Processing

All processes required by this contract will be performed by a processor listed in Buyer's publication "Certified Special Processors List", as amended. Seller will maintain for inspection by Buyer evidence indicating that all processes were performed by an approved source and in accordance with the applicable specifications.

#### VII. Repair or Rework

Repair or rework beyond tolerances permissible under related specifications or drawings, including such operations as peening of holes, straightening or welding of castings and forging, etc., will not be performed by Seller unless authorized by Buyer. If authorization is granted, materials, if required for repair or rework by Seller, will be obtained from sources furnished by Buyer. A copy of chemical and/or physical test reports for such material or other evidence of conformance to specifications will be retained on file at Seller's facility for inspection by Buyer.

**THE FOLLOWING QUALITY REQUIREMENTS ARE NOT APPLICABLE IF THE PROVISIONS OF BUYER'S QUALITY ASSURANCE SPECIFICATION ST0802GTOO02 ARE INCORPORATED ELSEWHERE IN THIS CONTRACT.**

VIII. Certificate of Compliance

Each shipment by Seller must be accompanied by a packing sheet and in addition, Seller will execute the Certificate of Compliance specified herein and attach thereto.

IX. Issuing Purchase Contracts to Lower Tier Suppliers

Purchase contracts issued to lower tier suppliers for processing of materials as authorized in Section VI and VII herein, shall, to the extent required, provide for the following:

1. The Boeing Company part numbers identified with drawing change letters and engineering order numbers covered by such purchase contracts.
2. The Government prime contract and Boeing purchase contract numbers.
3. The quantity of units covered by such purchase contracts.
4. Instructions for the furnishing of processing and/or material certifications reading substantially as follows:

Processing Certification No. \_\_\_\_\_

This is to certify that \_\_\_\_\_ pieces of Boeing Part No. \_\_\_\_\_ Blueprint Change Letter \_\_\_\_\_ furnished under Purchase Contract No. \_\_\_\_\_ dated \_\_\_\_\_ have been processed in accordance with Specification No. \_\_\_\_\_ Change Letter \_\_\_\_\_ dated \_\_\_\_\_ governing \_\_\_\_\_ process.

By \_\_\_\_\_  
Firm Name/Title Date

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Material Certification No. \_\_\_\_\_

This is to certify that material furnished in fulfillment of Purchase Contract No. \_\_\_\_\_ \* dated \_\_\_\_\_ conforms with Specification No. \_\_\_\_\_ Change Letter \_\_\_\_\_ dated \_\_\_\_\_ as evidenced by copies of chemical and physical test reports attached hereto.

By \_\_\_\_\_  
Firm Name/Title Date

\* Insert purchase contract number under which processing or materials are purchased from lower tier suppliers, not Boeing purchase contract number.

**CERTIFICATE OF COMPLIANCE**

Date: \_\_\_\_\_

Part No: \_\_\_\_\_ The Boeing Company Purchase Contract No: \_\_\_\_\_

Item No: \_\_\_\_\_ No. of Parts Delivered with this Shipment: \_\_\_\_\_

1. Seller certifies that parts were produced from materials or components furnished by The Boeing Company, and that such parts were inspected to the requirements of referenced contract.
2. Seller further certifies that all processes, required by this contract to be performed by a processor, listed in Buyer's list of "Certified Special Processors", as amended, were, in fact, performed by such processor and that the documents) appended hereto in the form of processing certifications or referenced below is/are evidence of performance by such processor in accordance with applicable specifications.
3. If, as provided in this contract, Seller is authorized to perform repair or rework beyond the scope of tolerances permissible under related specifications and if in the performance thereof, Seller acquires materials, Seller certifies that such materials were procured from a source listed in Buyer's "Approved Source List," as amended, and that such materials conform to applicable specifications evidenced by copies of chemical and/or physical test reports or other evidence of conformance appended hereto, or referenced below.
4. In the event Seller elects to reference rather than furnish certifications and/or physical and chemical test reports as required by 2 and 3 above, Seller further certifies that such certifications and/or physical and chemical test reports are on hand and available for inspection by Buyer.

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Title, Number, Change Letter and Date of Material or Process Specification	Name and Address of Material Supplier or Processor	Certification of Other Document Number and Date
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(If additional space is required to record certificates, they may be listed on additional sheets provided such sheets are numbered and referenced above in a manner indicating them to be a part of this certificate.)

Seller \_\_\_\_\_

By \_\_\_\_\_  
Name/Title