

FIRST ARTICLE APPROVAL - SELLER TESTING (Jan 2006)

(a) The first article is _____ unit(s) of Item _____ which shall be tested in accordance with the provisions contained or referenced in this Agreement. At least _____ calendar days prior to the beginning of first article approval tests, the Seller shall furnish written notice to the Company of the time and location of the testing so that the Company may witness such testing if it so elects.

(b) Within _____ calendar days from the date of this Agreement, the first article approval test report shall be forwarded to _____ marked "FIRST ARTICLE: Subcontract No. _____, Item No. _____." The Company shall, by written notice to the Seller within _____ calendar days after receipt of such test report, approve, conditionally approve, or disapprove such first article. The notice of approval or conditional approval shall not relieve the Seller from complying with all requirements of the specifications and all other provisions of this Agreement. A notice of conditional approval shall state any further action required of the Seller. A notice of disapproval shall cite reasons therefore.

(c) If the first article is disapproved by the Company, the Seller may be required, at the option of the Company, to repeat any or all of the first article approval tests. After each notification by the Company of the requirement for additional tests, the Seller shall at no additional cost to the Company make any necessary changes, modifications, or repairs to the first article or select another first article for testing. Thereafter, the Seller shall perform the required additional approval tests and deliver another report to the Company under the terms and conditions and within the time specified by the Company. The Company shall take action on this report within the time limit specified in (b) above. All costs related to additional approval tests shall be borne by the Seller. The Company reserves the right to require an equitable reduction of Agreement price for any extension of the delivery schedule or for any additional costs to the Company related to additional approval tests.

(d) If the Seller fails to deliver any first article approval test report within the time or times specified, or if the Company disapproves any first article, the Seller shall be deemed to have failed to make delivery within the meaning of the default provisions of this Agreement, and this Agreement shall be subject to termination for default: Provided, That failure of the Company in such an event to terminate this Agreement for default shall not relieve the Seller of his responsibility to meet the delivery schedule for production quantities.

(e) Where the approved first article is not consumed or destroyed in testing, and unless otherwise provided in this Agreement, the first article may be delivered as part of the Agreement quantity if it meets all terms and conditions of the Agreement for acceptance.

(f) In the event the Company does not approve, conditionally approve, or disapprove the first article within the time specified in (b) or (c) above, the Company shall, upon timely written request made by the Seller, make a determination of the delay occasioned the Seller thereby, and shall equitably adjust the delivery or performance dates or the Agreement price, or both, and any other contractual provision affected by such delay, in accordance with the procedures provided in the "Changes" clause.

(g) Prior to approval of the first article(s), the Seller may, upon written authorization by the Company, acquire specific materials or components or commence production to the extent essential to meet production quantity delivery requirements. Until first article approval is granted, only costs for the first article and costs incurred in accordance with such authorization shall be allocable to this Agreement (i) for the purpose of progress payments if this Agreement contains a clause entitled "Progress Payments," or (ii) for the purpose of termination settlements, if this Agreement is terminated for the convenience of the Government. In the event first article tests reveal deviations from Agreement requirements, the Seller shall, at the location designated by the Company, make the required changes in, or replace all items manufactured under this Agreement, at no change in Agreement price.