

FIRST ARTICLE APPROVAL - COMPANY TESTING (Jan 2006)

(a) The first article is _____ unit(s) of Item _____ and shall, within _____ calendar days from the date of this Agreement, be delivered to the Company at _____ for first article approval tests. The documentation accompanying the first article shall contain this Agreement number and the item identification. The performance or other characteristics which the first article must meet, and the tests to which it will be subjected, are contained or referenced in this Agreement.

(b) The Company shall, by written notice to the Seller within _____ calendar days after receipt of the first article, approve, conditionally approve, or disapprove the 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 therefor.

(c) If the first article is disapproved by the Company, the Seller may be required, at the option of the Company, to submit an additional first article for first article approval test. After each notification by the Company to submit an additional first article, 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. Such additional first article shall be furnished to the Company under the terms and conditions and within the time specified in the notification. The Company shall take action on this first article within the time limit specified in (b) above. The costs of additional first article approval tests and all costs related to such tests shall be borne by the Seller. The Company reserves the right to require an equitable adjustment of the Agreement price for any extension of the delivery schedule necessitated by additional first article approval tests.

(d) If the Seller fails to deliver any first article for test 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 first article is not consumed or destroyed in testing, and unless otherwise provided in this Agreement, the Seller (i) may deliver an approved first article as part of the Agreement quantity if it meets all terms and conditions of this Agreement for acceptance, and (ii) shall be responsible for removal and disposition of any first article from the Company test site at his expense.

(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) The Seller shall be responsible for spare parts support and repair of the first article during any first article approval test.

(h) Prior to approval of the first article(s), the Seller may, upon written authorization of 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.