

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
AND
THE DEFENCE STANDARDIZATION, CODIFICATION AND
GOVERNMENT QUALITY ASSURANCE AUTHORITY
OF THE CZECH REPUBLIC
REGARDING
RECIPROCAL QUALITY ASSURANCE SERVICES**

I. PREAMBLE

- A. The Department of Defense (DoD) of the United States of America (U.S.) and the Defence Standardization, Codification and Government Quality Assurance Authority of the Czech Republic (hereinafter referred to as the "Parties"), shall provide one another with reciprocal Government Quality Assurance (GQA) services for the procurement of defense materials and services, regardless of the method of purchase. In general, the responsibilities of the Parties under this Memorandum of Understanding (MOU) will be carried out by their respective quality assurance national authorities listed in Article II.I. (hereinafter referred to as the "Authorities"). The Authorities shall accomplish such GQA services without charge in accordance with established and documented laws, directives, regulations and procedures of their nations.
- B. This MOU applies to contracts entered into after the effective date of this MOU (see Article IX). However, a contract awarded by the U.S. government after the effective date of this MOU, but which supports an FMS case that was entered into prior to the effective date of this MOU, is not covered by this MOU.
- C. Notwithstanding any other provisions of this MOU, if special arrangements for GQA support are made under an international cooperative project in which the United States and the Czech Republic participate, those special arrangements shall have precedence over this MOU.
- D. The objective of this MOU is to ensure each of the Authorities is able to employ the most effective and efficient GQA services possible when acting under this MOU.

II. GENERAL SCOPE AND DEFINITIONS

- A. The obligations of the Parties under this MOU are subject to the availability of funds for such purposes.
- B. While GQA shall be performed without charge to the Delegator, the expenses for product expended in GQA will be borne by the purchaser and/or contractor. In the event of unusually heavy costs being incurred by the Delegatee, appropriate charges may be negotiated.
- C. The following definitions apply for this MOU:
 - 1. Delegator: The representative authorized by the Authority to request GQA support from the other Authority.
 - 2. Delegatee: The representative authorized by the Authority to ensure GQA support is performed on behalf of the other Authority.

3. Government Quality Assurance (GQA): The process by which the appropriate national authorities establish confidence that the contractual requirements relating to quality are met.
 4. Request for Government Quality Assurance (RGQA): The formal request of the Delegator to the Delegatee to perform GQA.
 5. Quality Assurance Representative (QAR): The representative authorized by the Authority to perform GQA at the contractor's plant on behalf of the Delegator in accordance with the RGQA.
- D. Referenced documents (most recent edition):
1. NATO Standardization Agreement (STANAG) 4107 - Mutual Acceptance of Government Quality Assurance and Usage of the Allied Quality Assurance Publications.
 2. Allied Quality Assurance Publication (AQAP) 2070 – NATO Mutual Government Quality Assurance (GQA) Process.
- E. RGQAs under this MOU will normally be restricted to those cases in which quality cannot be verified satisfactorily after receipt of the deliverables of a contract or where GQA support at source is otherwise considered essential.
- F. Purchases by the Czech Republic from the U.S. under the U.S. Foreign Military Sales (FMS) Program shall be in accordance with the U.S. Arms Export Control Act and associated regulations, policies, and procedures. Normally, such FMS purchases shall be afforded the same GQA support as the U.S. Department of Defense invokes for similar procurements that it makes for its own use.
- G. For all other contracts issued by the U.S. or the Czech Republic Governments, *e.g.*, direct procurements of defense products, either Authority may request the other Authority to provide GQA services based on guidance of AQAP 2070.
- H. When GQA support is contemplated, the Delegator shall assure:
1. Provisions are made for the Delegatee's QAR to act on behalf of the Delegator,
 2. Authorization for QAR access to contractor facilities and records, and use of contractor assets, as necessary for the performance of GQA support, and
 3. Appropriate contractual quality assurance standards are imposed by the contract. These standards may include Allied Quality Assurance Publications (AQAPs), ISO 9000 QA standards, Military QA standards, etc.

- I. Requests for Government Quality Assurance will be sent to the following addresses:
1. Requests by the U.S. for GQA support in the Czech Republic shall be sent via:
DCMA Southern Europe
Attention: DCMAI-GGT
Konrad Adenauer Ring 39
65187 Wiesbaden, Germany
to:
Defence Standardization, Codification and Government Quality Assurance Authority
Namesti Svobody 471
160 01 Prague 6
Czech Republic
 2. Requests by the Czech Republic for GQA support in the U.S. shall be sent via:
Defence Standardization, Codification and Government Quality Assurance Authority
Namesti Svobody 471
160 01 Prague 6
Czech Republic
to:
Defense Contract Management Agency
DoD Central Control Point
Attention: DCMA-FBFR
6350 Walker Lane
Alexandria, VA 22310
- J. Each Authority shall be responsible for arranging for the performance of the required GQA support by its appropriate national organization. The Authorities shall endeavor to keep each other well informed concerning their QA practices and resources to help ensure that requests for QA support are reasonable and prudent. The Authorities shall advise each other regarding unique or specific requirements for GQA and clarify requests for GQA support, as requested.

- K. The Authorities may perform other necessary contract administration functions (e.g., government property surveillance) through its own representatives, including GQA functions not delegated on the RGQA. In such cases, the purchasing Authority shall inform the other Authority in order to avoid duplication of work.
- L. Visits by representatives of the Authorities to its contractor plant shall be coordinated with the other Authority who shall have the right to accompany the visiting representatives. Access of the purchasing government to its contractors, subcontractors, and their records, as may be authorized contractually, shall not be impaired or affected in any other way by the provisions of this MOU.

III. GQA DELEGATION PROCEDURE

In order to implement the provisions of this MOU, a mutually agreed upon GQA delegation procedure shall be jointly developed by the Authorities. The procedure shall be reviewed annually and modified, as necessary, to ensure that the intent of the MOU is being implemented properly. As a minimum, the procedure shall address the following:

- 1. The GQA delegation process
- 2. Responsibilities of the Delegator and Delegatee
- 3. RGQA initiation and completion forms
- 4. Terms of reference
- 5. Communication (including use of email to the greatest extent possible)
- 6. Risk information feedback mechanism
- 7. Problem resolution
- 8. GQA surveillance plans and adjustments
- 9. GQA records
- 10. Processing of waivers and deviations
- 11. Notification of unsatisfactory conditions
- 12. Issuance of corrective action requests
- 13. Reporting requirements
- 14. Other process information deemed necessary by the Delegator or the Delegatee.

IV. PROCEDURES

- A. RGQAs shall be made using the guidance of STANAG 4107 and AQAP 2070. Electronic transmission of the RGQA is encouraged and current email addresses will be maintained in the delegation procedure. Each RGQA will include, as a minimum:
 - 1. Reference to this MOU;
 - 2. A copy of the appropriate contract;
 - 3. Contractual Quality Assurance requirement (e.g., specification or standard);
 - 4. A listing of the minimum GQA support functions or tasks being requested;

5. If technical communication regarding the affected work is to be addressed to anyone in addition to the Delegator, the RGQA must identify the addressee;
 6. Method of product release after GQA; and
 7. Delegator's address, phone, fax, e-mail, etc.
- B. To the greatest extent possible, the RGQA will be risk-based. Each organization will use its national practices for performing risk assessment in preparation of the RGQA. The purpose of the risk assessment is to identify the specific risks the Delegator requires to be mitigated or the specific tasks the Delegator requires to be performed based on product, project, or contract risks and/or mandatory customer (Project/Program Office) imposed GQA requirements. A copy of the risk assessment is not required to accompany each RGQA
 - C. In situations where the Delegator desires assistance, the Delegator may seek the advice of the Delegatee in identifying the product, project, or contract risks prior to submitting the RGQA or may simply request "Risk-Based GQA" on the RGQA. If the latter is requested the Delegatee will decide the quality management system, processes, and product characteristics requiring GQA surveillance.
 - D. Within 30 days of receipt of a RGQA, the Delegatee shall either accept or reject the RGQA and notify the Delegator of the decision. The format for acceptance or rejection of the RGQA will be defined in the delegation procedure. The GQA delegation procedure shall allow for situations that require immediate and urgent GQA surveillance activity that would not be possible within the established timeframe.
 - E. Upon receipt of the RGQA, the Delegatee shall develop a surveillance plan detailing the GQA surveillance activity to be performed based on the RGQA and the contractor's past performance. Upon request, the Delegatee shall provide the Delegator a copy of the GQA surveillance plan.
 - F. The Delegator may modify a RGQA during contract performance after consultation with the Delegatee.
 - G. Based on knowledge of the contractor's current or past performance, the Delegatee will advise the Delegator when the tasks identified on the RGQA are considered excessive or insufficient. The Delegator is the final authority for defining the GQA requirements. Upon acceptance of a RGQA, the Delegatee shall implement a quality assurance program to accomplish the requested surveillance activity, in accordance with established national practices.

- H. Rejection of the RGQA will be on an exception basis only and will be limited to unusual circumstances. If the requirements imposed by the RGQA include functions beyond the current technical capabilities or resource capacities of the host government, the Delegatee shall immediately notify the Delegator. In such cases, the Delegator shall make other arrangements for the performance of the RGQA. In all such cases, the Delegatee shall not procure technical experts or additional resources needed to perform the functions without the written consent of the Delegator.
- I. The Delegatee should be empowered to approve a request for deviation or waiver by a contractor unless such request affects safety, reliability, maintainability, interchangeability, storage life, performance, or cost. This authorization shall be clearly stated on the RGQA. Upon request, the Delegatee shall forward to the Delegator for record any request for deviation or waiver approved by the Delegatee. The Delegatee shall forward to the Delegator for action any request for deviation or waiver received that is not actionable by the Delegatee. The format for processing deviations or waivers will be addressed in the delegation procedure.
- J. The Delegatee shall maintain records of all GQA surveillance activity performed in support of the RGQA. The specific details of surveillance records shall be described in the GQA delegation procedure. Unless otherwise stated on the RGQA, record retention periods will be in accordance with national practices. GQA surveillance records shall be made available to the Delegator upon request.
- K. The Delegator may request the Delegatee to participate in a variety of contractual matters related to the performance of GQA. The involvement and role desired of the Delegatee in such activities shall be clearly specified on the RGQA. Such activities must be permitted by the contract.
- L. If the Delegatee believes GQA support is necessary at a subcontractor facility in a third country, the Delegatee shall notify the Delegator. The Delegator shall be responsible for arranging the GQA support in a third country.
- M. If at any time during the course of the performance of GQA the Delegatee cannot proceed with the GQA surveillance, the Delegatee shall so advise the Delegator of the facts as expediently as possible. Situations warranting notification shall include, but are not limited to:
 - 1. Deficiencies in the contractor's quality system or product,
 - 2. Events considered to be of major importance, or
 - 3. Deficiencies expected to be a cause of excessive delay.
- N. The Delegatee shall inform the Delegator when the requested GQA is complete. The notification process and forms used will be addressed in the delegation procedure.

- O. The purchasing government shall retain final authority over contract interpretations and enforcement actions, and it shall advise the assigned GQA support office in a timely fashion on such matters.

V. RESPONSIBILITY AND LIABILITY

Nothing in this MOU shall relieve the contractor of any responsibilities under the contract. No liability shall attach to the Authority, or its representatives, acting under this MOU on behalf of the other Authority. Should defective materials or services be detected subsequent to delivery, the Delegatee shall assist the Delegator in the investigation of such defects.

VI. SECURITY AND PROTECTION OF INFORMATION

- A. The Parties will provide security and protection of information in accordance with the security agreement signed on September 19, 1995, between the U.S. and the Czech Republic concerning the protection of classified military information.
- B. Any classified information, data, or material exchanged under the terms of this MOU shall be protected in accordance with each Authority's national practice for the protection of such information.
- C. To assist in providing the desired protection, the Authorities shall mark classified information furnished to the other with a legend indicating the country of origin, the security classification, the conditions of release, and the fact that the information relates to this MOU.
- D. Both Authorities shall take all lawful steps available to it, to keep information under this MOU free from disclosure under any legislative provision, unless both Authorities consent to such disclosure.
- E. In the event of termination or expiration of this MOU, the provisions of this Article shall continue to apply.

VII. CHARGES

GQA services provided under this reciprocal MOU shall be provided free of charge, subject to a joint review of the services being exchanged at not less than three-year intervals to ensure general reciprocity is being maintained. Any such review will include the quality of GQA services being provided. If, as a result of such a review, either Authority determines that charges will be necessary, charges may be imposed after not less than twelve months advance notice in accordance with Section IX.

VIII. REVIEW AND REVISION

This MOU shall be reviewed not less often than every three years to determine if implementation has been as intended and to revise the MOU as necessary. Minor changes, such as address changes to the Authorities, shall not, in themselves, necessitate revision to this MOU. Current addresses will be maintained in the GQA delegation procedure until such time as this MOU is revised.

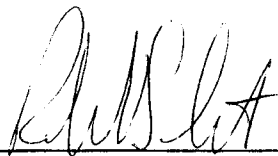
IX. DURATION AND TERMINATION

- A. This MOU shall enter into force on the date of the last signature and will remain in effect for five years. Except as stated otherwise in writing by either Authority, the duration of the MOU will be extended automatically for successive five-year periods.
- B. Either Authority may terminate this MOU by providing written notification of its intention to the other Authority twelve months in advance of the effective date of the termination.
- C. Unless otherwise agreed, if either Authority terminates this MOU, GQA services will continue to be provided until contract completion for those contracts for which GQA support is being provided under this MOU.
- D. Any misunderstanding regarding the interpretation or application of this MOU will be resolved by consultation between both Authorities and will not be referred to an international tribunal or third party for settlement.

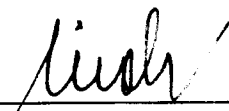
IN WITNESS WHEREOF, the undersigned, being duly authorized, sign this MOU in the English language.

FOR THE DEPARTMENT
OF DEFENSE OF THE
UNITED STATES OF AMERICA

FOR THE DEFENCE STANDARDIZATION,
CODIFICATION AND GOVERNMENT
QUALITY ASSURANCE AUTHORITY
OF THE CZECH REPUBLIC



 Robert W. Schmitt
 Executive Director,
 Contract Management Operations
 Defense Contract Management Agency



 Ladislav Minarcik
 Director,
 Defence Standardization, Codification and
 Government Quality Assurance Authority

Date: April 16, 2004

Date: May 7, 2004

Place: Alexandria, VA

Place: Prague, Czech Republic