

**MEMORANDUM OF AGREEMENT  
BETWEEN  
THE GOVERNMENT OF AUSTRALIA  
AND  
THE GOVERNMENT OF THE UNITED STATES  
CONCERNING RECIPROCAL DEFENSE PROCUREMENT**

**PREAMBLE**

The Government of the United States of America and the Government of Australia, hereinafter referred to as the Governments,

BEARING IN MIND their partnership in the Security Treaty which was concluded between Australia, New Zealand, and the United States of America at San Francisco on the first day of September 1951;

HAVING REGARD to the friendly relations existing between them;

DESIRING to make the most cost-effective and rational use of the funds allocated to defense;

DESIRING to enhance and strengthen each country's industrial base;

DESIRING to promote the exchange of defense technology consistent with their respective national policies;

DESIRING to promote interoperability of their military equipment;

DESIRING to facilitate procurement by each country from the other;

HAVE AGREED as follows:

**ARTICLE 1**

**Applicability**

1. Subject to any exceptions prescribed by law, regulation, or policy, this Agreement shall apply to the following procurement of supplies by the U.S. Department of Defense and the Australian Department of Defence:

a. in the case of Australia, procurements requiring Advanced Purchasing methods; and

- b. in the case of the United States, procurements over the simplified acquisition threshold; or
  - c. procurements worth such other values as the Governments may mutually determine.
2. This Agreement does not cover:
- a. Construction.
  - b. Construction materials.
  - c. Research and Development.

## ARTICLE 2

### Procurement Principles

Consistent with their respective laws, regulations and policies, each Government shall, in relation to procurement:

- a. Remove barriers to procurements of supplies produced in the country of the other Government.
- b. Accord industries of the other Government treatment no less favorable in relation to procurement than that accorded to industries of its own country.
- c. Use contracting procedures that, as a minimum, allow responsible suppliers from each country to compete for procurement by the other Government.
- d. Exchange relevant implementing regulations, policy guidance, and administrative procedures.
- e. Exchange, to the extent practicable and mutually beneficial, information regarding requirements for supplies and proposed purchases in accordance with Article 5 to ensure adequate time for industries of the other country to qualify for eligibility and submit a bid or proposal.
- f. Exchange sufficient information to enable supplies being considered for procurement to be assessed in terms of operational and support requirements.
- g. Collect and exchange statistics as mutually agreed.
- h. Ensure that all controlled information, including proprietary technical data, and defense equipment released to industry pursuant to this Agreement, is used only for

submitting offers for and performing defense contracts covered by this Agreement, except as authorized by the releasing Government and by the holders of rights to the information or equipment.

### ARTICLE 3

#### Maintenance of the Industrial Base

1. Both Governments recognize that each Government is responsible for maintaining a defense industrial base in its country consistent with that country's national security needs.
2. In respect of procurement, the Governments shall regularly discuss, on a bilateral or multilateral basis, measures to limit the adverse effects of offsets and other regulations and policies on the defense industrial base of each country.

### ARTICLE 4

#### Waivers

Having regard to the desire of both Governments to make best use of their respective defense funds, each Government shall, subject to its laws, regulations and policies, waive customs duties for procurement.

### ARTICLE 5

#### Procurement Procedures

1. To the extent practicable, each Government shall publish or have published, in a generally available periodical, a notice of proposed purchases prior to the issuance of solicitations. The notice shall contain:
  - a. subject matter of the contract;
  - b. time limits set for the submission of offers or an application for solicitation; and
  - c. addresses from which solicitation documents and related data may be requested;
2. On request, the Governments shall provide copies of solicitations for proposed purchases. A solicitation shall constitute an invitation to participate in the competition and shall contain the following information:

- a. the nature and quantity of the products or services to be supplied;
  - b. whether the procedure is by sealed bids or negotiation;
  - c. the basis on which the award is to be made, such as by lowest price or otherwise;
  - d. any delivery date;
  - e. the address and final date for submitting offers;
  - f. the address of the agency awarding the contract and providing any information required by suppliers;
  - g. any economic and technical requirements, financial guarantees, and information required from suppliers;
  - h. the amount and terms of payment of any sum payable for solicitation documentation.
3. Each Government undertaking procurement shall allow sufficient time, subject to its needs, for suppliers of the country of the other Government to comply with any conditions it specifies.
4. Each Government undertaking procurement shall promptly notify competing suppliers of the successful supplier.
5. Upon request, each Government undertaking procurement shall promptly explain to unsuccessful suppliers why they were not allowed to participate in a procurement or were not awarded a contract.
6. Each Government shall publish procedures for the review of complaints and disputes arising from its procurements to ensure that, to the greatest extent possible, such complaints and disputes shall be equitably and expeditiously resolved between it and suppliers.

## ARTICLE 6

### Promulgation of Agreement

1. Each Government shall:
  - a. Promulgate this Agreement to the relevant industries of each country.
  - b. Issue appropriate implementing guidance.

c. Ensure that its procurement and requirement officers are familiar with the obligations of this Agreement.

2. It is understood that primary responsibility for finding business opportunities shall rest with the industry of each country.

## ARTICLE 7

### Classified Information and Export Controls

1. Any classified information furnished by either Government in connection with procurements shall be protected by the receiving Government in accordance with the United States-Australian General Security of Information Agreement of May 2, 1962, as amended and the Security Procedures for Industrial Operations between the Department of Defence of Australia and the Department of Defense of the United States dated August 15, 1966, or any successor agreements or arrangements.

2. With respect to procurement, each Government shall take all necessary steps to ensure the industries in its country comply with its laws, regulations, and policies for the safeguarding of unclassified information and technology which are subject to its export controls.

## ARTICLE 8

### Implementation and Administration

1. The officials responsible for implementation of this Agreement shall be:

a. for the United States Government - the Under Secretary of Defense (Acquisition and Technology); and

b. for the Australian Government - The Deputy Secretary of Defence for Acquisition and Logistics.

2. Each Government shall designate points of contact to represent these officials.

3. In order to facilitate implementation of this Agreement, the Governments shall:

a. hold meetings of their representatives at the request of either Government as mutually convenient; and

b. exchange defense professional staff as mutually convenient and appropriate.

ARTICLE 9

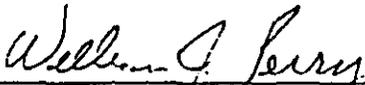
Duration and Termination

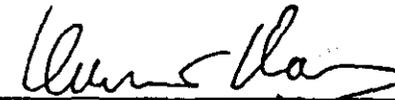
1. This Agreement shall enter into force on the date of later signature and shall remain in force for ten (10) years unless otherwise agreed by the Governments, or unless terminated. This Agreement shall be automatically renewed for successive ten year periods unless the withdrawal intention by one Government is notified to the other Government. The Agreement may be terminated by either Government by notification in writing six months in advance.

2. In witness whereof, the undersigned, duly authorized by their respective Governments, have signed this Agreement.

For the Government of the  
United States

For the Government of Australia

  
\_\_\_\_\_  
Done in Washington, DC

  
\_\_\_\_\_  
Done in Washington, DC

Date: APRIL 19, 1995

Date: APRIL 19, 1995

**DETAILS OF AGREEMENT (D OF A)**

**BETWEEN**

**THE DEFENSE AUTHORITIES OF THE UNITED STATES OF AMERICA**

**AND**

**THE COMMONWEALTH OF AUSTRALIA**

**FOR**

**MUTUAL ACCEPTANCE OF GOVERNMENT QUALITY ASSURANCE**

**ANNEXES:** A. (D OF A) - QUALITY ASSURANCE REQUEST FORMAT.  
B. (D OF A) - CERTIFICATE OF CONFORMITY.  
C. (D OF A) - STATEMENT OF UNSATISFACTORY CONDITIONS.

**AGREEMENT**

1. a. The Defense Authorities of the United States of America and of Australia agree that the appropriate national authority in each country will provide in its country upon request by the appropriate national authority in the purchasing country a Government Quality Assurance Service to orders in all areas of defense supply and services subject to the conditions and definitions contained in this D of A.  
b. Nothing contained in this D of A shall be construed as a limitation to bilateral agreements between the two countries which further and extend the reciprocal utilization of the services of the national authorities beyond the minima specified in this D of A.

**APPLICATION**

2. It is agreed that a request for Government Quality Assurance in the manufacturing country will be restricted to those cases where quality cannot be satisfactorily verified after receipt or when Government Quality Assurance at source is considered essential by the purchasing country.

**DEFINITIONS**

3. a. Government Quality Assurance means the process by which the appropriate national authorities determine and certify that the technical requirements of contracts are met.  
b. Supplier means the manufacturer on whom an order is placed.

c. Purchaser means the Government, or company or organization with Government cognizance placing an order on a supplier.

d. Order means the contract placed by the Government company or organization or the subcontract arising therefrom placed by a purchaser on a supplier.

e. Delegator means the Quality Assurance Authority in one country which requests a Quality Assurance Authority in the other country to perform quality assurance and certification of supplies.

f. Delegatee means the Quality Assurance Authority which performs quality assurance and certification of supplies on request from the other country.

#### **PROCEDURE FOR REQUESTING GOVERNMENT QUALITY ASSURANCE**

4. a. Requests for Government Quality Assurance in Australia shall be directed to:

The Director General Defence Quality Assurance  
Department of Defence  
P.O. Box E33  
Queen Victoria Terrace  
Parkes, ACT 2600

- b. Requests for Government Quality Assurance in the United States shall be directed to:

Department of Defense Central Control Point  
DCMAO, New York, 201 Varrick St.  
New York, NY 10014-4811

- c. All requests for Government Quality Assurance shall be forwarded on the form shown at Annex A.

d. Such requests shall contain all pertinent information including, but not limited to, the name and address to which technical communications may be forwarded, special requirements with regard to certificates, markings, identification, etc.

e. Further, the Delegator shall ensure that the Delegatee is supplied with the required number of copies of the order, applicable specifications, drawings, specific quality requirements and other documents or data essential to the performance of the requested Government Quality Assurance with interpretations approved by the contracting parties if necessary.

## ACCEPTANCE OF A REQUEST FOR GOVERNMENT QUALITY ASSURANCE

5. a. On receipt of a request for Government Quality Assurance the Delegatee shall, as the case may be:
- (i) accept the request, with or without comments and qualifications, and forward to the Delegator such acceptance in writing, or
  - (ii) transfer the request to another authority in the country informing the Delegator of the action taken, or
  - (iii) inform the Delegator that the Government Quality Assurance cannot be performed, for reasons stated.

The Delegator shall inform the supplier through the Delegatee when decision 5(i) or 5(ii) are taken.

b. If an article to be inspected includes a portion or portions outside the competence of the Delegatee, special arrangements will be made by the Delegatee Authority for the inspection of such portion or portions.

c. The Delegatee will inform the Delegator of any sub-contract placed by the supplier in a third country. The Delegator as advised by the Delegatee will then decide what Government Quality Assurance shall be performed and if necessary or desirable shall co-operate with the Delegatee in arranging the quality assurance in that third country.

## CONTRACTUAL PROVISIONS

6. a. The order shall contain an appropriate requirement on the supplier which will enable the Delegatee as the authorized representative of the Delegator to have all necessary access and the right to perform the required quality assurance, in accordance with the normal or such special procedure as may otherwise be agreed between the Delegator and Delegatee.
- b. The order shall define the method to be used for any conversion between the foot, pound, and the metric systems of measurements which may be required in the course of checking and measuring.
- c. Orders shall provide that the supplier (including sub-contractors) is responsible for maintaining effective control of the quality of supplies and services, for the provision of test facilities and the performance of inspection essential to demonstrates full conformance of the supplies to contract requirements prior to offering them for acceptance, and for the provision of objective evidence that controls and inspection are effective.

## **PROCEDURE FOR GOVERNMENT QUALITY ASSURANCE**

7. Having accepted a request for Government Quality Assurance the Delegatee shall take appropriate actions in accordance with its normal and established Quality Assurance Procedures to satisfy the request. If required for specific production, the Delegator and Delegatee may mutually establish special requirements for the Government Quality Assurance.

## **NOTIFICATION OF UNSATISFACTORY CONDITIONS**

8. If the Delegatee finds that, at any time during the course of the order, that it is impracticable to proceed with the function of Government Quality Assurance because of deficiencies in the supplier's system (e.g., required supplier testing cannot be performed because of lack of test facilities, test devices are not in a known state of calibration, qualification or other engineering approval is not held, etc.) or product (including parts, materials or processes) and such deficiencies are of major importance or will be a cause of excessive delay, the Delegatee will immediately advise the Delegator of these facts using the form shown at Annex C (D of A).

## **CERTIFICATION OF CONFORMITY**

9. Certification of conformity shall be provided by the Delegatee to the Delegator for each batch, lot or shipment in the manner prescribed at Annex B (D of A) or in any equivalent format containing the same minimum information.

## **RELEASE FOR DELIVERY**

10. Release for delivery of materiel and equipment whose quality has been assured by the above procedures shall be given in the manner prescribed in the Delegator's initial request. Normally, release for delivery will be simultaneous with the issue of the Certificate of Conformity.

## **DEVIATIONS**

### **11. a. Prime Contracts**

Except where otherwise directed by the Delegator, the Delegatee shall be empowered to grant requests by the manufacturer for permission to depart from the technical requirements of the contract unless such departures will affect safety, reliability, maintainability, interchangeability, storage life, performance, or cost. The Delegator shall be notified of any requests granted by the Delegatee. Those applications for deviations which are subject to the decisions of the Delegator shall be forwarded by the manufacturer to the Delegator via the Delegatee.

**b. Sub-contracts**

Requests for deviations on sub-contracts shall be forwarded by the supplier to the purchaser, through the Delegatee, for action in accordance with the contractual requirements.

**DELEGATOR'S PARTICIPATION**

12. The Delegator shall have the right to visit the manufacturer concerned during the course of the performance of the contract/ subcontract. Any such visits shall be arranged through the Delegatee who shall have the right to accompany.

**COMMUNICATION**

13. a. The Delegator shall ensure that the Delegatee is promptly furnished with any amendments, modifications or changes in the documents originally supplied in accordance with paragraph 4.d. above.

b. Any correspondence between the Delegator and the manufacturer, pertaining to quality assurance shall be transmitted through the Delegatee.

c. Delegatee and Delegator will consult together on any event of an unexpected character which is likely to affect the quality of materiel, equipment or services.

**CHARGES**

14. Reimbursement will be required for quality assurance services provided by each country. Charges will be determined by mutual arrangement.

**LIABILITY**

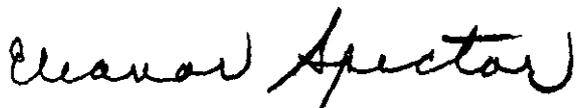
15. The fact that the Delegatee has signed a conformity Certificate will not relieve the contractor from the responsibility for furnishing supplies that meet all specifications of the contract. In the event that defects are discovered on or subsequent to delivery of materiel and services, no liability shall be attached to the Delegatee. The Delegatee shall, however, assist the Delegator in the investigation of such defects. The Delegator will provide the Delegatee with full description of the defects with supporting evidence, and, if possible, a sample of the defective parts.

**REVIEW OF AGREEMENT**

16. This agreement will be reviewed every five years or as otherwise required.

**IMPLEMENTATION OF THE AGREEMENT**

17. This D of A will be considered to have been implemented when orders have been issued to the personnel of the Government Quality Assurance Authority to comply with the provisions of this document.



Eleanor R. Spector  
Director, Defense Procurement  
For the United States  
Department of Defense



Don D. Wood  
Counsellor (Defence Supply)  
For the Secretary  
Department of Defence  
Commonwealth of Australia

Washington, DC  
November 29, 1994

ANNEX A

REQUEST FOR QUALITY ASSURANCE	
1. Issuing Authority (Delegator)	2. Forward to (Delegatee)
QUALITY ASSURANCE IS HEREBY REQUESTED FOR	
3. Government Contract No.	4. Purchaser
5. Order No.	6. Supplier (Name and manufacturing location)
7. Description and quantity	
8. Special Quality Assurance Requirements (if necessary, attach sheets)	
9. Attached hereto are: Copies of above order	10. Special remarks and/or instructions (if necessary, attach sheets)
11. Technical data and quality assurance requirements  are attached hereto  will be furnished by the supplier/purchaser	12. Signature (Delegator)
	13. Date
	14. Name and title/position (Block Capitals)

Decision overleaf

D E C I S I O N

15. The requested Government Quality Assurance will be performed by the activity designated in 17 below and all communication on technical subjects should be addressed to that authority.

16. Above request cannot be accepted due to reasons stated in 17 below.

17. Designated activity or reasons for reservations or non-acceptance or notice of transfer of request to another national authority.

The addressee in 2 above is requested to complete columns 15-20 and return one copy to the issuing authority (re. 1 above)

18. Signature (Delegates)

19. Date

20. Name and title/position  
(Block Capitals)

ANNEX B

CERTIFICATE OF CONFORMITY				
Page 1		No. of Pages		
1. Purchaser		2. Order reference		
		3. Government Contract No.		
4. Mailed to (Delegator)		6a. Shipped to (Consignee)		
5. From (Supplier)		6b. Shipment number on order		
		Partial		Final
7. Certified that the whole of the supplies detailed below (or the services described above) conform in all respects to the specification(s), drawing(s) and order relative thereto and that the supplies have been inspected and tested in accordance with the conditions and requirements of the order				
Date		Signature(Supplier)		Name(printed)
8. Contract Item No.	9. Stock/Part No. and Name	10. Quantity	11. Package No.	12. Undelivered Balance

Continue list on separate pages if necessary

Government Certificate (see overleaf)

13. Quantity received

14. Government Quality Assurance  
Service (Delegatee)

15. This is to certify that within  
the provisions of the agreement  
the supplies and (or) services  
identified above have been  
subject to Government Quality  
Assurance and are considered  
to comply with the provisions  
of the applicable contract.

Date

Signature

Name(printed)

16. REMARKS

ANNEX C

QUALITY ASSURANCE ADVISORY REPORT STATEMENT OF UNSATISFACTORY CONDITIONS		
to (Delegator)	Contract issued by	
Contract Number	Supplier	
Request for Government Quality Assurance Number		
Date		
Pertinent contractual provisions(s) (identity by article number if possible)		
STATEMENT The following unsatisfactory conditions(s) pertaining to Quality Assurance on the above contract is reported		
Issued by (Delegatee)	Date	Signature, Name and Title