

ANNEX IV REGARDING QUALITY ASSURANCE SERVICES

TO THE

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

GOVERNMENT OF THE UNITED STATES OF AMERICA

AND THE

GOVERNMENT OF ISRAEL

CONCERNING THE

PRINCIPLES GOVERNING MUTUAL COOPERATION

IN

RESEARCH AND DEVELOPMENT, SCIENTIST AND ENGINEER EXCHANGE,

PROCUREMENT AND LOGISTIC SUPPORT OF DEFENSE EQUIPMENT

OF DECEMBER 14, 1987

I. PREAMBLE

A. This Agreement sets forth the terms, conditions and procedures under which the Government of the United States of America (U.S.) and the Government of Israel (Israel) (hereinafter referred to as "the Governments") shall provide one another with quality assurance (QA) services in support of defense contracts and subcontracts contemplated or performed under the Memorandum of Understanding between the Government of the United States of America and the Government of Israel Concerning the Principles Governing Mutual Cooperation in Research and Development, Scientist and Engineer Exchange, Procurement and Logistic Support of Defense Equipment (MOU) signed at Washington, D.C., on December 14, 1987, as modified by Amendment 1 signed effective December 14, 1997. Such QA support shall be accomplished in accordance with established and documented directives acceptable to, and in compliance with the laws of, the Governments. The objective of this Agreement is to ensure each participating government is able to employ the most effective and efficient QA support possible when acting under the MOU.

B. Notwithstanding any other provisions of this Agreement, if special arrangements for QA support are made under an international cooperative project in which the Governments participate, those special arrangements shall have precedence over this Agreement.

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II. GENERAL

A. The following definitions apply for this Agreement:

1. Delegator: The representative authorized by the purchasing government to request QA support from the host government.

2. Delegatee: The representative authorized by the host government to ensure QA support is performed on behalf of the purchasing government.

B. Requests for QA support under this Agreement shall be restricted to those cases in which quality cannot be verified satisfactorily after receipt of the deliverables of a contract or Government QA support at source is considered essential.

C. Purchases by Israel 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 QA support as the U.S. Department of Defense invokes for similar procurements that it makes for its own use. Comparable arrangements, changed if necessary, shall apply to purchases by the U.S. from Israel.

D. For government contracts made outside government-to-government channels by either government, the purchasing government may request, as it considers appropriate to the circumstances, the host government to provide full QA support or specific, limited QA support.

E. When Government QA support is contemplated, the affected contract shall (1) contain a provision for the host government to act on behalf of the purchasing government as their QA representative; (2) authorize host government QA representatives access to contractor facilities and records and use of contractor assets as necessary for the performance of QA support; and (3) include the appropriate contract quality requirements imposed on the contractor.

F. If the host government believes QA support is necessary at a subcontractor facility in a third country, it shall notify the purchasing government. The purchasing government shall be responsible for QA support in a third country.

G. 1. The central control point of the host government shall receive all requests for QA support via the focal point of the other:

a. Requests by the U.S. for QA support by Israel shall be sent via:

DCMC
Unit 7228
APO AE 09830

(Focal Point)

To:

Director North American Division (Central Control Point)
Foreign Defence Assistance & Defence Export-SIBAT
Ministry of Defence - PO Box 7093
Hakirya, Tel Aviv, Israel 61909

b. Requests by Israel for QA support by the U.S. shall be sent via:

New York Mission (Focal Point)
800 Second Avenue, 11th Floor
New York, NY 10017

To:

Defense Logistics Agency (Central Control Point)
Defense Contract Management Command
DCMC New York
Attention: DCMDE-GNIP
207 New York Avenue
Staten Island, NY 10305-5013

2. Each central control point shall be responsible for arranging for the performance of required QA support by its appropriate national organization. The central control point of each government shall endeavor to keep the focal point of the other apprised of current QA practices and resources to help ensure that requests for QA support are reasonable and prudent. The focal point of the each government shall advise the central control point of the other regarding requirements for contract quality assurance and clarify requests for QA support, as requested.

H. The purchasing government may perform other necessary contract administration functions through its own on-site representatives. If this election is made, the purchasing government shall so inform the host government in order to avoid duplication of work that otherwise might be performed by the host government. When representatives of the Governments deal directly with a contractor at the same location in support of a common contract or separate contracts, they shall operate in full concert pursuant to mutually acceptable terms of reference.

I. Any visit by representatives of the purchasing government to its contractor at a site within the territory of the host government shall be arranged through the host government who shall have the right to accompany the visitors. 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 Agreement.

III. PROCEDURES

- A. 1. Each request for QA support shall be made in a format that is agreed upon by the Delegator and Delegatee including, as a minimum:
- a. Reference to this Annex IV to the MOU;
 - b. Applicable contractual instrument; and
 - c. If less than full QA support is required, a list of the QA support functions being requested.
2. If technical communication regarding the affected work is to be addressed to anyone in addition to the Delegator, the request for QA support must identify the addressee.
3. Unless otherwise mutually agreed, the Delegator must provide the Delegatee four copies of the request; the applicable contractual instrument; changes or amendments thereto; and related technical data.
4. The Delegator may modify a request for QA support during contract performance after consultation with the Delegatee.
- B. Within 45 days after receipt of a request for Government QA support or such longer time agreed upon by the Delegator and Delegatee, the Delegatee shall provide acknowledgment of the request to the Delegator in a format agreed upon by the Delegator and Delegatee. With its acknowledgment, the Delegatee shall also indicate one of the following:
- a. Acceptance of the request without qualification;
 - b. Acceptance of the request with qualification explained in writing; or
 - c. Rejection of the request for reasons explained in writing.
- C. If the requirements imposed by a request for QA support includes functions beyond the capabilities of the host government, the Delegatee shall so notify the Delegator. In such cases, the Delegator shall make other arrangements for the performance of the affected functions. If any QA support function requested by the Delegator is beyond the capability of the host government, the Delegatee shall not procure the resources needed to perform such function without the expressed written consent of the Delegator.
- D. Upon acceptance of a request for QA support, the Delegatee shall implement a quality assurance program in accordance with established national practices. The Delegator and Delegatee may mutually establish the requirements for the required QA support.

E. The purchasing government shall inform its contractor as to who shall perform the required government QA.

F. The Delegatee shall inform the Delegator of the accomplishment of QA support on each batch, lot, and/or shipment via the execution of a Certificate of Conformity. The Certificate shall be in a format that is agreed upon by the Delegator and Delegatee, but it shall include, as a minimum, a statement attesting the supplies and/or services have been subject to Government QA support and the following:

- a. Contract number and/or order number and date;
- b. Supplier and supplier generated shipment number;
- c. Contract schedule information (contract line item number, stock/part number and name, and quantity); and
- d. Name and signature of Delegatee and date of signature.

Unless otherwise prescribed in the request for QA support, the Delegatee shall issue a Certificate of Conformity to the Delegator when the affected materiel or equipment is ready for delivery.

G. Communications shall be dispatched by the most expeditious means practicable.

a. Correspondence between the Delegator and the contractor, pertaining to quality assurance, shall be transmitted through the Delegatee. The Delegatee shall provide copies of any Government quality assurance reports or records related to a specific request for quality assurance upon the request of the Delegator.

b. Communication between the purchasing office and the assigned QA support office shall be accomplished through the focal point.

H. 1. The purchasing government shall retain final authority over contract interpretations and enforcement actions, and it shall advise the assigned QA support office in a timely fashion on such matters.

2. The Delegatee shall 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 or unless otherwise directed by the Delegator in the QA support 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 of such requests shall be specified in the contract.

I. The Delegator may request the Delegatee to participate in a variety of contractual matters related to the performance of Government QA support functions. The involvement and role desired of

the Delegatee in such activities shall be clearly specified on the request for QA support; provided, they are permitted by the contract. The Delegatee may decline to furnish such services if the Delegatee considers them to be outside normal QA support functions.

J. If the purchasing government wants to assign its own on-site representatives, it shall propose to the host government as soon as possible terms of reference describing an appropriate working relationship with host government representatives.

K. If at any time during the course of the order, the Delegatee cannot proceed with a QA support function because of deficiencies in the contractor's system or product, and such deficiencies are of major importance or expected to be a cause of excessive delay, the Delegatee shall so advise the Delegator of these facts as expediently as possible. The Delegator and Delegatee shall mutually agree to the format for such notification which shall include, as a minimum, the following:

- a. Contract and/or order number;
- b. *Supplier*;
- c. Statement of unsatisfactory condition, to include the applicable contractual provision concerning noncompliance; and
- d. Signature of Delegatee and date.

IV. RESPONSIBILITY AND LIABILITY

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

V. PROTECTION OF INFORMATION

A. Any classified information or material exchanged under the terms of this Agreement shall be protected in accordance with the U.S. - Israel General Security of Information Agreement of December 10, 1982, and their Industrial Security Protocol of March 3, 1983.

B. Each Government shall take all lawful steps available to it to keep information exchanged in confidence under this Agreement free from disclosure under any legislative provision, unless the other Government consents to such disclosure.

C. To assist in providing the desired protection, each Government shall mark such information furnished to the other with a legend indicating the country of origin; the security classification; the

conditions of release; and, if unclassified, the facts that the information relates to this Agreement and the MOU, and it is furnished in confidence.

D. Unclassified information provided by either Government to the other in confidence, and information produced by either Government pursuant to this Agreement or the MOU requiring confidentiality shall be safeguarded in a manner that ensures its proper protection from unauthorized disclosure.

E. In the event of termination or expiration of this Agreement, these provisions shall continue to apply.

VI. CHARGES

Charges for services provided by the U.S., under this Agreement, shall be in accordance with the U.S. Arms Export Control Act. Israel shall waive charges for services it provides under this Agreement. If Israel cannot waive charges in the future, it shall notify the U.S. not less than six months prior to termination of the waiver so that alternate arrangements may be made.

VII. REVIEW OF ANNEX

This Agreement shall be reviewed not less often than every two years to determine if implementation has been as intended and to modify the Agreement as necessary. Termination may occur as a result of this review, by either government.

VIII. IMPLEMENTATION

In order to implement the provisions of this Agreement, mutually agreed upon plans shall be developed by the national authorities in each country. The plans shall be assessed annually and modified, as necessary, to improve program efficiency and effectiveness.

IX. DURATION AND TERMINATION

This Agreement shall enter into force and supersede in its entirety any previous agreement between the Governments regarding quality assurance services made under the MOU 30 days after the last signature and remain in effect for a period as set forth in Article IV of the MOU. At that time, any quality assurance services being performed under any such previous agreement thereupon shall become governed by the provisions of this Agreement. This Agreement may be terminated under the conditions as set forth in Article IV of the MOU or Article VII of this Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE in duplicate, in the English language.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

FOR THE GOVERNMENT OF ISRAEL

James Bander
Under Secretary of Defense
Title: (Acquisition and Technology)
Date: MAR 27 1998
Place: Washington, D.C.

[Signature]
Title: *Omega JFC GAF - MOD MBSTW do*
Date: *4/8/98* *U.S.*
Place: *New York*