



DEPARTMENT OF THE NAVY  
NAVAL AIR SYSTEMS COMMAND  
NAVAL AIR SYSTEMS COMMAND HEADQUARTERS  
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PATUXENT RIVER, MARYLAND 20670-1547

IN REPLY REFER TO

NAVAIRINST 13070.7A  
AIR-3.6.1  
9 August 1999

NAVAIR INSTRUCTION 13070.7A

From: Commander, Naval Air Systems Command

Subj: POLICY GUIDANCE FOR WARRANTY APPLICATION OF NAVAL AVIATION  
SYSTEMS TEAM WEAPON SYSTEM PROCUREMENTS

Ref: (a) Federal Acquisition Regulation 46.7  
(b) DOD Federal Acquisition Regulation Supplement 246.7, Warranties  
(c) Navy Acquisition Procedures Supplement 5246.7  
(d) NAVAIRSYSCOM Warranty Guide

1. Purpose. To set forth objectives, establish policies, and assign responsibilities for the application of warranty provisions as part of contracts for the development, production, and modification of Naval Aviation Systems Team (TEAM) weapon systems in compliance with references (a), (b), and (c).
2. Cancellation. This instruction supersedes NAVAIR Instruction 13070.7 of 9 December 1985. Since this is a major revision, changes are not indicated.
3. Scope. This instruction applies to all echelons of command and all weapons systems under the management control of the TEAM.
4. Objectives. To obtain maximum effectiveness from the use of warranty clauses in contracts for weapon systems and subsystems.
5. Policy. It is the policy of the TEAM to:
  - a. Obtain warranties on weapon systems following the provisions of references (a), (b), and (c).
  - b. Obtain approval from the chief of the contracting office for the use of warranties in acquisitions involving new weapons systems programs regardless of the type of proposed contract. Documentation concluding that a warranty is appropriate for a specific program shall be in the form of a warranty plan.

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(1) The warranty plan must contain the following information:

- (a) introduction material;
- (b) acquisition background;
- (c) weapon system warranty terms;
- (d) warranty administration; and
- (e) cost benefit analysis.

(2) Guidance for development of the initial warranty plan and its associated warranty administration plan is contained in reference (d) which can be found on the Internet at <http://www.nalda.navy.mil/3.6.1>. The warranty plan must be reviewed by the Logistics Policy, Processing and Maintenance Technology Division (AIR-3.6.1) and approved by the chief of the contracting office prior to award of the Engineering and Manufacturing Development (EMD) contract and updated as appropriate for the initial and follow-on production contracts.

(3) Updates to the warranty plan must address any changes to the cost benefit analysis except when the update supports a follow-on contract for a program that has an established warranty, as long as no changes to warranty price are anticipated and no changes to the support structure for the warranty have been made. Updates require the same review and approval process as the original plan. A Foreign Military Sales (FMS) customer-directed weapon system warranty does not require a plan unless specifically requested. Commercial warranties are also excepted.

(4) When a warranty is used on a program, ensure that all acquisition plans address the planned use of warranties and their associated impact on fleet user maintenance operations and the Navy's logistics support system.

c. Ensure that established methods are employed to identify all warranted items, including marking both warranted material and shipping containers as appropriate per reference (c).

d. Pursue the use of warranties when appropriate and cost effective, for FMS, when directed to do so by the FMS customer.

## 6. Responsibilities

- a. Naval Air Systems Command Headquarters (NAVAIRHQ)

(1) Assistant Commander for Research and Engineering (AIR-4.0) shall:

(a) provide research and engineering support and advice on warranty issues via their assigned Assistant Program Manager, Systems and Engineering (APMS&E) (Systems Engineering Department (AIR-4.1)); and

(b) provide warranty cost/benefit analysis support to Program Managers (PMs), Cost Department (AIR-4.2).

(2) Assistant Commander for Logistics (AIR-3.0) shall exercise overall program management for administrative services, training, advice and guidance on matters involving warranties. These responsibilities shall encompass the following functions.

(a) Establish and publish a single point of contact (POC) with the Logistics Support Department (AIR-3.6) for matters involving warranties.

(b) AIR-3.6 POC provide advice and guidance on warranty applicability, in matters relating to weapon systems or subsystems maintenance, modifications, and repairs.

(c) Provide warranty requirements on matters pertaining to logistics support and maintenance engineering for the transition of warranted equipment from development to production and also for the transition to Navy planned support.

(d) Perform analyses of all TEAM warranties with respect to economics and logistic support impacts.

(e) Ensure when a TEAM weapon system warranty is incorporated in a contract, integration of the warranty into the appropriate weapon system support planning.

(f) Ensure that warranty provisions are considered in all logistics planning actions.

(g) Establish an effective fleet data feedback to support administration of all naval aviation procurement warranty programs, including procedures to track and accumulate data relative to warranty costs to support the administration of all naval aviation procurement warranty programs. Maintain a general overview of NAVAIR warranty applications, making independent evaluations in order to assess the net benefits of each warranty to the Navy.

(h) AIR-3.6.1 will develop, establish and provide a training program for logistics support and fleet user personnel on the proper implementation and administration of warranty programs.

(3) The Logistics Management Department (AIR-3.1) and Assistant Program Executive Officer, Logistics (APEO(L)) shall provide advice and guidance regarding warranty applications to naval aviation depots or other depot maintenance activities, as they become involved in the program.

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(4) AIR-3.6.1 shall:

- (a) assist PMs in development of warranty plans;
- (b) review warranty plans; and
- (c) maintain reference (d) and its' associated web site.

(5) Assistant Commander for Contracts (AIR-2.0) shall:

- (a) provide advice and guidance in the development of contractual warranty provisions for all naval aviation weapon system procurement programs;
- (b) ensure proper and complete coverage of warranty requirements in all affected contractual documents; and
- (c) act as the prime point of contact with contractors on contractual matters relating to weapon system warranty provisions.

(6) Office of Counsel (AIR-7.7) shall review all warranty clauses and related contract wording for proper form and legal sufficiency.

(7) Comptroller (AIR-7.6) shall provide advice and assistance to program and logistics managers in budgeting for and justifying funding in support of warranty applications prior to the execution of a contract involving warranties.

(8) Cognizant PM shall:

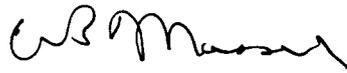
- (a) plan and budget for warranty applications, and manage the preparation of warranty plans and warranty administration plans.
- (b) conduct an appropriate cost benefit analysis in order to determine warranty cost effectiveness.
- (c) review and determine the effectiveness of warranty provisions in terms of improvements to fleet readiness and mission effectiveness.
- (d) develop appropriate warranty provisions to be included within solicitations and include contract data requirements for tracking and accumulating data relative to warranty costs.
- (e) be the final authority within the TEAM for evaluation of warranties as they affect the program with particular emphasis on the period of the warranty and, where applicable, the essential performance requirements that must be warranted.

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b. TEAM Field Activities and Inventory Control Points (ICPs). Heads of TEAM field activities and ICP directors and officers who execute or are the procuring activity for contracts that purchase or modify naval aviation material are responsible for administering, budgeting, funding, and applying warranty provisions which meet the intent of this instruction in all purchase actions and requests.

7. Action

a. Addressees shall take action to implement the provisions of this instruction, which incorporates directions and guidance provided by references (a) through (d), on all procurements and equipment modification contracts.



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