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CHAPTER 30. Quality Assurance and Warranties

Table of Contents

CHAPTER 30. Quality Assurance and Warranties	30-1
30.1 Policy	30-2
30.2 Authority Responsibilities	30-2
30.3 Non-Conforming Goods, Services or Construction	30-2
30.4 Responsibility for Acceptance	30-2
30.5 Transfer of Title and Risk of Loss	30-2
30.6 Warranties and Expiration of Warranty	30-3



30.1 Policy

The Authority's policy is to ensure that contracts conform to the contract's quality and quantity requirements. Contractors are responsible for controlling the quality of goods, services, or construction and delivering to the Authority for acceptance only those items that conform to contract requirements.

30.2 Authority Responsibilities

Specifications for inspection, testing, and other contract quality requirements necessary for the contractor's control of quality shall be included in Authority solicitations and contracts.

Authority contracts shall clearly state the level of quality required by reference to established standards, procedures, tests, and equipment or by providing acceptance criteria and tolerances. Authority contracts shall not preclude inspection.

Contract quality assurance shall be conducted before acceptance, unless otherwise provided in the contract. Nonconforming items shall be rejected, unless otherwise provided for in the contract. The Contracting Officer is responsible for ensuring contractor compliance with the quality and quantity requirements of the contract, including inspection, acceptance, warranty, and any other measures associated with quality assurance. The Contracting Officer may delegate contract quality assurance and warranty responsibility to a Contracting Officer's Technical Representative.

30.3 Non-Conforming Goods, Services or Construction

The Contracting Officer, Contracting Officer's representative (COR), or Contracting Officer's Technical Representative (COTR) as appropriate, shall reject non-conforming goods, services, or construction except as noted blow. The Contracting Officer shall issue a notice of rejection in writing and include the reasons for rejection.

The contractor shall be given an opportunity to correct or replace nonconformance when the correction or replacement can be accomplished within the required delivery or performance schedule. Correction or replacement shall be done without additional cost to the Authority, unless the contract specifies otherwise.

If the Contracting Officer determines in writing that acceptance of non-conforming goods, services, or construction is in the best interest of the Authority, the Contracting Officer may accept the non-conforming items and modify the contract providing for an equitable price reduction or other consideration.

30.4 Responsibility for Acceptance

The Contracting Officer is responsible for acceptance of goods, services, or construction for the Authority. The Contracting Officer may delegate acceptance responsibility to a Contracting Officer's Technical Representative.

30.5 Transfer of Title and Risk of Loss

Title to goods, services, and construction shall pass to the Authority upon formal acceptance, regardless of when or where the Authority takes physical possession, unless the contract specifically provides for earlier passage of title. Title to stock items shall pass to the Authority upon receipt at destination and initial inspection for completeness and absence of damages. Risk of loss of or damage shall remain with the contractor until delivery of the goods to a carrier if transportation is f.o.b. origin, or delivery to the Authority at the destination specified in the contract if f.o.b. destination or acceptance by the Authority, whichever is later. Risk of loss or damage to goods shall remain with the contractor until formal



acceptance by the Authority unless loss of or damage is caused by the negligence of officers, agents, or employees of the Authority. Risk of loss of or damage to nonconforming items shall remain with the contractor until the nonconforming items are corrected or accepted by the Authority.

30.6 Warranties and Expiration of Warranty

As part of the determination of the need for a warranty provision in a contract, the Contracting Officer shall consider the nature of the goods, services, or construction, cost, the Authority's ability to enforce the warranty, and industry practice. Contract warranty provisions shall clearly delineate the rights and obligations of the contractor and the Authority. Warranty clauses shall not limit the Authority's rights under an inspection clause in relation to latent defects, fraud, or gross mistakes that amount to fraud. The Contracting Officer shall establish procedures to ensure all defects discovered during the warranty period are reported and notice given to the contractor prior to the expiration of the warranty.