

## **TOOLING REMARK: SUPPLEMENT**

### **REMARK E21 03/17/2023**

#### **Article 1 – PURPOSE:**

ALL PROPERTY WHICH IS PAID FOR IN WHOLE OR IN PART BY PURCHASER OR IS FURNISHED BY PURCHASER TO SELLER FOR PERFORMANCE UNDER THIS ORDER, SHALL BE CONTROLLED AND ACCOUNTED FOR IN ACCORDANCE WITH THIS REMARK E21.

#### **Article 2- DEFINITIONS:**

BASIC BUILD COST means the direct cost of the Seller to fabricate a unit of Special Tooling or Special Test Equipment, excluding design, drafting, or engineering costs associated with the unit design.

CONTRACT NUMBER means the contract number or contract name printed on the Order.

GOVERNMENT, USG, US Government shall all refer equally to the United States Government

ORDER means purchase orders issued to Seller to which this Remark E21 is incorporated.

PROPERTY means all tangible property, both real and personal, including material, equipment, Special Tooling, Special Test Equipment, and real property. Property does not include intellectual property and software.

PURCHASER means the entity contracting with Seller for Goods and/or Services and identified as the purchasing entity on the Order.

SELLER means the entity contracting with Purchaser to provide Goods and/or Services under this Agreement

SPECIAL TEST EQUIPMENT has the same meaning as stated in FAR 2.101

SPECIAL TOOLING has the same meaning as stated in FAR 2.101.

#### **Article 3- REQUIREMENTS:**

U.S. Government Property is subject to FAR 52.245-1 and 52.245-9 (as referenced in C64)

If U.S. Government Property is to be used on this Order (or charged to a cost reimbursement or time and materials order):

- (a) Seller shall comply and be fiscally responsible with all applicable provisions of FAR 52.245-1, including maintaining and administering a program for the utilization, maintenance, protection, preservation, accountability, and disposal of such Property.
- (b) Such Property shall remain the property of the US Government and under Subcontractor's control for future use unless otherwise directed by Purchaser.
- (c) Such Property shall be used solely and exclusively for performing work pursuant to Purchaser's orders. Seller is responsible for accessing Purchaser's SCORE website at the "GPO Supplier Report" link and ensuring the Contract Code of work being proposed or performed by the Seller using Property either (1) matches the Contract Codes to which the Property is accountable, or (2) is identified with a "Y" under the column header 'GE/DCMA Rental Agreement' which indicates the Property is associated with the GE/DCMA Rental Agreement. All other work for which the Seller requires use of Property, including but not limited to any USG related work

Seller wishes to conduct with the USG or other prime contractors of the USG, must be identified by Seller. Prior to use, Seller must request written authorization in accordance with Cross Contract Utilization as listed below.

- (d) Such Property shall not be moved, disposed of, or altered in any way without written permission from the Purchaser.
- (e) Seller shall be responsible for any such Property which may be in the possession of a sub-tier supplier, and Seller shall flow the requirements of FAR 52.245-1 and this Remark E21 to its subcontractors and suppliers who receive such Property.

**Article 4- CROSS CONTRACT UTILIZATION:**

If Seller wishes to use U.S. Government Property for performing work other than authorized by Requirements section above:

- (a) Seller is to submit Supplier Request for Cross Contract Use of US Government Property to Purchaser (Sourcing form RCCU available from Purchaser's Buyer) with the supplier quotation. All completed RCCU forms shall be submitted to Purchaser's Buyer with a copy to [trans.sourcingcomplianceprocesses@ge.com](mailto:trans.sourcingcomplianceprocesses@ge.com).
- (b) Seller must receive written approval from Purchaser and the US Government prior to use of US Government property. Such use shall only be to the extent of the written approval and shall be on a non-interference basis.
- (c) Rental fees are required as described in FAR 52.245-9.
- (d) Purchaser's authorization of such use does not waive any rights of the Purchaser to terminate the Seller's right to use the US Government Property, and require Seller, at the Seller's expense, to return the US Government Property to Purchaser or the US Government, as directed by Purchaser, and/or to restore/replace the property to its pre-rental condition (less normal wear and tear).
- (e) Unauthorized use of Government Property can be subject to penalties under 18 U.S.C. 641.

**Article 5- IDENTIFICATION:**

Applicable Property will be identified per the marking requirements set forth in Remark 070 or CVT in this Order.

**Article 6- INVOICES/PROPERTY LISTS:**

Payment of Sellers invoices by Purchaser is predicated upon Purchaser's acceptance of the first piece of production hardware or other verifiable evidence of tool production.

Seller shall submit a final certified property list (GT166 for Customer or GEA titled property) to Purchaser's buyer who will amend the PO to include lines for each tool. A logical receipt will be completed to initiate the invoice in SSS-AP. Seller payments will be processed based on payment terms. If Seller does not have automatic invoicing enabled, an invoice for tooling shall be submitted electronically to GEA Accounts Payable (SSSAP) using the current GEA electronic process once final copy of GT166 has been provided and logical receipt is created. Identification details included on the GT166 must match property markings as prescribed in Remark 070 or CVT.

**Article 7- PROPERTY RECORDS:**

Records will be prepared and maintained by Seller on each piece of Property. Each record should contain the following information:

- (a) Contract Number or equivalent Purchaser number when applicable.

- (b) Purchase order number.
- (c) Unique Property number (the property number may include the Purchaser part number but must be distinctly different from the part by adding a prefix or suffix)
- (d) Serial Number if applicable (A unique identifier assigned incrementally or sequentially to each tool article)
- (e) Ownership
- (f) Quantity
- (g) Description (fixture, die, etc.)
- (h) GE part number produced by tooling
- (i) Design price
- (j) Build price
- (k) Location
- (l) List of components when applicable.

**Article 8- LOSSES AND/OR DAMAGE:**

In the event of loss or damage to Property, Seller shall conduct a full investigation to determine root cause and corrective action, and immediately notify Purchaser's buyer and Purchaser's Property Management Office by email. All instances of loss or damage shall be confirmed in writing using Purchaser form GT747 as soon as practicable. Purchaser will review the report and advise Seller of further required actions. Purchaser reserves the right to debit Seller's account any amount the customer or U.S. Government holds Purchaser liable, up to the full acquisition value.

Any lost property that is replaced at Seller's expense will be titled to the customer, Purchaser, or the U.S. Government as applicable and marked accordingly. If any Property previously reported as lost is found, Seller shall notify Purchaser in writing as soon as possible.

**Article 9- INVENTORY:**

Upon request by Purchaser, the Seller shall perform a physical inventory and/or utilization review of accountable property (except materials issued from stock for performance of manufacturing, research, design, or other services required by the contract) in his possession or control and shall cause subcontractors to do likewise. When possible, the personnel performing the inventory should be employees not directly responsible for the maintenance or custody of the property. This inventory should be accomplished and returned to the Purchaser within the time frame requested in the notification by the Purchaser. Upon inventory completion, Seller will return all documentation requested by Purchaser under seller's letterhead or electronic signature. Purchaser will provide all necessary inventory instructions, requirements, and forms. Purchaser reserves the right to charge Seller's account for the full acquisition cost of all the accountable property shown on the detail status report provided with the inventory notification if the inventory documentation is not received within the time frame requested. Seller agrees to allow Purchaser (or its authorized agents) and US Government representatives (when applicable) to conduct periodic reviews of accountable Property and Seller's records to ensure proper control of both Purchaser and US Government-owned property.

**Article 10- OBSOLETE/EXCESS PROPERTY:**

When Seller determines that Property is obsolete, or excess to his needs, or if Seller is so requested by Purchaser, Seller shall submit a completed Property Disposal Data Form (GT9042) to Purchaser. Upon receipt and processing of the completed Property Disposal Data Form (GT9042), Purchaser will instruct Seller as to disposition actions.

#### **Article 11- DISPOSAL OF US GOVERNMENT OWNED PROPERTY**

- (a) Obsolete or excess property may only be disposed of with permission from the US Government. Written disposal instructions will be provided to the Seller from the USG and/or Purchaser and include documentation required to be completed by the Seller upon completion of the disposal. The disposal may require witnessing by a USG representative. Seller is fiscally responsible for costs incurred for execution of the disposition of property and will not be reimbursed by Purchaser.
- (b) Before disposing of US Government-owned property, Seller is required to remove and destroy all USG identification markings, as required by FAR 52.245-1(j)(7)(i) and provide written confirmation to the Purchaser that the USG identification markings have been removed.
- (c) Execution of the property disposition should be completed within the timeframe communicated to the Seller by Purchaser. If no specific deadline is given with the disposition instructions, the property must be disposed of within 90 days of receipt of the disposition instructions, unless an extension is granted by the Purchaser.
- (d) If property for which Seller is accountable and responsible for is disposed of without Purchaser's or USG's authorization, seller may be liable for the full acquisition or replacement cost.
- (e) If Purchaser acquires property from the US Government, USG ownership marking removal must be completed and replaced by Purchaser's ownership markings to finalize the purchase. Confirmation that the government identification markings have been removed must be provided to Purchaser and may require proof. Purchaser is not required to reimburse for removal of USG ownership markings following purchase of property from the USG. Until the USG ownership markings are removed the property is considered USG owned and cannot be used.
- (f) If the USG chooses to abandon government property located at Seller, Seller will be required to remove all government ownership markings from the property and notify Purchaser of the marking removal. Purchaser will inform seller of next actions to take regarding the abandoned property.

#### **Article 12- STORAGE OF CUSTOMER OWNED OR USG OWNED PROPERTY:**

Seller shall ensure that storage practices, storage facilities and storage conditions are sufficient to prevent deterioration or damage. Purchaser will not reimburse Seller for storage of property. Seller is urged to pursue timely completion and submittal of Property Disposal Data Form (GT9042). If accountable property is disposed of without Purchaser's authorization, Seller may be liable for the replacement cost.

#### **Article 13- MOVEMENT OF SPECIAL TOOLING or SPECIAL TEST EQUIPMENT:**

Any Government owned or customer owned tooling that is identified by Purchaser to be moved from Seller's facility to a non-GE location must be coordinated with Purchaser's Sourcing personnel and identified on a Tooling Purchase Order written by Purchaser against the receiving facility (supplier). Transfer of tooling to a GEA facility requires only written instructions, which must originate from GEA Sourcing personnel and may be in the form of a PO non-standard remark or a letter transmittal identifying the shipping instructions. Seller must provide purchaser with documentation showing identifying details of items shipped and proof of shipment.