

SPECIAL TOOLING AND SPECIAL TEST EQUIPMENT (HEREINAFTER JOINTLY CALLED "TOOLING") IS DEFINED IN FAR 45.101.

I. INITIAL PROCUREMENT

- A. SELLER AGREES THAT IT WILL FABRICATE AND FURNISH TO BUYER (PURSUANT TO DELIVERY OR DISPOSITION) ALL TOOLING (INCLUDING ALL MODIFICATIONS THERETO) NECESSARY TO PRODUCE PARTS TO BE DELIVERED BY SELLER UNDER THE PURCHASE ORDER AS SPECIFIED IN THE SCHEDULE HERETO.

- B. SELLER AGREES THAT ALL TOOLING COST (FOR NEW OR REWORK OF EXISTING TOOLING) INCLUDED IN THIS PURCHASE ORDER SHALL BE SUBJECT TO AUDIT BY BUYER AND REVISION DOWNWARD ONLY, TO REFLECT FAIR AND REASONABLE REIMBURSEMENT TO SELLER FOR TOOLING COSTS BASED UPON SELLER'S ACTUAL TOOLING COSTS AND UPON BUYER'S AUDIT. IN NO EVENT WILL SUCH REVISED AMOUNT EXCEED:
 - (A) SELLER'S ACTUAL TOOLING COSTS, OR

 - (B) THE AMOUNT OF TOOLING COSTS INCLUDED IN THIS ORDER, WHICHEVER IS LESS.

- C. UPON COMPLETION OF TOOLING UNDER THIS PURCHASE ORDER, SELLER SHALL SUBMIT TO BUYER A VENDOR TOOL RECORD (VTR, 84-00-3156) PROVIDED HERewith OF ALL TOOLING REQUIRED TO FABRICATE/TEST SAID PARTS ALONG WITH AN ACTUAL DETAIL COST OF EACH TOOL AND DRAWINGS, SKETCHES OR PHOTOGRAPHS OF SAID TOOLING. SELLER SHALL ALSO INCLUDE A COPY OF THE GOVERNMENT LETTER APPROVING THEIR PROPERTY CONTROL SYSTEM OR, AT A MINIMUM, A COPY OF THEIR PROPERTY CONTROL PROCEDURE(S). AFTER THE PURCHASER APPROVAL OF VTR, SELLER SHALL INVOICE AND PAYMENT SHALL BE MADE FOR SAID TOOLING, AND TITLE TO THE TOOLING

SHALL VEST IN THE BUYER OR THE GOVERNMENT AS SPECIFIED IN THE BUYER'S PRIME CONTRACT WITH THE GOVERNMENT.

- D. SELLER AGREES NOT TO USE ANY ITEM OF TOOLING COVERED BY THIS PURCHASE ORDER EXCEPT IN THE PERFORMANCE OF PURCHASE ORDERS ISSUED BY THE BUYER. SELLER AGREES NOT TO INCLUDE IN THE PRICE FOR ANY SUCH PURCHASE ORDER THE COST OF THIS TOOLING OR ANY ALLOWANCES OR CHARGES TO COVER DEPRECIATION OR AMORTIZATION.

- E. SELLER AGREES THAT IT WILL COMPLY WITH THE PROVISIONS OF THE FOLLOWING DOCUMENTS, WHICH BY THIS REFERENCE ARE INCORPORATED HEREIN:
 - 1) "SELLER'S TOOL REQUIREMENTS INSTRUCTION" (SEE BELOW)

 - 2) IF THE TOOLING IS GOVERNMENT PROPERTY PART 45.5 OF FAR SHALL PREVAIL IN THE EVENT OF INCONSISTENCY WITH THE ABOVE REFERENCED DOCUMENT.

- F. SELLER AGREES THAT, IF DIRECTED BY BUYER IN WRITING, TOOLING MAY BE TRANSFERRED FOR RECORD PURPOSES FROM THIS PURCHASE ORDER TO A NO CHARGE CUSTODY AGREEMENT. SELLER SHALL REQUEST DISPOSITION INSTRUCTIONS FOR TOOLING AS SOON AS IT BECOMES KNOWN THAT THE TOOLING IS NO LONGER REQUIRED BY SELLER. BUYER AGREES TO PAY REASONABLE TRANSPORTATION CHARGES CONNECTED WITH DELIVERY OR DISPOSITION IN ACCORDANCE WITH BUYER'S WRITTEN INSTRUCTIONS.

II. FOLLOW ON PRODUCTION

TOOLING REQUIRED FOR PERFORMANCE HEREUNDER IS FURNISHED TO SELLER UNDER BUYER'S PURCHASE ORDER. EXCEPT FOR SUCH ADDITIONAL TOOLING OR TOOLING MODIFICATION AS MAY BE SPECIFICALLY AUTHORIZED

HEREIN, SELLER CERTIFIES THAT ADDITIONAL TOOLING OR TOOLING MODIFICATION IS NOT REQUIRED FOR PERFORMANCE HEREUNDER, AND THAT THE PRICE OF THIS PURCHASE ORDER DOES NOT INCLUDE ANY AMOUNT FOR TOOLING. IF CHARGES FOR TOOLING OR MODIFICATIONS THERETO ARE SPECIFIED HEREIN, TITLE TO SUCH TOOLING OR MODIFICATIONS SHALL VEST IN THE BUYER OR THE GOVERNMENT AS THE CASE MAY BE.

III. BUYER-FURNISHED TOOLING

- A. BUYER WILL FURNISH TO SELLER, ON A LOAN BASIS AND AT NO CHARGE, THE TOOLING REFERENCED IN THIS ORDER (WITH SUCH MODIFICATIONS AS MAY HAVE BEEN REQUESTED BY SELLER AND AGREED TO BY BUYER) FOR SUCH USE, IF ANY, AS SELLER REASONABLY MAY ELECT TO MAKE OF SUCH TOOLING FOR THE SOLE PURPOSE OF PERFORMANCE AGAINST THIS ORDER. UPON REQUEST, BUYER WILL ADVISE SELLER WHERE PURCHASER FURNISHED TOOLING MAY BE EXAMINED. BUYER ASSUMES NO RESPONSIBILITY OF ANY KIND FOR THE ACCURACY OR SUITABILITY OF SUCH TOOLING FOR THE PUPOSES OF THIS ORDER. BY HIS ACCEPTANCE AND USE OF SUCH TOOLING, SELLER EXPRESSLY ASSUMES THE ENTIRE RISK OF THEIR ACCURACY AND SUITABILITY & IS THEREFORE CAUTIONED TO TAKE NECESSARY STEPS TO ASSURE SAME BEFORE USING THEM. THE FURNISHING OF SUCH TOOLING BY THE BUYER, UNDER THE CONDITIONS SET FORTH ABOVE, SHALL NOT IN ANY WAY RELIEVE SELLER OF COMPLETE RESPONSIBILITY FOR FURNISHING THE SUPPLIES COVERED BY THIS ORDER IN STRICT ACCORDANCE WITH THE DRAWINGS & SPECIFICATIONS & ALL OTHER REQUIREMENTS OF THIS ORDER. SELLER MAY NOT USE BUYER-FURNISHED TOOLING TO ACCOMPLISH WORK FOR ANY OTHER CUSTOMERS WITHOUT THE EXPRESS WRITTEN CONSENT OF BUYER.
- B. THE TOOLING DETAILED IN THIS ORDER GOVERNMENT-OWNED OR PURCHASER-OWNED. SELLER AGREES THAT IT WILL COMPLY WITH

THE PROVISIONS OF THE FOLLOWING DOCUMENTS:

- A) "SELLER'S TOOL REQUIREMENTS INSTRUCTION" (SEE BELOW)
- B) IF THE TOOLING IS GOVERNMENT PROPERTY PART 45.5 OF FAR SHALL PREVAIL IN THE EVENT OF INCONSISTENCY WITH THE ABOVE REFERENCED DOCUMENT.
- C) THE SELLER AGREES TO ASSUME THE RISK OF LIABILITY FOR LOSS, DAMAGE OR DESTRUCTION OF GOVERNMENT PROPERTY IN THEIR POSSESSION IN ACCORDANCE WITH FAR PROPERTY CLAUSE 52-245-2.

SELLER'S TOOL REQUIREMENTS INSTRUCTION

SELLERS SHOULD BE PREPARED TO SHOW POSITIVE EVIDENCE OF THE FOLLOWING:

A. PROCEDURES

THE SELLER SHALL ESTABLISH AND MAINTAIN A SYSTEM TO CONTROL, PROTECT, PRESERVE AND MAINTAIN ALL GOVERNMENT-OWNED AND PURCHASER-OWNED PROPERTY WHILE IN HIS POSSESSION. THE PROPERTY CONTROL SYSTEM SHALL BE IN WRITING AND WILL BE SUBJECT TO REVIEW BY THE PURCHASER. A COPY OF SELLER'S GOVERNMENT PROPERTY CONTROL PROCEDURE SHALL BE SUBMITTED TO THE BUYER.

B. IDENTIFICATION

PHYSICAL MARKING OF SPECIAL TOOLING AND/OR SPECIAL TEST EQUIPMENT WILL BE AS FOLLOWS:

- (1) A SEVEN-DIGIT IDENTIFICATION NUMBER ALONG WITH A PREFIX STARTING WITH "USN8" OR "EB8" WILL BE STAMPED OR ETCHED ONTO A NAMEPLATE ATTACHED TO THE SURFACE OF THE TOOL IN A LEGIBLE, PERMANENT, CONSPICUOUS,

TAMPERPROOF METHOD. ALSO, THE TOOL MUST BE STAMPED WITH THE SAME SEVEN DIGIT IDENTIFICATION NUMBER SO THAT IT CAN BE MATCHED WITH THE NAME-PLATE, SHOULD THEY BECOME SEPARATED.

(2) IN INSTANCES WHERE IT IS IMPRACTICAL TO USE METHODS LISTED ABOVE, ALTERNATE METHODS MAY BE IMPROVISED, I.E., A SMALL HOLE MAY BE DRILLED THROUGH THE TOOL FOR ATTACHMENT OF A STOCK NAMEPLATE BY WIRE. THIS HOLE, HOWEVER, MUST BE IDENTIFIED AS A TAG ATTACHMENT HOLE BY SHOWING A PROMINENT "T" NEXT TO IT. ALSO THE TOOL MUST BE MARKED WITH THE SEVEN-DIGIT IDENTIFICATION NUMBER SO THAT IT CAN BE MATCHED WITH THE NAME-PLATE, SHOULD THEY BECOME SEPARATED.

(3) THE IDENTIFICATION NUMBER (USN8000000 OR EB8000000) WILL BE PROVIDED TO YOU IN THE COLUMN "FOR THE PURCHASER USE ONLY." ON THE COMPLETED VENDOR TOOL RECORD (FORM 84-00-3156) RETURNED TO SELLER UPON APPROVAL/ PAYMENT OF THE SPECIAL TOOL AND/OR SPECIAL TEST EQUIPMENT.

C. TOOLING INVENTORY AND RECORD REQUIREMENTS

THE SELLER SHALL MAINTAIN AT ALL TIMES A CURRENT INVENTORY LISTING AND RECORD OF ACCOUNTABILITY OF THE PURCHASER AND/OR GOVERNMENT-OWNED TOOLS LOCATED AT SELLER'S FACILITY OR AT THE FACILITY OF HIS SUBCONTRACTOR. UPON REQUEST, THE INVENTORY RECORDS OF ALL PURCHASER AND/OR GOVERNMENT-OWNED TOOLS SHALL BE SUBMITTED TO THE PURCHASER.

READILY ACCESSIBLE FILES OF SOURCE DOCUMENTS AND OTHER DOCUMENTS ARE REQUIRED TO SUPPORT THE ACTIVITIES DESCRIBED IN PARAGRAPHS A THROUGH J, AS WELL AS SUCH OTHER PROPERTY RECORDS AS MAY BE REQUIRED UNDER THE PURCHASE AGREEMENT. ORDINA-

RILY, THE PROPERTY RECORD FOR EACH ITEM OF SPECIAL TOOLING AND STE WILL INDICATE THE FOLLOWING:

- (1) PURCHASE ORDER NUMBER
- (2) NOMENCLATURE/DESCRIPTION
- (3) QUANTITY RECEIVED OR FABRICATED
- (4) LOCATION OR DISPOSITION
- (5) UNIT PRICE (AS REQUIRED)
- (6) POSTING REFERENCES FOR EACH TRANSACTION
- (7) IDENTIFICATION NUMBER (SEVEN-DIGIT PREFIXED BY USN OR EB) OR AS DESIGNATED BY THE PURCHASER
- (8) USAGE INFORMATION (WHERE USED)
- (9) ITEM ON WHICH USED

D. ACQUISITION

THE SYSTEM SHOULD HAVE THE ABILITY TO SHOW THE AUTHORITY BY WHICH THE PROPERTY WAS ACQUIRED. SUCH AUTHORIZATION USUALLY CONSISTS OF A FULLY EXECUTED VENDOR TOOL RECORD (FORM 84-00-3156) & THE PURCHASE ORDER.

E. MAINTENANCE AND PROTECTION

AN EFFECTIVE PROGRAM FOR PREVENTIVE AND REPAIR MAINTENANCE FOR PROTECTION OF SPECIAL TOOLING AND SPECIAL TEST EQUIPMENT IN ACCORDANCE WITH SOUND INDUSTRIAL PRACTICES IS REQUIRED INCLUDING RECORDS OF SUCH ACTIONS.

F. ALTERATION AND/OR REIDENTIFICATION

NO TOOL SHALL BE ALTERED OR REIDENTIFIED IN ANY MANNER BY THE SELLER WITHOUT PRIOR WRITTEN APPROVAL FROM THE BUYER. ANY

ALTERATION AND/OR REIDENTIFICATION WILL BE AUTHORIZED ONLY THROUGH THE USE OF PURCHASE ORDER OR SUPPLEMENT.

G. LOSS, DAMAGE OR DESTRUCTION

THE SELLER SHALL REPORT TO THE PURCHASER ALL CASES OF LOSS, DAMAGE OR DESTRUCTION OF ELECTRIC BOAT OR GOVERNMENT-OWNED TOOLING IN HIS POSSESSION OR CONTROL (INCLUDING SUCH TOOLING IN THE POSSESSION OR CONTROL OF HIS SUBCONTRACTOR) AS SOON AS THE FACT BECOMES KNOWN.

AS SOON AS FACTUAL DATA CAN BE OBTAINED, THE FOLLOWING INFORMATION SHALL BE SUBMITTED:

- (1) SELLER'S NAME AND PURCHASE ORDER,
- (2) DESCRIPTION OF ITEMS LOST, DAMAGED, DESTROYED OR UNREASONABLY CONSUMED,
- (3) COST OF TOOLING LOST, DAMAGED, ETC.,
- (4) DATE, TIME (IF PERTINENT) AND CAUSE OR ORIGIN OF THE LOSS, DAMAGE, ETC.,
- (5) KNOWN INTERESTS IN ANY COMMINGLED TOOLING OF WHICH PURCHASER OR GOVERNMENT-OWNED TOOLING LOST, DAMAGED, ETC., IS (OR WAS) A PART,
- (6) INSURANCE, IF ANY, COVERING THE TOOLING, AND
- (7) ACTIONS TAKEN BY THE SELLER TO PREVENT FURTHER LOSS, DAMAGE, ETC., AND TO PREVENT REPETITION OF SIMILAR INCIDENTS.

H. INACTIVE TOOLS

THE SELLER AND/OR HIS SUBCONTRACTOR WHO HAS IN HIS POSSESSION TOOLS WHICH HAVE BECOME INACTIVE SHALL OBSERVE THE FOLLOWING:

- (1) PREPARE A LETTER TO THE PURCHASER REQUESTING DISPOSITION OF TOOLS LISTED, AND
- (2) STATING THE LENGTH OF TIME THAT THE TOOLS HAVE BEEN INACTIVE.

SELLER SHALL NOT TRANSFER OR OTHERWISE DISPOSE OF ANY TOOL WITHOUT SPECIFIC WRITTEN AUTHORITY FROM THE PURCHASING BUYER.

I. PHYSICAL INVENTORIES

THE SELLER SHALL ANNUALLY (IN THE FOURTH QUARTER OF THE YEAR) PHYSICALLY INVENTORY ALL PURCHASER AND GOVERNMENT-OWNED PROPERTY IN HIS POSSESSION & SHALL CAUSE SUBCONTRACTORS TO DO LIKEWISE. RESULTS OF PHYSICAL INVENTORIES SHALL BE FORWARDED TO THE PURCHASER AND SHALL INCLUDE:

- 1) A LISTING (BY I.D. NUMBER) OF ALL ITEMS INVENTORIED WITH WRITTEN CERTIFICATION THAT THE ITEMS WERE SIGHTED, AND
- 2) A LISTING OF DISCREPANCIES NOTED.

J. SUBCONTRACTOR CONTROL

THE SELLER SHALL REQUIRE ANY OF HIS SUBCONTRACTORS TO COMPLY WITH THIS INSTRUCTION AND FAR PART 45 (FAR PART 45 IS A REQUIREMENT WHEN GOVERNMENT PROPERTY IS INVOLVED).