



Ruggedized Command & Control Solutions

Purchase Order Special Provisions

Section 400

Special Tooling & Test Equipment

SP 401

SPECIAL TOOLING

This provision establishes responsibilities of Buyer and Seller for identification, control and accountability of Special Tooling (ST) and/or Special Test Equipment (STE). It further establishes requirements for records and reports related to the maintenance and disposition of these tools and/or equipment.

1. DEFINITIONS

(A) **Special Tooling.** All jigs, fixtures, patterns, taps, gauges, other equipment and manufacturing aids, and replacements thereof, which are of such a specialized nature that without substantial modification and alteration their use is limited to the development or production of particular supplies or parts thereof, or the performance of particular services.

(B) Items of equipment listed below are not considered special tooling.

a. **Perishable Tools** - These consist of catalog items readily available on the open market, which because of their size and nature, are considered expendable. Drills, reamers, taps, snap gauges, and all types of cutting tools are considered perishable tools even though they are altered for production purposes and may be special in nature, unless they are otherwise determined to be accountable. The Seller is expected to provide all universal shop equipment.

b. **Shop Equipment and Durable Tools** - This class consists of plant equipment required for producing tools and parts, such as machines, motors, cranes, utility dollies, hoists, adapters and furniture. It will also include all equipment, instruments, and tools used in manufacturing, operating, constructing, and testing activities that are not classified as "special tooling". The Seller is expected to provide all shop equipment.

c. **Seller-Owned Tools** - This class includes forging and extrusion dies and molds for permanent mold castings where practice within the industry dictates that the possession shall remain with the Seller. Seller owned tools shall be noted separately on tooling quotations even though by reason of Seller retention they do not fall within the definition of accountable tools.

This document however is not otherwise concerned with such tools.

(C) **Special Test Equipment.** All single or multi-purpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in the performance of the electronic, hydraulic, pneumatic, mechanical, or other items as assemblies of equipment, that are mechanically, electrically, or electronically interconnected so as to become a new functional entity, causing the individual item or items to become interdependent and essential in the performance of special purpose testing in the development or production of particular supplies or services.

2. OWNERSHIP

ST/STE acquired on this or prior Purchase Orders used to perform this Purchase Order is Buyer Property and shall be used only for this Purchase Order. ST/STE will not be modified (except as specified herein), altered, reworked, destroyed, disposed

of, or used on any other contract/program or transferred/shipped to a subtier supplier without the express authority of the Buyer. Invoices for special tools fabricated to Buyer's source control drawing will be payable at such time as Seller has completed and submitted appropriate documentation.

3. IDENTIFICATION

Special the Seller will permanently mark ST/STE produced or acquired in support of this program promptly upon receipt. Markings must contain at a minimum the Buyer part/tool number, the Purchase Order by which it was produced or acquired. All identifying markings are subject to examination, as Buyer deems necessary.

4. CERTIFIED PROPERTY LIST (CPL)

(A) The Seller shall prepare and submit to the Buyer a list of all ST/STE produced, procured, or reworked by authority of this Purchase Order. This list shall be submitted on a CPL, within sixty (60) days after receipt of Special Tooling acquired on this Purchase Order. Additionally, complete, accurate, signed CPLs for all Buyer-Owned Property acquired on this and all other prior Purchase Orders to support this program shall be submitted to Buyer no later than 31 December each year. CPL forms may be obtained upon request from the Buyer's Property Manager or Buyer. The CPL shall include the following data:

- (1) Purchase Order Number on which the property was first acquired or produced.
- (2) Complete description for each line item of property including Buyer's part number and Seller's part number.
- (3) Unit Price for each line item of property (lot or group prices are not acceptable). If actual unit price is not available, a "best estimate" cost should be noted followed by the letter "E" for Estimate.
- (4) Location of property should include names and addresses of the Seller, Subtier Supplier(s) or off-site divisional locations, as applicable.

(B) The CPL will be signed by the Seller's Property Administrator or an authorized representative, as certification that the document is complete/accurate and in compliance with these requirements.

5. RECORD REQUIREMENTS

(A) The Seller is responsible for maintaining accountability and maintenance records of all Buyer-Owned ST/STE. Seller will maintain the official accountability records for his subtier suppliers unless otherwise approved by Buyer. Records are to include:

- (1) Control Records listing ownership, Purchase Order under which special tooling was originally acquired.
- (2) Accountability transfer from one Purchase Order to another.
- (3) Annual physical inventory lists verified and submitted by the Seller to the Buyer for each Purchase Order.
- (4) Disposition authority for tools or test equipment no longer required to perform the contract and subsequently dispositioned.
- (5) Packing sheet on which the tool or test equipment was received or shipped.



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- (6) Tool number, serial number, (if any).
- (7) Nomenclature or description.
- (8) Unit price.

6. LIABILITY

The Seller assumes the risk and shall be responsible for any loss, destruction or damage of Buyer-Owned Property while in the Seller's possession, custody or control, or in the possession, custody or control of its subtier suppliers. The requirement for these accountability instructions apply equally to all Special Tooling for which the Seller is responsible, regardless of their location. The Seller shall promptly report to the Buyer all cases of loss, damage or destruction of ST/STE in his possession or its subtier supplier's possession. Seller shall, at its own expense, carry sufficient insurance to cover replacement cost of all Buyer-Owned Tooling and/or Special Test Equipment in its possession, including those tools that were Buyer furnished. Policies for such insurance shall be subject to approval by Buyer and shall name Buyer as the named insured or shall include a loss payable clause to Buyer as Buyer's interest may appear.

7. MAINTENANCE

The Seller shall establish a preventive maintenance program for Buyer-Owned ST/STE. Maintenance and repair records shall be maintained for each item of Buyer-Owned ST/STE in Seller's possession and in the possession of Seller's subcontractors. All Buyer-owned Property shall be maintained from the time of receipt until properly relieved of responsibility, in accordance with sound industrial practice and the terms of this provision. Cost of tool and test equipment maintenance and/or calibration for production shall be the Seller's responsibility. Maintenance required by this special condition may include but shall not be limited to the following:

- 1. replace tooling pins and keys and consumed composite tools;
- 2. repair elongated tooling holes, work keyways and to print tolerances;
- 3. clean and polish working surfaces of dies as required to prevent scoring or marking of parts;
- 4. protect entire die with anti-oxidant (everlube or equivalent) after each run of parts;
- 5. perform minor rework. Cost of any tool rework or replacement which is deemed beyond "minor" shall be negotiated separately as the need arises;
- 6. calibration of test equipment at an interval prescribed herein.

8. MODIFICATION OF BUYER-OWNED SPECIAL TOOLING

The following guidelines are provided with regard to modification of tooling as a result of design changes.

- (A) Changes to special tooling which do not require separate review and approval from the Buyer include:
 - (1) Engineering Change Proposals (ECPs) (Class 1) previously approved by Buyer covering production end articles and spares.

- (2) Class II changes which cannot by definition affect tooling configuration. If a potential Class II change appears to affect tooling configuration, it must be upgraded to a Class I change and be submitted for formal review by Buyer.

(B) Changes to special tooling which do require Buyer's review and approval include, but are not limited to, the following:

- (1) Changes to produce a new end article model or part configuration which affect the ability to produce the current production end article or spares in support of the end article as currently configured.
- (2) Changes as a result of research and development efforts on an end article program which affect the ability to produce current production end articles or spares in support of the end article as currently configured.
- (3) Any change to Special Tooling, including those previously approved by the Buyer which will adversely affect the ability to deliver spares in support of the end article as currently configured.
- (4) Changes which affect the capability and durability of tooling, especially if the change will make tooling less durable than originally projected.

9. DISPOSITION

- (A) All ST/STE, either supplied by Buyer, produced or acquired by the Seller, shall be maintained and stored by the Seller until formal disposition instructions are received from Buyer. Under no circumstances shall ST/STE be scrapped, sold or otherwise disposed of without prior written authorization from the Buyer.
- (B) When ST/STE in the Seller's possession is no longer required to perform the Buyer's work requirement, the Seller shall submit written request to Buyer's Property Department, requesting disposition instructions.
- (C) The Seller will, upon request, promptly review, update, sign, and return copies of the Buyer's tool inventory schedules or related reports submitted for processing.
- (D) If authorization to scrap ST/STE has been received from the Buyer, the Seller shall proceed to dispose of same through his approved scrap procedure or as otherwise directed by the Buyer.
- (E) The Seller shall, upon request from the Buyer, recommend disposition, determine scrap value, credit Buyer with scrap value of ST/STE, execute necessary forms related to disposition or movement, ship in accordance with Buyer's instructions, provide copies of shipping documents and rework information.

SP 402 RENT FREE USE

The Special Tooling as listed or appended hereto is authorized for use by the Seller on a rent-free/non-interference basis in the performance of this Purchase Order. The Seller warrants by acceptance of this Purchase Order that it has not included in its cost under this subcontract any rental charges for the use of such property or the



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amortization of such property. Seller agrees that it shall not, either directly or indirectly through overhead charges or otherwise, include such costs in the price of this Purchase Order. Further, Seller agrees, that it will not otherwise seek reimbursement under this subcontract for any rental charge paid by the Seller or its subtier subcontractor(s) for the use of the property referred to herein on other contracts.

All Government-Owned Property, acquired or furnished by the Government and/or the Buyer for specific use in performance of this Purchase Order, shall be administered and accounted for in accordance with Federal Acquisition Regulation (FAR), Part 45.

SP 403 **INITIAL TOOLING**

Seller shall proceed with the development and fabrication of one lot of production special tooling or special test equipment (as applicable) associated with and required for the manufacture, fabrication, and assembly of the material described herein. Seller is to manufacture, fabricate, or otherwise acquire tooling to the extent, quality and capability of producing as a minimum, the quantities and production rates of material to be produced under this purchase order.

In conjunction with the manufacture of the special tooling described herein, Seller is to provide Buyer with such drawings, descriptive sheets, use summaries, identification lists or other written materials that fully describe and identify each tool, and indicate tool production usage by Buyer part number.

Approval and acceptance of special tooling described herein shall be accomplished in concert with First Article acceptance of material under this purchase order.

Upon completion and acceptance by Buyer, all special tooling manufactured, fabricated or otherwise acquired by Seller under this purchase order will become the sole property of Buyer and title to such special tooling shall be vested in Buyer.

Seller agrees that all its Special Tooling and/or Special Test Equipment required to produce the goods purchased, will be retained in usable condition for a period of four (4) years from the date of this contract. In consideration of the award of this Purchase Order, Seller grants Buyer the right of first refusal to purchase such Special Tooling and/or Special Test Equipment prior to disposal by Seller. Seller will give Buyer written notification of pending disposal and allow Buyer a reasonable period of time in which to exercise its rights of first refusal.

SP 404 **PRODUCTION RATE ST/STE**

Supplier to furnish material and fabricate special tooling to produce a minimum of **INSERT A** pieces of Buyer's part number **INSERT B** Revision "**INSERT C**".

SP405 **TOOL ASSET CONTROL NUMBER.**

Tooling fabricated by Seller under this purchase order is the property of Buyer. Seller shall identify Tooling with the following, Buyer assigned, Tool Asset Control Number (TACN) **INSERT A**. Within thirty (30) days following final delivery of the hardware associated with this tooling, Seller shall return tooling to Buyer.

SP406 **BUYER FURNISHED ST/STE.**

Tooling furnished by Buyer under this purchase order as Tool Asset Control Number **INSERT A** is the property of Buyer. Accordingly, Seller agrees to comply with articles 7, 8, 9 and 10 of Special Provision 401 – Special Tooling. Within thirty (30) days following final delivery of the hardware associated with this tooling, Seller shall return tooling to Buyer.

END OF SECTION 400

BUYER FURNISHED MATERIAL AND OTHER DATA