

SPECIAL TOOLING/SPECIAL TEST EQUIPMENT

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Special tooling (which, for the purpose of this clause, includes special test equipment, as appropriate).

The Subcontractor is hereby authorized to use the special tooling listed on the attached Certified Tool List (Form A-21), or as listed on the purchase order, in the performance of this order.

Subcontractor shall utilize special tooling in accordance with a government or Aerojet property control system, or otherwise shall adequately care for, maintain, and assure use only as authorized, subject to Federal Acquisition Regulations (FAR) Paragraph 45.502. Annually, as requested by the Buyer/Subcontract Administrator, the Subcontractor shall submit a current inventory list to Aerojet, identifying each item of special tooling in the contractors' possession and certifying its existence and condition on Form A-21. The inventory list will identify those special tools and special test equipment that have become obsolete since the previous inventory, any special tools that have been added, and any special tools that have been lost. The Subcontractor shall be held responsible to replace or reimburse Aerojet for the lost tools.

Special tooling, whether furnished by Aerojet to Subcontractor and identified as Aerojet furnished on the face hereof or acquired by Subcontractor under this contract is the property of Aerojet and/or the Government.

Where the special tooling is Aerojet furnished, the Subcontractor shall inspect and check the special tooling for defects and compliance with contract requirements before use in performance of this contract. In the event Subcontractor encounters manufacturing difficulties as a result of the use of any special tools furnished to Subcontractor by Aerojet to accomplish the performance of the work contracted for hereunder, Subcontractor shall give Aerojet prompt written notice thereof, setting forth the difficulties so encountered. Upon receipt of such notification, Aerojet, through the cognizant buyer, shall direct the Subcontractor, in writing, to either (i) return such tooling at Aerojet's expense or otherwise dispose of such tooling, or (ii) repair or replace such tooling. Upon the written request of the Subcontractor, Aerojet and the Subcontractor shall enter into negotiation to equitably adjust the price, delivery schedule, or both, in accordance with the changes clause in the contract.

Where the special tooling is Subcontractor acquired, the Subcontractor shall forward to Aerojet a complete list of special tools acquired pursuant to this contract. The list shall include the description of each tool, part number such tool will produce, and estimated cost of each tool. Aerojet shall then furnish the Subcontractor a tool number (or the Contractor can provide a tool number with Aerojet concurrence) for each tool, and an amendment shall be issued to this contract incorporating the quantity, description, and number(s) of each special tool manufactured pursuant to this contract, Subcontractor shall permanently identify said tools with the tool number, part number, purchase order number, and prime contract number. After acceptance by Subcontractor's Quality Control of a reasonable number of parts produced from these special tools, Subcontractor shall prepare two (2) copies of a Certificate of Compliance certified by Subcontractor's Quality Control specifying the special tools have been identified in accordance with the requirements of this clause. Subcontractor shall submit one (1) copy of the Certificate of Compliance together with the tooling invoice to our Accounting Department. Subcontractor shall mail one (1) copy of the Certificate of Compliance to the buyer. Only invoices having Certificate of Compliance attached shall be processed for payment.

Where the special tooling is Aerojet and/or Government furnished, the Subcontractor shall request, in writing, disposition instructions from Aerojet within 30 days after Subcontractor has completed and shipped the articles produced under this contract, unless Aerojet has authorized the Subcontractor, in writing, to retain such special tooling.

Where the special tooling is Subcontractor acquired, Subcontractor shall request disposition of special tooling within 90 days after Subcontractor has completed and shipped the articles produced under this contract. Should this contract be terminated before completion, the Subcontractor must submit a current A-21 as part of any settlement thereunder.

In the event that Aerojet authorizes the Subcontractor to retain the Aerojet furnished or Subcontractor acquired tools beyond the respective periods noted above, Subcontractor shall furnish, 90 days prior to the expiration of any storage period granted under the terms of this Contract a current A-21 of the aforementioned special tools, including condition code and contract number.

Prior to shipping any tools as authorized hereunder, the Subcontractor's Quality Control Department must account for and certify as to the completeness of each tool and all parts pertaining thereto.