

**REMARK E21**  
REVISION 01/18/2011

THIS SUPPLEMENT REPRESENTS THE FUNDAMENTAL REQUIREMENTS TO BE OBSERVED BY SELLER IN ESTABLISHING AND MAINTAINING CONTROL OF GENERAL ELECTRIC, CUSTOMER OWNED, AND/OR GOVERNMENT OWNED PROPERTY AT SELLER FACILITIES.

**DEFINITIONS:**

**PROPERTY:** All property, both real and personal. It includes facilities, material, special tooling, special test equipment, and agency-peculiar property.

**SPECIAL TOOLING (ST):** Jigs, fixtures, (including test), molds, patterns, gages, manufacturing aids and all components of these items which are of such a specialized nature that without substantial modification or alteration, their use is limited to the development or production of particular supplies or parts thereof or the performance of particular services. Non-deliverable mockups are considered special tooling and they must retain their entirety (i.e. the sum of all its parts as a whole).

**SPECIAL TEST EQUIPMENT (STE):** Single or multipurpose integrated test units engineered, designed, fabricated, or modified to provide specific functions for special purpose testing. Such testing units comprise a combination of electrical, hydraulic, pneumatic, mechanical, or other items or assemblies of equipment that are interconnected and essential in the performance of special purpose testing.

**BASIC BUILD COST:** The direct cost of the seller to fabricate a unit of Special Tooling (ST) or Special Test Equipment (STE) and does not include design, drafting or engineering costs associated with the unit design.

**PROCEDURE:**

Property covered by this order shall not be used for other than filling purchaser's orders. It is to be controlled and maintained in accordance with current subpart 52.245-1 of the Federal Acquisition Regulation (FAR). Use of USG owned tooling on contracts other than which it is currently accountable, will be subject to a rental fee as described in current FAR 52.245-9. Property covered by this order shall not be disposed of, or altered in any way without written permission from the purchaser. The seller shall be directly responsible for all GEA and/or USG owned property, including any property, which may be in the possession of a sub-tier supplier. Consult article seven, "PURCHASER'S PROPERTY", of the GEA Terms and Conditions of Purchase (C64) referenced in this purchase order concerning maintenance of and liability for GEA/USG property.

**IDENTIFICATION:**

Applicable property will be identified per the marking requirements set forth in Remark 070 in this order.

**INVOICES/PROPERTY LISTS:**

Sellers invoice for tooling shall be submitted electronically to GEA Accounts Payable (SSSAP) using the current, approved, GEA electronic process. The certified property list (GT166V for Customer or GEA titled property) or (GT166EU for exclusive use supplier titled property) shall be simultaneously sent to the purchasers Buyer/CA as identified on the order.

**PROPERTY RECORDS:**

Records will be prepared by the seller on each piece of GEA or GEA/USG owned property. Each record should contain the following information:

1. Government contract number or equivalent GEA number when applicable.
2. General Electric Company's purchase order number.
3. Property number (the property number may include the GEA part number but must be distinctly different from the part by adding a prefix or suffix)
4. Quantity
5. Description (fixture, die, etc.)
6. Drawing number of part produced.
7. Design price
8. Build price
9. Location
10. List of components when applicable.

#### LOSSES AND/OR DAMAGE:

Seller shall immediately notify Purchaser's buyer and GEA's Property Management Office of any damage to GE or USG owned property by fax (513-243-9252), as soon as the facts are known. All instances of damage shall be confirmed in writing within five (5) days using GEA form GT747. Purchaser will review the report and advise seller of further required actions, if any. When accountable property is declared lost, the seller will submit a completed Lost/Damaged Form GT747 to GE Property Management. GE will review and screen with GE program managers as to obsolescence. GE reserves the right to debit seller's account for the full acquisition cost of all accountable property GE deems required for future use. 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 GE in writing as soon as possible.

#### INVENTORY:

Upon request by GE the seller shall perform a physical inventory 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 GEA within 90 days of notification by GEA. Seller will return, upon inventory completion, a complete listing of the inventory and certification under seller's letterhead. All necessary instructions, requirements, and forms will be supplied by GEA with the notification. If a listing of the inventory and certification is not received within 120 days of notification, GE 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. Seller agrees to allow purchaser (or its authorized agents) and government representatives (when applicable) to conduct periodic reviews of accountable property and seller's records to ensure proper control of both GE and USG owned items.

#### 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 complete the Property Disposal Data Form (GT9042). Upon receipt and processing of the completed Property Disposal Data Form (GT9042), purchaser will instruct seller as to disposition actions. If the property is to be transferred to another contract or program, purchaser will advise seller as to the replacement contract or program and purchaser's and seller's records will be changed accordingly.

PLANT CLEARANCE: (Disposal of USG owned property)

Obsolete or excess property to be disposed shall be witnessed by a USG representative prior to disposal. The assigned USG representative will contact the seller prior to the planned visit. When property cannot be located and is reported as missing to the government representative at the time of the physical inventory of plant clearance property, seller will at that time forward to purchaser a "Lost/Damaged Report"(GT747). Purchaser will review reports and advise seller of further required actions. If the purchaser is notified of the missing property by the government, and a GT747 has not been received, purchaser will notify seller and reserves the right to debit the seller's account for the full acquisition price of the missing property if the GT747 is not received within the following five (5) working days.

**STORAGE OF CUSTOMER OWNED OR USG OWNED PROPERTY:**

Purchaser will not reimburse seller for storage of property. Therefore, 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 will be liable for the replacement cost. Losses of accountable property determined by purchaser to be obsolete, will be subject to reimbursement by seller to purchaser at a value to be assessed by purchaser.

**MOVEMENT OF ST or STE:**

Any Government owned or customer owned tooling, that is identified by the purchaser to be moved, from a seller's facility must be identified on a GE Transportation Tooling Purchase Order written against the receiving facility (supplier). Seller shall not proceed to ship tooling to any location other than a GEA facility without said Purchase Order being issued. To obtain the Purchase Order number, contact GEA purchasing personnel Seller must contact purchaser to obtain the PO reference prior to initiating the shipment of the property. 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.