

ANNEX 3

APPLICABLE DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT

ANNEX 3A. DFARS FOR SPECIALTY STEELS

Change 20001213, December 13, 2000

Reference: http://www.acq.osd.mil/dp/dars/dfars/doc/225_70.doc

SUBPART 225.70--AUTHORIZATION ACTS, APPROPRIATIONS ACTS, AND OTHER STATUTORY RESTRICTIONS ON FOREIGN ACQUISITION (Revised December 13, 2000)

225.7000 Scope of subpart.

- (a) This subpart contains restrictions on the acquisition of foreign products and services, imposed by Defense appropriations and authorization acts and other statutes. Refer to the acts to verify current applicability of the restrictions.
- (b) Nothing in this subpart affects the applicability of the Buy American Act or Balance of Payments Program.

225.7001 Definitions.

As used in this subpart—

- (a) “Bearing components” and “miniature and instrument ball bearings” are defined in the clause at 252.225-7016, Restriction on Acquisition of Ball and Roller Bearings.
- (b) “Hand or measuring tools” means those tools listed in Federal supply classifications 51 and 52, respectively.
- (c) “Possessions,” as used in the phrase “United States or its possessions,” includes Puerto Rico.
- (d) “Specialty metals” is defined in the clause at 252.225-7014, Preference for Domestic Specialty Metals.

225.7002 Restrictions on food, clothing, fabrics, specialty metals, and hand or measuring tools.

225.7002-1 Restrictions.

- (a) In accordance with Section 9005 of Pub. L. 102-396, as amended (10 U.S.C. 2241 note, Limitations on Food, Clothing, and Specialty Metals Not Produced in the United States), and Section 8109 of Pub. L. 104-208, do not acquire supplies consisting in whole or in part of any of the following, that have not been grown or produced in the United States or its possessions—
 - (1) Food, but this does not restrict acquisition of foods manufactured or processed in the United States or its possessions;
 - (2) Clothing;
 - (3) Tents, tarpaulins, or covers;
 - (4) Cotton and other natural fiber products, or wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles), but this does not restrict acquisition of cotton or wool reprocessed or reused in the United States or its possessions;
 - (5) Woven silk or woven silk blends;
 - (6) Spun silk yarn for cartridge cloth;
 - (7) Synthetic fabric or coated synthetic fabric, including all textile fibers and yarns that are for use in such fabrics;
 - (8) Canvas products; or
 - (9) Any item of individual equipment (Federal Supply Class 8465) manufactured from or containing any of the listed fibers, yarns, fabrics, or materials.
- (b) Do not acquire specialty metals, including stainless steel flatware, that were not melted in steel manufacturing facilities located within the United States or its possessions.
- (c) Do not acquire hand or measuring tools that were not produced in the United States or its possessions.

225.7002-2 Exceptions.

Acquisitions in the following categories are not subject to the restrictions in 225.7002-1—

- (a) Any of the items in 225.7002-1(a) or (b), if the Secretary concerned, or designee, determines that they cannot be acquired when needed in a satisfactory quality and sufficient quantity grown or produced in the United States or its possessions at U.S. market prices.
- (b) Outside the United States—
 - (1) In support of combat operations;

- (2) Perishable foods by activities located outside the United States for their personnel; or
- (3) Emergency acquisitions by such activities for their personnel.
- (c) Acquisitions by vessels in foreign waters.
- (d) Acquisitions of those supplies listed in FAR 25.104(a), unless the supplies are hand or measuring tools.
- (e) Acquisitions not exceeding the simplified acquisition threshold.
- (f) Acquisitions of end items incidentally incorporating cotton or wool, for which the estimated value of the cotton or wool is not more than 10 percent of the total price of the end item; provided the estimated value of the cotton or wool does not exceed the simplified acquisition threshold.
- (g) Supplies purchased specifically for commissary resale.
- (h) Purchases of specialty metals by subcontractors at any tier for programs, except—
 - (1) Aircraft;
 - (2) Missile and space systems;
 - (3) Ships;
 - (4) Tank-automotive;
 - (5) Weapons; and
 - (6) Ammunition.
- (i) Purchases of specialty metals and chemical warfare protective clothing when the acquisition furthers an agreement with a qualifying country (see 225.872).
- (j) Purchases of fibers and yarns that are for use in synthetic fabric or coated synthetic fabric (but not the purchase of the synthetic or coated synthetic fabric itself), if—
 - (1) The fabric is to be used as a component of an end item that is not a textile product. Examples of textile products, made in whole or in part of fabric, include—
 - (i) Draperies, floor coverings, furnishings, and bedding (Federal Supply Group 72, Household and Commercial Furnishings and Appliances);
 - (ii) Items made in whole or in part of fabric in Federal Supply Group 83, Textile/leather/furs/apparel/findings/tents/flags, or Federal Supply Group 84, Clothing, Individual Equipment and Insignia;
 - (iii) Upholstered seats (whether for household, office, or other use); and
 - (iv) Parachutes (Federal Supply Class 1670); or
 - (2) The fibers and yarns are para-aramid fibers and yarns manufactured in—
 - (i) The Netherlands; or
 - (ii) Another qualifying country (see 225.872) if the Under Secretary of Defense (Acquisition, Technology, and Logistics) makes a determination in accordance with Section 807 of Pub. L. 105-261 that—
 - (A) Procuring articles that contain only para-aramid fibers and yarns manufactured from suppliers within the United States or its possessions would result in sole source contracts or subcontracts for the supply of such para-aramid fibers and yarns;
 - (B) Such sole source contracts or subcontracts would not be in the best interest of the Government or consistent with the objectives of the Competition in Contracting Act (10 U.S.C. 2304); and
 - (C) The qualifying country permits U.S. firms that manufacture para-aramid fibers and yarns to compete with foreign firms for the sale of para-aramid fibers and yarns in that country.

225.7002-3 Contract clauses.

Unless an exception is known to apply—

- (a) Use the clause at 252.225-7012, Preference for Certain Domestic Commodities, in all solicitations and contracts which meet or exceed the simplified acquisition threshold.
- (b) Use the clause at 252.225-7014, Preference for Domestic Specialty Metals, in all solicitations and contracts over the simplified acquisition threshold that require delivery of an article containing specialty metals. Use the clause with its Alternate I in all solicitations and contracts over the simplified acquisition threshold requiring delivery, for one of the following major programs, of an article containing specialty metals—
 - (1) Aircraft;
 - (2) Missile and space systems;
 - (3) Ships;
 - (4) Tank-automotive;
 - (5) Weapons; or
 - (6) Ammunition.
- (c) Use the clause at 252.225-7015, Preference for Domestic Hand or Measuring Tools, in all solicitations and contracts over the simplified acquisition threshold calling for delivery of hand or measuring tools.

ANNEX 3B. DFARS CONTRACT CLAUSE FOR SPECIALTY METALS

Change 20001213, December 13, 2000

Reference: <http://www.acq.osd.mil/dp/dars/dfars/doc/252225.doc>

252.225-7014 Preference for Domestic Specialty Metals.

As prescribed in 225.7002-3(b), use the following clause:

PREFERENCE FOR DOMESTIC SPECIALTY METALS (MAR 1998)

- (a) *Definitions.* As used in this clause—
 - (1) “Qualifying country” means any country set forth in subsection 225.872-1 of the Defense Federal Acquisition Regulation Supplement.
 - (2) “Specialty metals” means—
 - (i) Steel—
 - (A) Where the maximum alloy content exceeds one or more of the following limits: manganese, 1.65 percent; silicon, 0.60 percent; or copper, 0.60 percent; or
 - (B) That contains more than 0.25 percent of any of the following elements: aluminum, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, or vanadium;
 - (ii) Metal alloys consisting of nickel, iron-nickel, and cobalt base alloys containing a total of other alloying metals (except iron) in excess of 10 percent;
 - (iii) Titanium and titanium alloys; or
 - (iv) Zirconium and zirconium base alloys.
- (b) The Contractor agrees that any specialty metals incorporated in articles delivered under this contract will be melted in the United States, its possessions, or Puerto Rico.
- (c) This clause does not apply to the extent that—
 - (1) The Secretary or designee determines that a satisfactory quality and sufficient quantity of such articles cannot be acquired when needed at U.S. market prices;
 - (2) The specialty metal is melted in a qualifying country or is incorporated in an article manufactured in a qualifying country;
 - (3) The acquisition is necessary to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources to offset sales made by the U.S. Government or U.S. firms under approved programs; or
 - (4) The specialty metal is purchased by a subcontractor at any tier.

ALTERNATE I (MAR 1998)

As prescribed in 225.7002-3(b), substitute the following paragraph (c) for paragraph (c) of the basic clause, and add the following paragraph (d) to the basic clause:

- (c) This clause does not apply to the extent that—
 - (1) The Secretary or designee determines that a satisfactory quality and sufficient quantity of such articles cannot be acquired when needed at U.S. market prices;
 - (2) The specialty metal is melted in a qualifying country or is incorporated in an article manufactured in a qualifying country; or
 - (3) The acquisition is necessary to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources to offset sales made by the U.S. Government or U.S. firms under approved programs.
- (d) The Contractor agrees to include the terms of this clause, including this paragraph (d), in every subcontract or purchase order awarded under this contract unless the item being purchased contains no specialty metals.

ANNEX 3C. DFARS FOR QUALIFYING COUNTRIES

Change 20001213, December 13, 2000

Reference: http://www.acq.osd.mil/dp/dars/dfars/doc/225_8.doc

225.872 Contracting with qualifying country sources.

225.872-1 General.

- (a) As a result of memoranda of understanding and other international agreements, the DoD has determined it inconsistent with the public interest to apply restrictions of the Buy American Act/Balance of Payments Program to the acquisition of defense equipment which is mined, produced, or manufactured in any of the following countries (referred to in this part as “qualifying countries”)—

Australia
Belgium
Canada
Denmark
Egypt
Federal Republic of Germany
France
Greece
Israel
Italy
Luxembourg
Netherlands
Norway
Portugal
Spain
Turkey
United Kingdom of Great Britain and Northern Ireland

- (b) Individual acquisitions for products of the following qualifying countries may, on a purchase-by-purchase basis, be exempted from application of the Buy American Act and Balance of Payments Program as inconsistent with the public interest—

Austria
Finland
Sweden
Switzerland

- (c) The determination in paragraph (a) of this subsection does not limit the authority of the cognizant Secretary to restrict acquisitions to domestic sources or reject an otherwise acceptable offer from a qualifying country source in instances where considered necessary for national defense reasons.

ANNEX 3D. DFARS FOR CARBON, ALLOY, AND ARMOR STEEL PLATE

Change 20001213, December 13, 2000

Reference: http://www.acq.osd.mil/dp/dars/dfars/doc/225_70.doc

225.7017 Restriction on carbon, alloy, and armor steel plate.

225.7017-1 Restriction.

In accordance with Section 8111 of Pub. L. 102-172, and similar sections in subsequent appropriations acts, all carbon, alloy, and armor steel plate in Federal stock class 9515 or described by American Society for Testing Materials (ASTM) or American Iron and Steel Institute (AISI) specifications, purchased by the Government or a contractor for use in a Government-owned facility or in a facility controlled (e.g., leased) by DoD, shall be melted and rolled in the United States or Canada.

225.7017-2 Exceptions.

This restriction does not apply to—

- (a) Contracts in effect as of November 26, 1991;
- (b) Direct purchases by DoD using other than fiscal year 1992 or subsequent year funds; or
- (c) Purchases by contractors unless the prime contract uses fiscal year 1992 or subsequent year funds.

225.7017-3 Waiver.

The restriction may be waived by the Secretary of the department responsible for acquisition, on a case-by-case basis, by certifying to the House and Senate Committees on Appropriations that—

- (a) Adequate U.S. or Canadian supplies are not available to meet DoD requirements on a timely basis; and
- (b) The acquisition must be made in order to acquire capability for national security purposes.

225.7017-4 Contract clause.

Unless an exception under 225.7017-2 is known to apply or a waiver has been granted in accordance with 225.7017-3, use the clause at 252.225-7030, Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate, in all solicitations and contracts which—

- (a) Require the delivery to the Government of carbon, alloy, or armor steel plate which will be used in a facility owned by the Government or under the control of DoD; or
- (b) Require contractors operating in a Government-owned facility or a facility under the control of DoD to purchase carbon, alloy, or armor steel plate.

**ANNEX 3E. DFARS CONTRACT CLAUSE FOR CARBON, ALLOY, AND
ARMOR STEEL PLATE**

Change 20001213, December 13, 2000

Reference: <http://www.acq.osd.mil/dp/dars/dfars/html/252225.htm>

252.225-7030 Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate.

As prescribed in 225.7017-4, use the following clause:

**RESTRICTION ON ACQUISITION OF CARBON, ALLOY, AND ARMOR
STEEL PLATE (OCT 1992)**

The Contractor agrees that all carbon, alloy, and armor steel plate in Federal supply class 9515, or described by American Society for Testing Materials (ASTM) or American Iron and Steel Institute (AISI) specifications, furnished as a deliverable under this contract, or purchased by the contractor as a raw material, for use in a Government-owned facility or a facility under the control of the Department of Defense, shall be melted and rolled in the United States or Canada.