

Foreign Acquisition

DSCC Policy Office



Agenda

Buy American Act

Free Trade Agreements Act

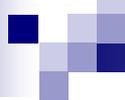
Trade Agreements Act

Buy American Act

DFARS 252.225-7001

DFARS 252.225-7000

- Applicable to all acquisitions (including set-asides) exceeding the micro-purchase threshold unless another program applies.
- Must purchase a domestic or qualifying country end product. (see DFARS 225.872-1 for list of qualifying countries)
- Domestic end product two part test
 - a. Must be manufactured in the United States AND
 - b. The cost of U.S. and Qualifying country components **MUST** exceed 50 % of the cost of all its components.
 - c. Component requirement does not apply to commercially available off-the-shelf (COTS) items.
- Foreign material is not acceptable for small business set asides. (exception exists)



Buy American Act Exceptions

- Does not apply to Micro purchases (under \$3000)

- Public Interest
 - Applies to Qualifying countries

- Non-availability
 - Applies when domestic material is not available.

- Unreasonable Cost
 - Price must be fair and reasonable
 - Evaluation factor may apply

Free Trade Agreement

DFARS 252.225-7036

DFARS 252.225-7035

- Applies only to UNRESTRICTED acquisitions over \$67,826 but less than \$194,000 for specific Federal Stock Groups listed at DFARS 225.401-70.
- Expands the acceptable sources beyond that of Buy American. In addition to Domestic and Qualifying Countries, FTA Country end products are acceptable.
- Approximately 12 FTA Countries.
- BAA evaluation factors may apply.

Trade Agreements

DFARS252.225-7021

DFARS 252.225-7020

- Applies only to UNRESTRICTED acquisitions valued \$194,000 or greater for specific Federal Stock Groups listed at DFARS 225.401-70
- Expands the acceptable sources beyond that of Buy American. In addition to Domestic and Qualifying Countries, Designated Country end products are acceptable. Approximately 128 designated countries.
- May only accept domestic, qualifying country or designated country end products. No evaluation factor applies
- Exceptions exist

Definitions

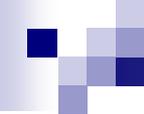
Qualifying countries

BAA

DFARS 225.872.1

(List doesn't change)

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



Definitions

Free Trade Agreement (FTA) Countries

DFARS 252.221-7021 (subject to change)

Free Trade Agreement Country - means Australia, Bahrain, Canada, Chile, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Morocco, Nicaragua, or Singapore

Definitions

Designated Countries (part 1)

(TAA) DFARS 252.221-7021 (subject to change)

A World Trade Organization Government Procurement Agreement (WTO GPA) country -- means Aruba, Austria, Belgium, Bulgaria, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea (Republic of), Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, or the United Kingdom.

Free Trade Agreement Country - means Australia, Bahrain, Canada, Chile, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Morocco, Nicaragua, or Singapore

Definitions

Designated Countries (part 2) continued (TAA) DFARS 252.221-7021 (subject to change)

Least Developed Country -- Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Djibouti, East Timor, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Laos, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Nepal, Niger, Rwanda, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, Tanzania, Togo, Tuvalu, Uganda, Vanuatu, Yemen, or Zambia

Caribbean Basin Country – means Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, British Virgin Islands, Costa Rica, Dominica, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Montserrat, Netherlands Antilles, Nicaragua, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, or Trinidad and Tobago.

References

- DFARS Website

<http://www.acq.osd.mil/dpap/dars/dfarspgi/current/index.html>

- DSCC-BPSA, 614-692-7719