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APR 3 1996

DFARS CASE:
96 -D3 00

MEMORANDUM FOR DISTRIBUTION

Subj: NAVAL VESSEL COMPONENTS

Encl: (1) OUSD DP(DAR) memo of 26 March 1996

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March 26, 1996



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DP (DAR)

In reply refer to
DFARS Case: 96-D300
D. L. 96-005

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES
DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT,
ASN(RD&A) /ABM
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING), SAF/AQC
DIRECTOR, PROCUREMENT POLICY, ASA(RD&A) /SARD-PP
DEPUTY DIRECTOR (ACQUISITION), DEFENSE LOGISTICS
AGENCY

SUBJECT: Naval Vessel Components

We have amended the Defense Federal Acquisition Regulation Supplement (DFARS) to implement Section 806, paragraph (a), of the Fiscal Year 1996 Defense Authorization Act (Pub. L. 104-106), which imposes additional statutory restrictions on the acquisition of anchor and mooring chain and totally enclosed lifeboats, when used as components of naval vessels.

The attached interim DFARS rule is effective April 1, 1996, and will be included in a future Defense Acquisition Circular.

Eleanor R. Spector
Director, Defense Procurement

Attachment

cc: DSMC, Ft. Belvoir



ENCLOSURE(1)

MAR 27 1996

**DFARS CASE 96-D300, NAVAL VESSEL COMPONENTS
INTERIM RULE**

**SUBPART 225.70—AUTHORIZATION ACTS, APPROPRIATIONS ACTS, AND
OTHER STATUTORY RESTRICTIONS ON FOREIGN PURCHASES**

225.7012 Restriction[s] on anchor and mooring chain.

225.7012-1 Restriction[s] ~~for fiscal year 1991 and after.~~

(a) Under Pub. L. 101-511, Section 8041, and similar sections in subsequent Defense appropriations acts, DoD appropriations **[for fiscal years 1991 and after]** may not be used to acquire welded shipboard anchor and mooring chain, four inches in diameter and under, unless—

- (1) It is manufactured in the United States, including cutting, heat treating, quality control, testing, and welding (both forging and shot blasting process); and
- (2) The cost of the components manufactured in the United States exceeds 50 percent of the total cost of components.

[(b) Acquisition of welded shipboard anchor and mooring chain, four inches in diameter and under, when used as a component of a naval vessel, is also restricted under 10 U.S.C. 2534(a)(3)(ii). However, the more stringent restriction under 225.7012-1(a) takes precedence.

225.7012-2 Waiver.]

~~(b)~~ This[e] restriction **[in 225.7012-1(a)]** maybe waived by the Secretary of the Department responsible for acquisition, on a case-by-case basis, where sufficient domestic suppliers are not available to meet DoD requirements on a timely basis and the acquisition is necessary to acquire capability for national security purposes.

~~(1)~~**(a)**) Document the waiver in a written D&F containing—

~~(i)~~**(1)**) The factors supporting the waiver; and

~~(ii)~~**(2)**) A certification that the acquisition must be made in order to acquire capability for national security purposes.

~~(2)~~**(b)**) Provide a copy of the D&F to the House and Senate Committees on Appropriations.

~~225.7012-2 Restriction for fiscal years 1989 and 1990.~~

~~Under Pub. L. 100-463, Section 8089, and Pub. L. 101-165, Section 9051, no fiscal year 1989 or 1990 funds shall be used to procure welded shipboard anchor and mooring chain (four inches in diameter and under) manufactured outside the United States.~~

~~225.7012-3 Restriction for fiscal year 1988.~~

- ~~(a) Under Pub. L. 100-202, Section 8125, no fiscal year 1988 funds shall be used to procure welded shipboard anchor and mooring chain (four inches in diameter and under) manufactured outside the United States, its territories or possessions, or Canada.~~
- ~~(b) When adequate domestic supplies of chain are not available to meet contract requirements on a timely basis, the chain may be procured from other countries on a case-by-case basis as determined by the head of the agency concerned.~~

225.7012-4[3] Contract clauses.

- (a) Use the clause at 252.225-7019, Restriction on Acquisition of Foreign Anchor and Mooring Chain, in all solicitations and contracts-**

(1) Using fiscal year 1991 or later funds; and

(2) Requiring welded shipboard anchor or mooring chain of four inches in diameter or less.

- ~~(b) Use the clause at 252.225-7020, Restriction on Acquisition of Foreign Anchor and Mooring Chain (Fiscal Years 1989 and 1990), in all solicitations and contracts—~~

~~—— (1) Using fiscal year 1989 or 1990 funds; and~~

~~—— (2) Requiring welded shipboard anchor or mooring chain.~~

- ~~(c) Use the clause at 252.225-7021, Restriction on Acquisition of Foreign Anchor and Mooring Chain (Fiscal Year 1988), in all solicitations and contracts—~~

~~—— (1) Using fiscal year 1988 funds; and~~

~~—— (2) Requiring welded shipboard anchor or mooring chain.~~

*** * * * ***

225.7022 Restriction[s] on totally enclosed lifeboat survival systems.

225.7022-1 Restriction[s].

[(a)] In accordance with Section 8124 of the Fiscal Year 1994 Defense Appropriations Act (Pub. L. 103-139) and Section 8093 of the Fiscal Year 1995 Defense Appropriations Act (Pub. L. 103-335), do not purchase a totally enclosed lifeboat survival **system**, which consists of the lifeboat and associated davits and winches, unless 50 percent or more of the components **are** manufactured in the United States, and 50 percent or more of the labor in the final manufacture and assembly of the entire system is performed in the United States.

[(b) In accordance with 10 U.S.C. 2534(a)(3)(B), do not purchase a totally enclosed lifeboat which is a component of a naval vessel, unless it is manufactured in the United States or Canada. In accordance with 10 U.S.C. 2534(h), this restriction may not be implemented through the use of a contract clause or certification. Implementation shall be effected through management and oversight techniques that achieve the objective of the restriction without imposing a significant management burden on the Government or the contractor involved.]

225.7022-2 [Exceptions.

The restriction in **225.7022-1(b)** does not apply if—

(a) The acquisition is at or below the **simplified acquisition threshold**; or

(b) Spare or repair parts are needed to support totally enclosed lifeboats manufactured outside the United States or **Canada**.

225.7022-3 Waiver.

The waiver criteria at **225.7004-4** apply **only** to the restriction of **225.7022-1(b)**.

225.7022-4] Contract clause.

Use the clause at **252.225-7039**, Restriction on Acquisition of Totally Enclosed Lifeboat Survival Systems, in all solicitations and contracts which **require** delivery of totally enclosed lifeboat [**survival**] systems.

* * * * *

PART 252--SOLICITATION PROVISIONS AND CONTRACT CLAUSES

* * * * *

252.225-7019 Restriction on Acquisition of Foreign Anchor and Mooring Chain.

As prescribed in 225.7012-4(a) [3], use the following clause:

* * * * *

252.225-7020 [Reserved] Restriction on Acquisition of Foreign Anchor and Mooring Chain—Fiscal Years 1989 and 1990.

As prescribed in 225.7012-4(b), use the following clause:

~~RESTRICTION ON ACQUISITION OF FOREIGN ANCHOR AND MOORING CHAIN—
FISCAL YEARS 1989 AND 1990 (DEC 1991)~~

- ~~—(a) Welded shipboard anchor and mooring chain (four inches in diameter and under) contained in items delivered under this contract shall be manufactured in the United States.~~
- ~~—(b) The Contractor shall include this clause, including this paragraph (b), in all subcontracts, unless the items acquired contain none of the restricted welded shipboard anchor and mooring chain.~~

~~(End of clause)~~

252.225-7021 [Reserved] Restriction on Acquisition of Foreign Anchor and Mooring Chain (Fiscal Year 1988).

As prescribed in 225.7012-4(c), use the following clause:

~~RESTRICTION ON ACQUISITION OF FOREIGN ANCHOR AND MOORING CHAIN
(FISCAL YEAR 1988) (DEC 1991)~~

- ~~—(a) Welded shipboard anchor and mooring chain (four inches in diameter and under) contained in items delivered under this contract shall be manufactured in the United States, its territories or possessions, or Canada except as provided in paragraph (b) of this clause.~~
- ~~—(b) The Contractor may request a waiver under subsection 225.7012-3 of the Defense FAR Supplement if adequate domestic supplies of welded shipboard anchor and mooring chain are unavailable to meet the contract delivery schedule.~~
- ~~—(c) The Contractor shall include this clause, including this paragraph (c), in all subcontracts, unless the items acquired contain none of the restricted welded shipboard anchor and mooring chain.~~

~~(End of clause)~~

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252.225-7039 Restriction on Acquisition of Totally Enclosed Lifeboat Survival Systems.

As prescribed in 225.7022-2[4], use the following clause:

RESTRICTION ON ACQUISITION OF TOTALLY ENCLOSED LIFEBOAT SURVIVAL SYSTEMS (~~APR 1994~~[APR 1996])

For totally enclosed lifeboat [survival] systems furnished under this contract, which consist of lifeboat and associated davits and winches, the Contractor agrees that—

~~*****~~

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