Subpart 3025.70—American Recovery and Reinvestment Act Restrictions on Foreign Acquisition

Parent topic: PART 3025—FOREIGN ACQUISITION

3025.7000 Scope of subpart.

This subpart implements section 604 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

3025.7001 Definitions.

As used in this subpart—

(a) “Commercial,” as applied to an item described in (HSAR) 48 CFR 3025.7002-1, means an item of supply, whether an end item or component, that meets the definition of “commercial item” set forth in (FAR) 48 CFR 2.101.

(b) “Component” means any item supplied to the Government as part of an end item or of another component.

(c) “End item” means supplies delivered under a line item of a contract.

(d) “Non-commercial,” as applied to an item described in (HSAR) 48 CFR 3025.7002-1, means an item of supply, whether an end item or component, that does not meet the definition of “commercial item” set forth in (FAR) 48 CFR 2.101.

(e) “Item directly related to national security interests” means an item intended for use in a Department of Homeland Security action protecting the nation from internal or external threats, including protecting the nation's borders, transportation system, maritime domain or critical infrastructure, as determined by the contracting officer.

3025.7002 Restrictions on clothing, fabrics, and related items.

3025.7002-1 Restrictions.

The following restrictions implement section 604 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and they apply to all contracts, options and orders entered into on or after August 16, 2009. Except as provided in (HSAR) 48 CFR 3025.7002-2, do not acquire, either as end items or components, any item listed in paragraph (a) or (b) of this section, if the item is directly

related to the national security interests of the United States and the item has not been grown, reprocessed, reused, or produced in the United States:

(a) Commercial or non-commercial items—

(1) Clothing and the materials and components thereof, other than sensors, electronics, or other items added to, and not normally associated with, clothing (and the materials and components thereof); or

(2) Tents, tarpaulins, covers, textile belts, bags, protective equipment (such as body armor), sleep systems (sleeping bags), load carrying equipment (such as fieldpacks), textile marine equipment, parachutes or bandages.

(b) Non-commercial items—

(1) Cotton and other natural fiber products.

(2) Woven silk or woven silk blends.

(3) Spun silk yarn for cartridge cloth.

(4) Synthetic fabric or coated synthetic fabric (including all textile fibers and yarns that are for use in such fabrics).

(5) Canvas products.

(6) Wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles).

(7) Any item of individual equipment manufactured from or containing any of the fibers, yarns, fabrics, or materials listed in this paragraph (b).

3025.7002-2 Exceptions.

Acquisitions in the following categories are not subject to the restrictions in (HSAR) 48 CFR 3025.7002-1:

(a) Acquisitions at or below the simplified acquisition threshold.

(b) Acquisition of items not directly related to national security interests of the United States.

(c) Acquisitions of any of the items otherwise covered by (HSAR) 48 CFR 3025.7002-1, if the Chief Procurement Officer determines that the item grown, reprocessed, reused, or produced in the United States cannot be acquired as and when needed in a satisfactory quality and sufficient quantity at United States market prices. When this exception is used—

(1) Only the DHS Chief Procurement Officer is authorized to make the domestic nonavailability determination.

(2) The DHS Component, not later than 7 days after the award of the contract, must post a notification that the exception has been applied on the Government-wide point of entry, which may be combined with any synopsis of award.

(3) The supporting documentation for the CPO determination prepared by the DHS Component(s) shall include—

(i) An analysis of alternatives that would not require a domestic nonavailability determination; and

(ii) A written justification by the requiring activity, with specificity, why such alternatives are unacceptable.

(d) Acquisitions of items listed in (FAR) 48 CFR 25.104.

(e) Emergency acquisitions by activities located outside the United States.

(f) Acquisitions by vessels in foreign waters.

(g) The acquisition of covered items in 3052.7002-1(a) and (b) containing non-compliant fibers when the total value of the non-compliant fibers contained in the end item does not exceed 10 percent of the total purchase price of the end item.

(h) Acquisitions of items otherwise covered by (HSAR) 48 CFR 3025.7002-1(a) and (b) for which restricting a procurement of the items to those that have been grown, reprocessed, reused, or produced in the United States would be inconsistent with United States obligations under international agreements. Acquisitions of products that are eligible products per (FAR) 48 CFR subpart 25.4 are not covered by these restrictions; see (HSAR) 48 CFR 3025.7002-3 for specific application of trade agreements.2

3025.7002-3 Specific application of trade agreements.

(a) For covered items entitled to non-discriminatory treatment under the World Trade Organization Agreement on Government Procurement (WTO GPA), or any Free Trade Agreement (FTA) listed in (FAR) 48 CFR subpart 25.4, this subpart is applied as follows—

(1) For solicitations, orders, exercising of an option and contracts issued by any component other than Transportation Security Administration (TSA), in which any covered items will be procured with a value that is both above the simplified acquisition threshold, and below the applicable trade agreement threshold in (FAR) 48 CFR 25.402, apply (HSAR) 48 CFR 3025.7002-1. Section 3025.7002-2(h) will exclude eligible products of designated countries with FTA thresholds beneath the simplified acquisition threshold from coverage of section 604.

(2) For solicitations, orders, exercising of an option and contracts issued by any component other than Transportation Security Administration (TSA), in which any covered items will be procured with a value exceeding $194,000 (or the superseding threshold upon updating of (FAR) 48 CFR 25.402), (HSAR) 48 CFR 3025.7002-1 does not apply if the items are eligible products per FAR 48 CFR subpart 25.4; follow (FAR) 48 CFR part 25 instead.

(3) For solicitations, orders, exercising of an option and contracts issued by TSA in which any covered items will be procured with a value exceeding the simplified acquisition threshold, (HSAR) 48 CFR 3025.7002 applies to all covered items except those from Mexico, Canada or Chile because TSA is listed as a covered governmental entity in the North American Free Trade Agreement (NAFTA) and the U.S.-Chile Free Trade Agreement but TSA is excluded from all other trade agreements.

(b) For covered items from a country that is not entitled to non-discriminatory treatment under the WTO GPA, or any FTA listed in (FAR) 48 CFR subpart 25.4, apply the restrictions of (HSAR) 48 CFR 3025.7002 to all solicitations, orders, exercising of an option and contracts exceeding the simplified acquisition threshold in place of the Buy America Act policies at (FAR) 48 CFR subpart 25.1.

3025.7003 Contract clauses.

Unless an exception under (HSAR) 48 CFR 3025.7002-2(a), (b), (e) or (f) applies, insert the clause at (HSAR) 48 CFR 3052.225-70, Requirement for Use of Certain Domestic Commodities, in solicitations, exercising of an option, contract modifications that add new items (or which make a cardinal change) and contracts with a value exceeding the simplified acquisition threshold when procuring any item covered under (HSAR) 48 CFR 3025.7002-1(a) or (b).