

Department of Defense

225.003

225.7401 General.
225.7402 Contract clause.

AUTHORITY: 41 U.S.C. 421 and 48 CFR chapter 1.

SOURCE: 56 FR 36367, July 31, 1991, unless otherwise noted.

225.000 Scope of part.

This part also provides policy and procedures for—

- (1) Purchasing foreign defense supplies, services, and construction materials;
- (2) Foreign military sale acquisitions;
- (3) Coordinating acquisitions involving work to be performed in foreign countries;
- (4) Cooperative programs.

225.001 General.

To apply the policies and procedures of this part, analyze and evaluate offers of foreign end products generally as follows:

- (1) *Statutory or policy restrictions.*
 - (i) Determine whether the product is restricted by—
 - (A) Defense authorization or appropriations acts (see subpart 225.70); or
 - (B) DoD policy (see subpart 225.71 and FAR 6.302-3).
 - (ii) Where an exception to or waiver of a restriction would result in award of a foreign end product, apply the policies and procedures of the Buy American Act or the Balance of Payments Program, and, if applicable the trade agreements.
- (2) *Memoranda of understanding or other international agreements.*
 - (i) Determine whether the offered product is the product of one of the countries (qualifying country), listed in 225.872-1.
 - (ii) If the product is the product of a qualifying country, evaluate the offer under subpart 225.5 and 225.872-4.
 - (3) *Trade agreements.*
 - (i) Determine whether the product is covered by the Trade Agreements Act or the North American Free Trade Agreement Implementation Act (see subpart 225.4).
 - (ii) If the product is an eligible product under subpart 225.4, evaluate the offer under subpart 225.5.
 - (iii) If the product is not an eligible product, a qualifying country end prod-

uct, or a U.S. made end product, purchase of the foreign end product may be prohibited (see FAR 25.403(c) and 225.403(c).

(4) *Contractors controlled by terrorist nations.*

(i) Determine whether the contractor is controlled by a terrorist nation.

(ii) If the contractor is controlled by a terrorist nation, comply with 209.104-1(g).

(5) *Buy American Act and Balance of Payments Program.* See the evaluation procedures in subpart 225.5.

[65 FR 19850, Apr. 13, 2000]

225.003 Definitions.

As used in this part—

- (1) “Caribbean Basin country end product” includes petroleum or any product derived from petroleum.
- (2) “Defense equipment” means any equipment, item of supply, component, or end product purchased by the DoD.
- (3) “Domestic concern” means a concern incorporated in the United States or an unincorporated concern having its principal place of business in the United States.
- (4) “Domestic end product” has the meaning given in the clauses at 252.225-7001, Buy American Act and Balance of Payments Program; 252.225-7007, Buy American Act—Trade Agreements—Balance of Payments Program; and 252.225-7036, Buy American Act—North American Free Trade Agreement Implementation Act—Balance of Payments Program, instead of the meaning in FAR 25.003.
- (5) “Eligible product” means, instead of the definition at FAR 25.003, a designated, NAFTA, or Caribbean Basin country end product in the categories listed in 225.401-70.
- (6) “Foreign concern” means any concern other than a domestic concern.
- (7) “Nondesignated country end product” means any end product which is not a U.S. made end product or a designated country end product.
- (8) “Nonqualifying country” means a country other than the United States or a qualifying country.
- (9) “Nonqualifying country end product” means an end product which is neither a domestic nor qualifying country end product.