**DFARS Case 2020-D017**

**Source Restrictions on Auxiliary Ship Components**

**Final Rule**

**PART 212—ACQUISITION OF COMMERCIAL PRODUCTS AND COMMERCIAL SERVICES**

**\* \* \* \* \***

**212.301 Solicitation provisions and contract clauses for the acquisition of commercial products and commercial services.**

**\* \* \* \* \***

(f) \* \* \*

(ix) *Part 225—Foreign Acquisition.*

\* \* \* \* \*

**[(NN) Use the clause at 252.225-7062, Restriction on Acquisition of Large Medium-Speed Diesel Engines, as prescribed in 225.7010-5, to comply with 10 U.S.C. 4864.]**

\* \* \* \* \*

**212.503 Applicability of certain laws to Executive agency contracts for the acquisition of commercial products and commercial services**.

(a) The following laws are not applicable to contracts for the acquisition of commercial products or commercial services:

\* \* \* \* \*

(vi) 10 U.S.C. 4753(b), Requirement to Identify Suppliers.

**[(vii) 10 U.S.C. 4864, Miscellaneous Limitations on the Procurement of Goods Other Than United States Goods. 10 U.S.C. 4864 is not applicable to contracts valued at or below the simplified acquisition threshold.]**

(vii**[i]**) Section 8116 of the Defense Appropriations Act for Fiscal Year 2010 (Pub. L. 111–118) (prohibits mandatory arbitration) and similar sections in subsequent DoD appropriations acts.

(~~viii~~**[ix]**) Domestic Content Restrictions in the National Defense Appropriations Acts for Fiscal Years 1996 and Subsequent Years, unless the restriction specifically applies to commercial products or commercial services. For the restriction that specifically applies to commercial ball or roller bearings as end items, see 225.7009–3 (section 8065 of Pub. L. 107–117).

(c) \* \* \*

\* \* \* \* \*

**212.504** **Applicability of certain laws to subcontracts for the acquisition of commercial products and commercial services.**

(a) The following laws are not applicable to subcontracts at any tier for the acquisition of commercial products, commercial services, or commercial components:

(i) \* \* \*

(xii) 10 U.S.C. 4864, Miscellaneous Limitations on the Procurement of Goods Other Than United States Goods. **[10 U.S.C. 4864 is not applicable to subcontracts valued at or below the simplified acquisition threshold.]**

\* \* \* \* \*

(b) Certain requirements of the following laws have been eliminated for subcontracts at any tier for the acquisition of commercial products, commercial services, or commercial components:

(i) \* \* \*

(ii) \* \* \*

**[(iii) 10 U.S.C. 4864, Miscellaneous Limitations on the Procurement of Goods Other Than United States Goods. 10 U.S.C. 4864 is not applicable to subcontracts at any tier valued at or below the simplified acquisition threshold.]**

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**PART 225—FOREIGN ACQUISITION**

\* \* \* \* \*

**SUBPART 225.70--AUTHORIZATION ACTS, APPROPRIATIONS ACTS, AND OTHER STATUTORY RESTRICTIONS ON FOREIGN ACQUISITION**

\* \* \* \* \*

**225.7001 Definitions.**

As used in this subpart—

\* \* \* \* \*

“Hand or measuring tools”means those tools listed in Federal supply classifications 51 and 52, respectively.

**[“Large medium-speed diesel engines”means diesel engines whose revolutions per minute (RPM) fall between 300 and 1500 RPM with a displacement greater than 1500 cubic inches per cylinder.]**

\* \* \* \* \*

**225.7010 Restriction[s] on certain naval vessel [and auxiliary ship] components.**

**225.7010-1 Restriction[s].**

In accordance with 10 U.S.C. 4864, ~~do not acquire the following components of naval vessels, to the extent they are unique to marine applications,~~ unless manufactured in the United States, Australia, Canada, orthe United Kingdom**[, do not acquire]**:

**[(a) The following components of naval vessels to the extent they are unique to marine applications:]**

**[ (1)]** ~~(a)~~ Gyrocompasses.

**[ (2)]** ~~(b)~~ Electronic navigation chart systems.

**[ (3)]** ~~(c)~~ Steering controls.

**[ (4)]** ~~(d)~~ Pumps.

**[ (5)]** ~~(e)~~ Propulsion and machinery control systems.

**[ (6)]**~~(f)~~ Totally enclosed lifeboats.

**[(b) Large medium-speed diesel engines for new construction of auxiliary ships using funds available for National Defense Sealift Fund programs or Shipbuilding and Conversion, Navy.]**

**225.7010-2 Exceptions.**

**[ (a) The restriction at 225.7010-1(a)]**~~This restriction~~ does not apply to—

**[ (1)]**~~(a)~~ Contracts or subcontracts that do not exceed the simplified acquisition threshold; or

**[ (2)]**~~(b)~~ Acquisition of spare or repair parts needed to support components for naval vessels manufactured outside the United States. Support includes the purchase of spare gyrocompasses, electronic navigation chart systems, steering controls, pumps, propulsion and machinery control systems, or totally enclosed lifeboats, when those from alternate sources are not interchangeable.

**[ (b) The restriction at 225.7010-1(b) does not apply to—**

**(1) Contracts or subcontracts that do not exceed the simplified acquisition threshold; or**

**(2) Large medium-speed diesel engines for icebreakers or special mission ships.]**

**225.7010-3 Waiver.**

The waiver criteria at 225.7008~~(a)~~ apply to ~~this restriction~~ **[the restrictions at 225.7010-1]**.

**225.7010-4 Implementation [of restriction on certain naval vessel components].**

(a) 10 U.S.C. 4864(h) prohibits the use of contract clauses or certifications to implement ~~this restriction~~ **[the restriction at 225.7010-1(a)]**.

(b) Agencies shall accomplish implementation of ~~this restriction~~ **[the restriction at 225.7010-1(a)]** through use of management and oversight techniques that achieve the objectives of this section without imposing a significant management burden on the Government or the contractor involved.

**[225.7010-5 Contract clause**.

**Use the clause at 252.225-7062, Restriction on Acquisition of Large Medium-Speed Diesel Engines, in solicitations and contracts that exceed the simplified acquisition threshold, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial products and commercial services, that require large medium-speed diesel engines for new construction of auxiliary ships using funds available for National Defense Sealift Fund programs or Shipbuilding and Conversion, Navy unless—**

**(a) An exception at 225.7010-2(b)(2) applies; or**

**(b) A waiver has been granted.]**

**\* \* \* \* \***

**PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES**

**\* \* \* \* \***

**[252.225-7062 Restriction on Acquisition of Large Medium-Speed Diesel Engines.**

**As prescribed in 225.7010-5, use the following clause:**

**RESTRICTION ON ACQUISITION OF LARGE MEDIUM-SPEED DIESEL ENGINES (JUL 2023)**

**(a) *Definition*. As used in this clause—**

**“Large medium-speed diesel engines”means diesel engines whose revolutions per minute (RPM) fall between 300 and 1500 RPM with a displacement greater than 1500 cubic inches per cylinder.**

**(b) *Restriction.*** **As required by 10 U.S.C. 4864, the Contractor shall deliver under this contract large medium-speed diesel engines manufactured in the United States, Australia, Canada, New Zealand, or the United Kingdom.**

**(c) *Subcontracts*.** **The Contractor shall include the substance of this clause, including this paragraph (c), in subcontracts that exceed the simplified acquisition threshold, including subcontracts for commercial products and commercial services, that require large medium-speed diesel engines for new construction of auxiliary ships.**

**(End of clause)]**

**\* \* \* \* \***