

DFARS Procedures, Guidance, and Information

PGI 225--Foreign Acquisition

(Revised October 31, 2013)

PGI 225.8--OTHER INTERNATIONAL AGREEMENTS AND COORDINATION

PGI 225.802 Procedures.

(b) Information on specific memoranda of understanding and other international agreements is available as follows:

(i) Memoranda of understanding and other international agreements between the United States and the countries listed in DFARS [225.872-1](#) are maintained in the Office of the Director of Defense Procurement and Acquisition Policy (Contract Policy and International Contracting) ((703) 697-9351, DSN 227-9351) and are available at http://www.acq.osd.mil/dpap/cpic/ic/reciprocal_procurement_memoranda_of_understanding.html.

(ii) Military Assistance Advisory Groups, Naval Missions, and Joint U.S. Military Aid Groups normally have copies of the agreements applicable to the countries concerned.

(iii) Copies of international agreements covering the United Kingdom of Great Britain and Northern Ireland, Western European countries, North Africa, and the Middle East are filed with the U.S. European Command.

(iv) Agreements with countries in the Pacific and Far East are filed with the U.S. Pacific Command.

PGI 225.802-70 Contracts for performance outside the United States and Canada.

When a contracting office anticipates placement of a contract for performance outside the United States and Canada, and the contracting office is not under the jurisdiction of a command for the country involved, the contracting office shall maintain liaison with the cognizant contract administration office (CAO) during preaward negotiations and postaward administration. The cognizant CAO can be found at <http://home.dcms.mil/cassites/district.htm>. The CAO will provide pertinent information for contract negotiations, effect appropriate coordination, and obtain required approvals for the performance of the contract.

PGI 225.870 Contracting with Canadian contractors.

PGI 225.870-1 General.

(d)(i) The Canadian Commercial Corporation uses provisions in contracts with Canadian or U.S. concerns that give DoD the same production rights, data, and information

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that DoD would obtain in contracts with U.S. concerns.

(ii) The Government of Canada will provide the following services under contracts with the Canadian Commercial Corporation without charge to DoD:

(A) Contract administration services, including—

(1) Cost and price analysis;

(2) Industrial security;

(3) Accountability and disposal of Government property;

(4) Production expediting;

(5) Compliance with Canadian labor laws;

(6) Processing of termination claims and disposal of termination inventory;

(7) Customs documentation;

(8) Processing of disputes and appeals; and

(9) Such other related contract administration functions as may be required with respect to the Canadian Commercial Corporation contract with the Canadian supplier.

(B) *Audits.* The Public Works and Government Services Canada (PWGSC) performs audits when needed, for contracts overseen by the Canadian Commercial Corporation in accordance with international agreement.

(C) *Inspection.* The Department of National Defence (Canada) provides inspection personnel, services, and facilities, at no charge to DoD departments and agencies (see DFARS [225.870-7](#)).

(iii) In accordance with DPAP Policy Memorandum dated June 5, 2013, PWGSC will perform audits without charge to DoD, including accounting system and interim voucher reviews, when needed for—

(A) DoD contracts awarded directly to Canadian firms;

(B) Subcontracts with Canadian firms under such direct contracts with Canadian firms; and

(C) Subcontracts with Canadian firms under DoD contracts with U.S.

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contractors.

PGI 225.870-5 Contract administration.

(1) Assign contract administration in accordance with DFARS Part 242. When the Defense Contract Management Agency will perform contract administration in Canada, name in the contract the following payment office for disbursement of DoD funds (DoD Department Code: 17-Navy; 21-Army; 57-Air Force; 97-all other DoD components), whether payment is in Canadian or U.S. dollars:

DFAS Columbus Center
DFAS-CO/North Entitlement Operations
PO Box 182266
Columbus, OH 43218-2266.

(2) The following procedures apply to cost-reimbursement type contracts:

(i) The PWGSC automatically arranges audits on contracts with the Canadian Commercial Corporation. Upon advice from PWGSC, the Canadian Commercial Corporation certifies the invoice and forwards it with Standard Form (SF) 1034, Public Voucher, to the administrative contracting officer for further processing and transmittal to the disbursing office.

(ii) For contracts placed directly with Canadian firms, the administrative contracting officer requests audits from the PWGSC, Ottawa, Ontario, Canada. Route requests for audit of non-Canadian Commercial Corporation contracts and subcontracts with Canadian contractors through the cognizant contract management office of the Defense Contract Management Agency.

(A) Within 25 days of the date of the audit request, PWGSC will provide—

(1) An acknowledgement of receipt form;

(2) An estimate of completion form; and

(3) A single point of contact to report the status of audit requests and the progress of audits.

(B) Audits will be completed within 24 months of the requested date for post-award audits.

(C) PWGSC will provide information to support the determination that the price is fair and reasonable.

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(D) The PWGSC—

(1) Approves invoices on a provisional basis pending completion of the contract and final audit;

(2) Forwards these invoices, accompanied by SF 1034, Public Voucher, to the administrative contracting officer for further processing and transmittal to the disbursing officer; and

(3) Furnishes periodic advisory audit reports directly to the administrative contracting officer.

(A) Approves invoices on a provisional basis pending completion of the contract and final audit;

(B) Forwards these invoices, accompanied by SF 1034, Public Voucher, to the administrative contracting officer for further processing and transmittal to the disbursing officer; and

(C) Furnishes periodic advisory audit reports directly to the administrative contracting officer.

PGI 225.870-7 Acceptance of Canadian supplies.

(1) For contracts placed in Canada, either with the Canadian Commercial Corporation or directly with Canadian suppliers, the Department of National Defence (Canada) will perform any necessary contract quality assurance and/or acceptance, as applicable.

(2) Signature by the Department of National Defence (Canada) quality assurance representative on the DoD inspection and acceptance form is satisfactory evidence of acceptance for payment purposes.

PGI 225.871 North Atlantic Treaty Organization (NATO) cooperative projects.

PGI 225.871-4 Statutory waivers.

Forward any request for waiver under a cooperative project to the Deputy Secretary of Defense, through the Director of Defense Procurement and Acquisition Policy, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics). The waiver request shall include a draft Determination and Findings for signature by the Deputy Secretary of Defense establishing that the waiver is necessary to significantly further NATO standardization, rationalization, and interoperability.

PGI 225.871-5 Directed subcontracting.

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The cooperative project agreement is the authority for a contractual provision requiring the contractor to place certain subcontracts with particular subcontractors. No separate justification and approval during the acquisition process is required.

PGI 225.872 Contracting with qualifying country sources.

PGI 225.872-4 Individual determinations.

(1) Obtain signature of the determination and findings—

(i) At a level above the contracting officer, for acquisitions valued at or below the simplified acquisition threshold; or

(ii) By the chief of the contracting office, for acquisitions with a value greater than the simplified acquisition threshold.

(2) Prepare the determination and findings substantially as follows:

SERVICE OR AGENCY

Exemption of the Buy American and Balance of Payments Program

Determination and Findings

Upon the basis of the following findings and determination which I hereby make in accordance with the provisions of FAR 25.103(a), the acquisition of a qualifying country end product may be made as follows:

Findings

1.

The (*contracting office*) proposes to purchase under contract number _____, (*describe item*) mined, produced, or manufactured in (*qualifying country of origin*). The total estimated cost of this acquisition is _____.

2.

The United States Government and the Government of _____ have agreed to remove barriers to procurement at the prime and subcontract level for defense equipment produced in each other's countries insofar as laws and regulations permit.

3.

The agreement provides that the Department of Defense will evaluate competitive offers of qualifying country end products mined, produced, or manufactured in (*qualifying country*) without imposing any price differential under the Buy American statute or the Balance of Payments Program and without taking applicable U.S. customs and duties into

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consideration so that such items may better compete for sales of defense equipment to the Department of Defense. In addition, the Agreement stipulates that acquisitions of such items shall fully satisfy Department of Defense requirements for performance, quality, and delivery and shall cost the Department of Defense no more than would comparable U.S. source or other foreign source defense equipment eligible for award.

4.

To achieve the foregoing objectives, the solicitation contained the clause (*title and number of the Buy American clause contained in the contract*). Offers were solicited from other sources and the offer received from (*offeror*) is found to be otherwise eligible for award.

Determination

I hereby determine that it is inconsistent with the public interest to apply the restrictions of the Buy American statute or the Balance of Payments Program to the offer described in this determination and findings.

(Date)

PGI 225.872-5 Contract administration.

(b)(i) When contract administration services are required on contracts to be performed in qualifying countries, direct the request to the cognizant activity listed in the Federal Directory of Contract Administration Services. The cognizant activity also will arrange contract administration services for DoD subcontracts that qualifying country sources place in the United States.

(ii) The contract administration activity receiving a delegation shall determine whether any portions of the delegation are covered by memoranda of understanding annexes and, if so, shall delegate those functions to the appropriate organization in the qualifying country's government.

PGI 225.872-6 Audit.

(c)(i) Except for the United Kingdom, send requests for audits in qualifying countries to the administrative contracting officer at the cognizant activity listed in Section 2B of the Federal Directory of Contract Administration Services. Send a request for audit from the United Kingdom directly to their Ministry of Defence.

(ii) Send an advance copy of the request to the focal point identified by the Deputy Director of Defense Procurement and Acquisition Policy (Contract Policy and International Contracting).

PGI 225.873 Waiver of United Kingdom commercial exploitation levies.

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PGI 225.873-2 Procedures.

(1) The Government of the U.K. shall approve waiver of U.K. levies. When an offeror or contractor identifies a levy included in an offered or contract price, the contracting officer shall provide written notification to the Defense Security Cooperation Agency, ATTN: PSD-PMD, 1111 Jefferson Davis Highway, Arlington, VA 22202-4306, telephone (703) 601-3864. The Defense Security Cooperation Agency will request a waiver of the levy from the Government of the U.K. The notification shall include—

- (i) Name of the U.K. firm;
- (ii) Prime contract number;
- (iii) Description of item for which waiver is being sought;
- (iv) Quantity being acquired; and
- (v) Amount of levy.

(2) Waiver may occur after contract award. If levies are waived before contract award, evaluate the offer without the levy. If levies are identified but not waived before contract award, evaluate the offer inclusive of the levies.

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PGI 237.1--SERVICE CONTRACTS--GENERAL

PGI 237.102-70 Prohibition on contracting for firefighting or security-guard functions.

(d)(i) To ensure that the personnel limitations in DFARS [237.102-70\(d\)\(1\)\(iv\)](#) are not exceeded, there is an office of primary responsibility (OPR) within each department or agency that is responsible for managing the total number of security-guard personnel on contract for the department or agency.

(ii) Before finalizing a contract action that affects the number of security-guard personnel on contract, the contracting officer shall request, from the requiring activity, evidence of the OPR's approval for the contract action. This requirement also applies to renewal or exercise of options for the same number of security-guard personnel, to ensure compliance with the statutory limitations/reductions specified for each fiscal year.

(iii) If the evidence of approval is not provided by the requiring activity, the contracting officer shall directly contact the applicable OPR for approval before finalizing the contract action. OPRs are as follows:

- (A) U.S. Army:
 - HQ Department of the Army
 - Office of the Provost Marshal General
 - 2800 Army Pentagon
 - Washington, DC 20310
 - Phone: 703-695-4210 or 703-614-2597.

- (B) U.S. Navy:
 - Commander, Navy Installations
 - Command (CNIC) N3
 - 2715 Mitscher Road, Suite 300
 - Anacostia Annex
 - Washington, DC 20373
 - Phone: 202-409-4053.

- (C) U.S. Marine Corps:
 - HQ U.S. Marine Corps
 - Assistant Deputy Commandant, Plans, Policy, &
Operations (Security)
 - 3000 Marine Corps Pentagon
 - Washington, DC 20350
 - Phone: 571-201-3633.

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(D) U.S. Air Force:
HQ Air Force
Directorate of Security Forces
Programs & Resources Division (A7SX)
1340 AF Pentagon
Washington, DC 20330
Phone: 703-588-0027 or 703-588-0012.

(E) Pentagon Force Protection Agency:
Pentagon Force Protection Agency
9000 Defense Pentagon
Washington, DC 20301
Phone: 703-693-3685.

PGI 237.102-71 Limitation on service contracts for military flight simulators.

(1) To process a request for waiver, the contracting officer shall submit the request and appropriate documentation relating to the requirements of DFARS [237.102-71](#)(b) to:

Director, Defense Procurement and Acquisition Policy
ATTN: OUSD(AT&L) DPAP/CPIC
3060 Defense Pentagon
Washington, DC 20301-3060

Phone: 703-697-8334 FAX: 703-614-1254

(2) The action officer in the Office of the Director, Defense Procurement and Acquisition Policy, Contract Policy and International Contracting (DPAP/CPIC), will process the request through the Office of the Secretary of Defense and will forward the appropriate documentation to the congressional defense committees. The contracting officer shall not award a contract until notified by the DPAP/CPIC action officer that the waiver has been approved, the appropriate documentation has been transmitted to the congressional defense committees, and the required 30 days have passed.

PGI 237.102-73 Prohibition on contracts for services of senior mentors.

DoD policies on senior mentors are set forth in (1) Secretary of Defense memorandum, subject: Policy on Senior Mentors (April 1, 2010) (see [here](#)) and (2) Deputy Secretary of Defense memorandum, subject: Implementation Guidance on Senior Mentors Policy (July 8, 2010) (see [here](#)).

PGI 237.102-74 Taxonomy for the acquisition of services and supplies & equipment.

Click [here](#) for OUSD(AT&L) DPAP memorandum, "Taxonomy for the Acquisition of

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Services and Supplies & Equipment,” dated August 27, 2012. An Excel version of “Acquisition of Services and Supplies & Equipment Taxonomy” is available [here](#).

PGI 237.102-75 Guidebook for the acquisition of services.

The “Guidebook for the Acquisition of Services” is available [here](#). This document provides acquisition teams with a step-by-step guide explaining the process of acquiring services.

PGI 237.102-76 Review criteria for the acquisition of services.

The tenets of the DoD-wide architecture for the acquisition of services along with the associated review criteria are available [here](#). These matrices are to be used when conducting reviews in the preaward phase (Review/Approval of Acquisition Strategies or Preaward Peer Reviews) and in the postaward phase (Postaward Peer Reviews). See DFARS [201.170](#), Peer reviews, and [PGI 201.170](#), Peer reviews.

PGI 237.102-77 Automated requirements roadmap tool.

The Automated Requirements Roadmap Tool (ARRT) is a tool that enables requiring activities to develop and organize performance requirements into draft versions of the performance work statement, the quality assurance surveillance plan, and the performance requirements summary. ARRT provides a standard template for these documents and some default text that can be modified to reflect a particular requirement. This tool should be used to prepare contract documents for all performance-based acquisitions for services. ARRT is available for download at <http://sam.dau.mil/ARRTRegistration.aspx>.

PGI 237.102-78 Market research report guide for improving the tradecraft in services acquisition.

See [PGI 210.070](#) for guidance on use of the market research report guide to conduct and document market research for service acquisitions.

PGI 237.171 Training for contractor personnel interacting with detainees.

PGI 237.171-3 Policy.

(b)(i) *Geographic areas of responsibility.* With regard to training for contractor personnel interacting with detainees—

(A) The Commander, U.S. Southern Command, is responsible for the U.S. military detention center at Guantanamo Bay, Cuba.

(B) The Commander, U.S. Joint Forces Command, is responsible for the Navy Consolidated Brig, Charleston, SC.

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(C) The other combatant commander geographic areas of responsibility are identified in the Unified Command Plan, 1 March 2005, which can be found at: <http://www.defenselink.mil/specials/unifiedcommand/>.

(ii) *Point of contact information for each command:*

US Central Command (USCENTCOM)

Commander, Combined Forces Land Component Commander (CFLCC)

a.k.a. Third Army, Ft. McPherson, Atlanta, GA

Staff Judge Advocate (SJA) Forward, Kuwait

POC: Lieutenant Colonel Gary Kluka

E-mail: Gary.Kluka@arifjan.arcent.army.mil

Comm: 011-965-389-6303; DSN: 318-430-6303; Alt. US numbers: 404-464-3721 or 404-464-4219

US European Command (USEUCOM)

Logistics and Security Assistance Directorate

Chief, Contingency Contracting and Contract Policy Division (USEUCOM J4-LS)

POC: Major Michael Debreczini

debreczm@eucom.smil.mil

Comm: 011-49-711-680-7202; DSN: 314-0430-7202

US Joint Forces Command (USJFCOM)

**Applicable to potential detainees in the United States at Navy Consolidated Brig, Charleston, SC

Headquarters, USJFCOM (J355)

Personnel Recovery & Special Operations Division (J355)

POC: Lieutenant Colonel John Maraia

Comm: 757-836-5799; DSN: 836-5799

US Northern Command (USNORTHCOM)

Not applicable to USNORTHCOM; see US Joint Forces Command

US Pacific Command (USPACOM)

Headquarters, Office of the Staff Judge Advocate (SJA)

Deputy Staff Judge Advocate

POC: Lieutenant Colonel James Buckels, USAF

james.buckels@pacom.mil

Comm: 808-477-1193

US Southern Command (USSOUTHCOM)

Headquarters, Office of the Staff Judge Advocate (SJA)

Joint Task Force Guantanamo Bay

POC: Lieutenant Commander Tony Dealicante

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DealicanteTF@JTFGTMO.southcom.mil
Comm: 011-5399-9916; DSN: 660-9916

US Special Operations Command (USSOCOM)
Headquarters, Office of the Staff Judge Advocate (SJA)
Attn: Staff Judge Advocate
POC: Colonel Dana Chipman
chipmad@socom.mil
Comm: 813-828-3288; DSN: 299-3288

PGI 237.172 Service contracts surveillance.

The contracting officer shall remind requirements personnel, when they are preparing the quality assurance surveillance plan for contracts, to include a requirement for surveillance of the contractor's implementation of the clause at FAR 52. 222-50, Combating Trafficking in Persons (see [PGI 222.1703](#)).