

# DFARS Procedures, Guidance, and Information

## PGI 204—Publicizing Contract Actions

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(Revised February 28, 2014)

### PGI 204.4—SAFEGUARDING CLASSIFIED INFORMATION WITHIN INDUSTRY

#### PGI 204.402—General.

(1) The use of “Not Releasable to Foreign Nationals” (NOFORN) caveat on Department of Defense (DoD) Information, to include contract documents, shall not be applied to non-intelligence information except for Naval Nuclear Propulsion Information and the National Disclosure Policy document (NDP-1).

(2) Agencies shall not restrict procurements on the basis of foreign origin but rather on the level of security clearance required by industry to submit an offer and perform on the contract.

#### PGI 204.403 Responsibilities of contracting officers.

Consistent with the requirements at FAR subpart 4.403, contracting officers shall ensure that solicitations, to include any Broad Agency Announcement (BAA) or notice to industry, that requires industry access to classified information and/or controlled unclassified information ([see policy memos](#)), shall contain one or more of the following:

(1) Draft DoD Form DD 254, DoD Contract Security Classification Specification. See Defense Security Service (DSS) guide for the preparation of the DD Form 254 at <http://www.dss.mil/isp/tools.html> and select “A Guide for the Preparation of a DD Form 254”.

(2) The clause at FAR 52.204-2, Security Requirements.

(3) Detailed agency instructions for industry requirements to request access to classified information and/or controlled unclassified information. Agency instructions shall clearly reference and be in accordance with the National Industrial Security Program Operating Manual (NISPOM) (DoD 5220-22-M) and Industrial Security Regulation (DoD 5220.22-R).

(4) The following is a template of agency instructions to industry:

“Offerors must have a valid U.S. security clearance of *[to be filled in by the contracting officer]* or higher in order to respond to this RFP (Announcement), because the RFP (Announcement) includes an annex (information) classified at the *[to be filled in by the contracting officer]* level which will be released only to offerors possessing the appropriate clearance. All classified material must be handled in accordance with the National Industrial Security Program Operating Manual (NISPOM) (DoD 5220-22-M) and Industrial Security Regulation (DoD 5220.22-R).”

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## PGI 219—Small Business Programs

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*(Revised February 28, 2014)*

### PGI 219.2—POLICIES

#### PGI 219.201 General policy.

(d)(10)(1) Agencies are not precluded from requiring that actions over \$10,000, but under \$150,000, that are totally set aside for small business be reviewed by the small business specialist. One example of when an agency may choose to require this review is when the agency determines that such a review is necessary to assist contracting officers in identifying opportunities for other small business set-aside programs (e.g., HUBZone, service-disabled veteran-owned) in order to meet small business goals.

(2) Modifications that increase the scope of the contract, or the order under a Federal Supply Schedule contract, should be reviewed by the small business specialist. At a minimum, these actions might impact the small business subcontracting plan. However, funding modifications or modifications that do not increase the scope of the contract generally should not be reviewed, because the value that a small business specialist review would add in these instances would be minimal compared to the resources that would be expended.

(e) Contracting and contract administration activities appoint small business specialists as directed by DoDD 4205.1, DoD Small Business and Small Disadvantaged Business Utilization Programs. Specialists—

- (i) Report directly and are responsible only to their appointing authority;
- (ii) Make sure that the contracting activity takes the necessary actions to implement small business, historically black college and university/minority institution, and labor surplus area programs;
- (iii) Advise and assist contracting, program manager, and requirements personnel on all matters that affect small businesses, historically black colleges and universities or minority institutions, and labor surplus area concerns;
- (iv) Aid, counsel, and assist small businesses, small disadvantaged businesses, historically black colleges and universities, and minority institutions by providing—
  - (A) Advice concerning acquisition procedures;
  - (B) Information regarding proposed acquisitions; and
  - (C) Instructions on preparation of proposals in the interpretation of standard clauses, representations, and certifications;

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(v) Maintain an outreach program (including participation in Government-industry conferences and regional interagency small business councils) designed to locate and develop information on the technical competence of small businesses, small disadvantaged businesses, historically black colleges and universities, and minority institutions;

(vi) Ensure that financial assistance, available under existing regulations, is offered and also assist small businesses in obtaining payments under their contracts, late payments, interest penalties, or information on contract payment provisions;

(vii) Provide assistance to contracting officers in determining the need for and the acceptability of subcontracting plans and assist administrative contracting officers (see DFARS [219.706\(a\)\(ii\)](#)) in evaluating, monitoring, reviewing, and documenting contract performance to determine compliance with subcontracting plans; and

(viii) Recommend to the appointing authority the activity's small and disadvantaged business program goals, including goal assignments to subordinate contracting offices; monitor the activity's performance against these goals; and recommend action to correct reporting errors/deficiencies.

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## PGI 225—Foreign Acquisition

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(Revised February 28, 2014)

### PGI 225.001 General.

Consider the following when evaluating offers of foreign end products:

(1) *Statutory or policy restrictions.*

(i) Determine whether the product is restricted by—

(A) Statute (see DFARS subpart [225.70](#)); or

(B) DoD policy (see DFARS subpart [225.71](#), FAR 6.302-3, and DoD Directive 5230.11, Disclosure of Classified Military Information to Foreign Governments and International Organizations).

(ii) If an exception to or waiver of a restriction in DFARS subpart [225.70](#) or [225.71](#) would result in award of a foreign end product, apply the policies and procedures of the Buy American statute or the Balance of Payments Program, and, if applicable, the trade agreements.

(2) *Memoranda of understanding or other international agreements.* Determine whether the offered product is the product of one of the qualifying countries listed in DFARS [225.872-1](#).

(3) *Trade agreements.* If the product is not an eligible product, a qualifying country end product, or a U.S.-made end product, purchase of the foreign end product may be prohibited (see FAR 25.403(c) and DFARS [225.403\(c\)](#)).

(4) *Other trade sanctions and prohibited sources.*

(i) Determine whether the offeror complies with the secondary Arab boycott of Israel. Award to such offerors may be prohibited (see DFARS subpart [225.76](#)).

(ii) Determine whether the offeror is a prohibited source (see FAR subpart 25.7 and DFARS Subpart [225.7](#)).

(5) *Buy American and Balance of Payments Program.* See the evaluation procedures in DFARS subpart [225.5](#).

### PGI 225.070 Reporting of acquisition of end products manufactured outside the United States.

(1) *Definitions.* “Manufactured end product” and “place of manufacture” are defined in

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the provision at FAR 52.225-18, Place of Manufacture.

(2) Use the Federal Procurement Data System data field “Place of Manufacture,” under the section on Product or Service Information, to enter data on the acquisition of end products manufactured outside the United States for contracts awarded and orders issued in fiscal year 2007 and subsequent fiscal years. Select the appropriate description in accordance with the following table:

#### Place of Manufacture

Short Description as viewed in drop down box	Long Description
Manufactured or performed outside United States (Actions prior to FY 2007 only)	The action is for (i) Any foreign end product manufactured outside the United States; or (ii) Services performed outside the United States by a foreign concern.
Mfg in U.S.	The action is predominantly for acquisition of manufactured end products that are manufactured in the United States.
Mfg outside U.S. - Commercial information technology	The foreign manufactured end products are predominantly commercial information technology items (FAR 25.103(e)).
Mfg outside U.S. - Domestic nonavailability	The foreign manufactured end products were predominantly not domestically available as shown by one of the following: <ul style="list-style-type: none"> <li>• The item is listed at FAR 25.104 (FAR 25.103(b)(1)).</li> <li>• The agency did an individual determination (FAR 25.103(b)(2)).</li> <li>• No offer of a domestic end product was received, even though the acquisition was synopsisized and conducted through full and open competition (FAR 25.103(b)(3)).</li> </ul>
Mfg outside U.S - Public interest determination	The head of the agency has made a determination that domestic preferences would be inconsistent with the public interest (FAR 25.103(a)).

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Mfg outside U.S. - Qualifying country	For DoD only, the foreign manufactured end products are predominantly qualifying country end products (DFARS <a href="#">225.003</a> and <a href="#">225.872-1</a> ).
Mfg outside U.S. - Resale	The foreign manufactured end products acquired are predominantly for resale (FAR 25.103(d)).
Mfg outside U.S. - Trade Agreements	The foreign manufactured end products are predominantly eligible products acquired under Trade Agreements (FAR 25.402(a)(1)).
Mfg outside U.S. - Unreasonable cost	The cost of the offered domestic end products was unreasonable (FAR 25.103(c), 25.105, and Subpart 25.5).
Mfg outside U.S. - Use outside the United States	The foreign manufactured end products acquired are predominantly for use outside the United States (FAR 25.100).
More than 50% of foreign content, but manufactured in United States (Actions prior to FY 2007 only)	The action is for (i) A foreign end product that is manufactured in the United States but still determined to be foreign because 50 percent or more of the cost of the components is not mined, produced, or manufactured inside the United States or qualifying countries; or (ii) Services performed in the United States by a foreign concern.
Not applicable	The action is NOT predominantly for acquisition of manufactured end products.

(3) Note that the first and second from the last options in the drop down box are to be used only for reporting of contracts awarded or orders issued prior to October 1, 2006.

(4) The other options in the drop down box apply only to contracts awarded and orders issued on or after October 1, 2006. If the solicitation for the contract contains the provision at FAR 52.225-18, Place of Manufacture (or the commercial item equivalent at FAR 52.212-3(j)), the contracting officer must review the successful offeror's response to this provision to select the correct option.

(i) Enter "Mfg in U.S." if the offeror has checked the box "In the United States."

(ii) If the offeror has checked the box "Outside the United States," enter one of the other options, depending on the predominant reason for acquiring end products manufactured outside the United States. These reasons correspond to the exceptions to

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the Buy American statute (FAR subpart 25.1 and DFARS subpart [225.1](#)). Further explanation of these exceptions to the Buy American statute are available at the FAR and DFARS references provided in the long description for each option.

(5) For any contract awarded on or after October 1, 2006, when the solicitation did not include the provision at FAR 52.225-18, Place of Manufacture (or FAR 52.212-3(j)), and for any order placed on or after October 1, 2006, under a contract that did not include one of these provisions, the contracting officer shall use best judgment in estimating whether the acquisition is predominantly for manufactured end products and whether the end products were predominantly end products manufactured in the United States or outside the United States, using the place of performance or other information that may be available to the contracting officer to assist in forming this judgment.

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## PGI 251—Use of Government Sources by Contractors

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### PGI 251.1--CONTRACTOR USE OF GOVERNMENT SUPPLY SOURCES

#### PGI 251.102 Authorization to use Government supply sources.

Use a format substantially the same as the following when authorizing contractor use of Government Supply Sources. Specify the terms of the purchase, including contractor acceptance of any Government materiel, payment terms, and the addresses required by paragraph (e) of the clause at [252.251-7000](#), Ordering from Government Supply Sources.

#### AUTHORIZATION TO PURCHASE FROM GOVERNMENT SUPPLY SOURCES

(SAMPLE FORMAT)

SUBJECT: Authorization to Purchase from Government Supply Sources

\_\_\_\_\_ (Contractor's Name)

\_\_\_\_\_ (Contractor's Address)

\_\_\_\_\_ (CAGE Code)

1. You are hereby authorized to use Government sources in performing Contract No. \_\_\_\_\_ for *[insert the requiring activity's DoD Activity Address Code (DoDAAC)]*, as follows: *[Insert applicable purchasing authority given to the contractor.]*

2.a. Purchase Orders Under Federal Supply Schedules or Personal Property Rehabilitation Price Schedules. Place orders in accordance with the terms and conditions of the attached Schedule(s) and this authorization. Attach a copy of this authorization to the order (unless a copy was previously furnished to the Federal Supply Schedule or Personal Property Rehabilitation Price Schedule contractor). Insert the following statement in the order:

This order is placed under written authorization from

\_\_\_\_\_ dated \_\_\_\_\_ (\*\_\_\_\_\_). In the event of any inconsistency between the terms and conditions of this order and those of the Federal Supply Schedule or Personal Property Rehabilitation Price Schedule contract, the latter will govern.

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b. Requisitioning from the General Services Administration (GSA) or the Department of Defense (DoD). Place orders in accordance with this authorization and, as appropriate, the following:

(1) Federal Standard Requisitioning and Issue Procedures (FEDSTRIP) (GSA FEDSTRIP Operating Guide: FPMR 101-26.2 (41 CFR 101-26.2)). Copies are available from the Superintendent of Documents, Government Printing Office, Washington, DC 20402; telephone (202) 512-1800; facsimile (202) 512-2250.

(2) Military Standard Requisitioning and Issue Procedures (MILSTRIP) (DoD 4000.25-1-M). Copies are available from the Defense Logistics Agency, Administrative Support Center East, ATTN: ASCE-WS, 14 Dedication Drive, Suite 3, POD 43, New Cumberland, PA 17070-5011; telephone 1-888-DLA-PUBS(352-7827), or (717) 770-6034; facsimile (717) 770-4817.

c. Enterprise Software Initiative. Place orders in accordance with the terms and conditions of the attached Enterprise Software Agreement(s), or instructions for obtaining commercial software or software maintenance from Enterprise Software Initiative inventories, and this authorization. Attach a copy of this authorization to the order (unless a copy was previously furnished to the Enterprise Software Agreement contractor). Insert the following statement in the order:

This order is placed under written authorization from \_\_\_\_\_ dated \_\_\_\_\_ (\*\_\_\_\_\_). In the event of any inconsistency between the terms and conditions of this order, and those of the Enterprise Software Agreement, the latter will govern.

3. *[Insert other provisions as necessary.]*

4. This authority is not transferable or assignable.

5. The DoD Activity Address Directory (DoDAAD) (DLM 4000.25, Volume 6, Chapter 2) Activity Address Code\*\* to which this Authorization applies is \_\_\_\_\_.

6. This Authorization expires \_\_\_\_\_.

\_\_\_\_\_  
(Contracting Officer)

\* Insert "a copy of which is attached," "a copy of which you have on file," or other suitable language, as appropriate.

\*\* The requiring activity assumes responsibility for monitoring and controlling all activity address codes used in the letters of authority.

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### **PGI 251.102-70 Contracting office responsibilities.**

(a) The DoD Activity Address Code (DoDAAC) assigned in accordance with paragraph 5 of the authorization format in [PGI 251.102](#) shall be assigned to the contractor for authorization to use Government supply sources only for the contract number cited in paragraph 1 of the authorization format.

(b) The authorization to use Government sources of supply is unique to each contract and shall not be transferred or assigned to any other contractor or contract. Therefore, the same DoDAAC shall not be assigned to any other contract number during the period of performance for the contract. After 24 months has lapsed beyond contract closeout, the DoDAAC may be reused for another contract.