

# Defense Federal Acquisition Regulation Supplement

## Part 208--Required Sources of Supplies and Services

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### **SUBPART 208.73--USE OF GOVERNMENT-OWNED PRECIOUS METALS**

*(Revised August 31, 2000)*

#### **208.7301 Definitions.**

As used in this subpart—

“Defense Supply Center, Philadelphia (DSCP)” means the Defense Logistics Agency field activity located at 700 Robbins Avenue, Philadelphia, PA 19111-5096, which is the assigned commodity integrated material manager for refined precious metals and is responsible for the storage and issue of such material.

“Dual pricing evaluation procedure” means a procedure where offerors submit two prices for precious metals bearing items--one based on Government-furnished precious metals and one based on contractor-furnished precious metals. The contracting officer evaluates the prices to determine which is in the Government's best interest.

“Precious Metals Indicator Code (PMIC)” means a single-digit, alpha-numeric code assigned to national stock numbered items in the Defense Integrated Data System Total Item Record used to indicate the presence or absence of precious metals in the item. PMICs and the content value of corresponding items are listed in DoD 4100.39-M, Federal Logistics Information System (FLIS) Procedures Manual, Volume 10, Chapter 4, Table 160.

“Refined precious metal” means recovered silver, gold, platinum, palladium, iridium, rhodium, or ruthenium, in bullion, granulation or sponge form, which has been purified to at least .999 percentage of fineness.

#### **208.7302 Policy.**

DoD policy is for maximum participation in the Precious Metals Recovery Program (PMRP). DoD components shall furnish recovered precious metals contained in the DSCP inventory to production contractors rather than use contractor-furnished precious metals whenever the contracting officer determines it to be in the Government's best interest.

#### **208.7303 Procedures.**

(a) Item managers and contracting officers will use the PMIC and/or other relevant data furnished with a purchase request to determine the applicability of this subpart.

(b) When an offeror advises of a precious metals requirement, the contracting officer shall use the procedures in Chapter 11 of DoD 4160.21-M, Defense Materiel Disposition Manual, to determine availability of required precious metal assets and current government-furnished materiel (GFM) unit prices. If the precious metals are available, the contracting officer shall evaluate offers and award the contract on the basis of the offer which is in the best interest of the Government.

(c) When the clause prescribed by 208.7305 is included in a solicitation, the contracting officer will ensure that Section B, Schedule of Supplies or Services and Prices, is structured to—

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(1) Permit insertion of alternate prices for each deliverable contract line item number that uses precious metals; and

(2) Use dual pricing evaluation procedures.

### **208.7304 Refined precious metals.**

The following refined precious metals are currently managed by DSCP:

<u>Precious Metal</u>	<u>National Stock Number (NSN)</u>
Gold	9660-00-042-7733
Silver	9660-00-106-9432
Platinum Granules	9660-00-042-7768
Platinum Sponge	9660-00-151-4050
Palladium Granules	9660-00-042-7765
Palladium Sponge	9660-01-039-0320
Rhodium	9660-01-010-2625
Iridium	9660-00-011-1937
Ruthenium	9660-01-039-0313

### **208.7305 Contract clause.**

(a) Use the clause at 252.208-7000, Intent to Furnish Precious Metals as Government-Furnished Material, in all solicitations and contracts except—

(1) When the contracting officer has determined that the required precious metals are not available from DSCP;

(2) When the contracting officer knows that the items being acquired do not require precious metals in their manufacture; or

(3) For acquisitions at or below the simplified acquisition threshold.

(b) To make the determination in paragraph (a)(1) of this section, the contracting officer shall consult with the end item inventory manager and comply with the procedures in Chapter 11, DoD 4160.21-M, Defense Materiel Disposition Manual.