



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE  
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WASHINGTON, DC 20301-3000

OCT 03 2006

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY  
(POLICY AND PROCUREMENT), ASA(ALT)  
DEPUTY ASSISTANT SECRETARY OF THE NAVY  
(ACQUISITION MANAGEMENT), ASN(RDA)  
DEPUTY ASSISTANT SECRETARY OF THE AIR  
FORCE (CONTRACTING), SAF/AQC  
EXECUTIVE DIRECTOR, LOGISTIC POLICY AND  
ACQUISITION MANAGEMENT(DLA)  
DIRECTORS OF THE DEFENSE AGENCIES  
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Reporting of Purchases from Overseas Sources

This memorandum is to advise you of reporting requirements on purchases from overseas sources. The head of each Federal agency must submit an annual report to Congress on the amount of agency acquisitions of end products manufactured outside the United States. This report must also provide information on the reasons for such foreign acquisitions. Over the past several years it has come to the attention of the Chief Acquisition Officer's Council (CAOC) that agencies used different bases to develop their statistics. Therefore, the Office of Federal Procurement Policy has determined that the source of the data to be reported regarding contracts awarded and orders issued during FY 2007 should be the Federal Procurement Data System (FPDS). In addition, one Federal report will be established on FPDS to reduce the burden of consolidation of agency data and to lend uniformity to the results. Any agency will be able to run this standard report for itself at any time.

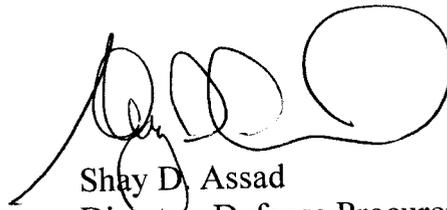
The FPDS will be modified on or after October 1, 2006, to collect the data necessary to complete this report for Fiscal Year 2007. This report will be partially based on information collected from offerors using the new solicitation provision at FAR 52.225-18, Place of Manufacture, and its commercial item equivalent at 52.212-3, Offeror Representations and Certifications—Commercial items. These new provisions were published in the Federal Register on September 28, 2006 (available at <http://www.acq.osd.mil/dpap/dars/far/frnotice/2006/20060928/2005-034.htm>). The contracting officer will provide the remaining information.



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

Directions for entering this data are provided in the attachment to this memorandum. For actions awarded before October 1, 2006, follow previous reporting instructions applicable to FY 2006.

Any questions concerning this memorandum should be addressed to Ms. Amy Williams, Senior Procurement Analyst, at 703-602-0328, or via e-mail at [amy.williams@osd.mil](mailto:amy.williams@osd.mil).

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

Shay D. Assad  
Director, Defense Procurement and  
Acquisition Policy

Attachment:  
As stated

**REPORTING OF ACQUISITION OF END PRODUCTS  
MANUFACTURED OUTSIDE THE UNITED STATES**

1. *Definitions.* “Manufactured end product” and “place of manufacture” are defined in the provision at FAR 52.225-18, Place of Manufacture.

2. Use the Federal Procurement Data System data field 9H, Place of Manufacture, to report 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 code/description in accordance with the following table:

9H Place of Manufacture

Values:

Code	Short Description	Long Description
A	U.S. (Actions prior to FY 2007 only)	The action is for (i) A foreign end products 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.
B	Foreign (Actions prior to FY 2007 only)	The action is for (i) Any other foreign end product; or (ii) Services performed outside the United States by a foreign concern.
C	Not applicable (Actions prior to FY 2007 only)	Not applicable.
D	Mfg in U.S.	The action is predominantly for acquisition of manufactured end products that are manufactured in the United States
E	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).
F	Mfg outside U.S. - Resale	The foreign manufactured end products acquired are predominantly for resale (FAR 25.103(d).
G	Mfg outside U.S. - Trade Agreements	The foreign manufactured end products are predominantly eligible products acquired under Trade Agreements (FAR 25.402(a)(1)).
H	Mfg outside U.S. - Commercial information technology	The foreign manufactured end products are predominantly commercial information technology items (FAR 25.103(e)).
I	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)).
J	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>
K	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)
L	Mfg outside U.S. - Qualifying country	For DoD only, the foreign manufactured end products are predominantly qualifying country end products (DFARS 225.003 and 225.872-1)

3. The description for Codes A, B, and C are unchanged from the prior FPDS. These codes are to be used only for reporting of contracts awarded or orders issued prior to October 1, 2006.

4. The new codes D through L have been added in order to facilitate the statutory reporting requirements required at FAR 25.004. These codes are only applicable to contracts awarded and orders issued on or after October 1, 2006. If the solicitation for the contract contains the solicitation provision FAR 52.225-18, Place of Manufacture (or the commercial item equivalent at 52.212-3(j)), the contracting officer must review the response of the successful offeror to this provision in order to select the correct code.

(i) Enter code D if the offeror checks the box for "In the United States".

(ii) If the offeror checks the box for "Outside the United States," enter one of the codes E through L, depending on the predominant reason for acquiring end products manufactured outside the United States. These reasons correspond to the exceptions to the Buy American Act (FAR 25.1 and DFARS 225.1). Further explanation of these exceptions to the Buy American Act are available at the FAR and DFARS references provided in the long description for each code.

5. Code L is applicable only to acquisition made by or for the Department of Defense.

6. For any contract awarded on or after October 1, 2006, where the solicitation did not include the provision at 52.225-18, Place of Manufacture (or 52.212-3(j)), and for any order placed on or after October 1, 2006, against a contract that did not include one of these provisions, the contracting officer shall use best judgment in determining whether 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 such information as place of performance or other information that may be available to the contracting officer to assist in making this determination.