

(b) The subcontracting policies and procedures in this Part should generally be applied to procurement where (i) the item, system, or work is complex, the dollar value is substantial, or competition is restricted, and (ii) either (A) cost-reimbursement, price redetermination, or incentive-type contracts are to be used, or (B) make-or-buy decisions are expected to have a substantial impact on negotiations leading to a firm fixed-price contract.

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3-904 Additional Contract Clauses. Additional contract clauses with respect to subcontracting with Small Business and Labor Surplus Area concerns are set forth in Section VII.

*Armed Services Procurement Regulations Concerning Advantages Given
to Labor Surplus Area Concerns in Competition with Foreign Firms*

SECTION VI

PART I—BUY AMERICAN ACT—SUPPLY AND SERVICE CONTRACTS

6-100 Scope of Part. This Part implements the Buy American Act (41 U.S.C. 10a-d) and the policies set forth in Executive Order 10582, dated 17 December 1954, with respect to supply and service contracts.

6-101 Definitions. As used in this Part, the following terms have the meanings set forth below.

(a) *End products* means articles, materials, and supplies, which are to be acquired for public use. As to a given contract, the end products are the items to be delivered to the Government, as specified in the contract, including supplies to be acquired by the Government for public use in connection with service contracts, but excluding installation and other services to be performed after delivery.

(b) *Components* means those articles, materials, and supplies which are directly incorporated in end products.

(c) *United States* means the States, the District of Columbia, Puerto Rico, American Samoa, the Canal Zone, the Virgin Islands, Guam, and any areas subject to the complete sovereignty of the United States.

(d) *Domestic source end product* means an unmanufactured end product which has been mined or produced in the United States, or an end product manufactured in the United States if the cost of its components which are mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. A component shall be considered to have been mined, produced, or manufactured in the United States (regardless of its source in fact) if the end product in which it is incorporated is manufactured in the United States and the component is of a class or kind (i) determined by the Government to be not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality, or (ii) as to which the Secretary concerned has determined that it would be inconsistent with the public interest to apply the restrictions of the Act.

(e) *Canadian end product* means an unmanufactured end product mined or produced in Canada, or an end product manufactured in Canada if the cost of its components which are mined, produced, or manufactured in Canada or the United States exceeds 50 percent of the cost of all its components.

(f) *Foreign end product* means an end product other than a domestic source end product.

(g) *Domestic bid* means a bid or offered price for a domestic source end product, including transportation to destination.

(h) *Foreign bid* means a bid or offered price for a foreign end product, including transportation to destination and duty (whether or not a duty-free entry certificate may be issued).

6-102 Statutory Requirements. Except as provided in 6-103, the Buy American Act requires that in the procurement of supplies and services, only domestic source end products shall be acquired for public use. In determining whether an end product is a domestic source end product, only the end product and its components shall be considered.

6-103 Exceptions.

6-103.1 Use Outside the United States. The restrictions of the Buy American Act do not apply to articles, materials, or supplies for use outside the United States.