

## 208.7202

*Industrial base* means that part of the total privately-owned and Government-owned industrial production and maintenance capacity of the United States and Canada, which will be available during national emergencies to manufacture and repair items required by the departments.

*Industrial preparedness production planning* means planning designed to maintain an adequate industrial base to support DoD requirements for selected essential military items in a national emergency.

*National emergency* means a condition declared by the President or the Congress which authorizes certain emergency action in the national interest, including partial or total mobilization of national resources.

*Planned item* means any item selected for industrial preparedness planning under the criteria of DoDI 4005.3, Industrial Preparedness Planning.

*Planned producer* means an industrial firm which has agreed by either non-binding memorandum of understanding or binding contract/contract clause to provide production capacity data, to maintain existing capacity for a negotiated period of time, and to accept contracts for planned items upon the request of the Government.

### 208.7202 General.

(a) Under the Industrial Preparedness Production Planning (IPPP) program, DoD components and industry work together to ensure essential military items are available during an emergency.

(b) Departments and agencies select weapon systems and items for planning in accordance with DoDI 4005.3, Industrial Preparedness Planning. Planning is conducted only with U.S. or Canadian sources.

(c) The use of privately-owned facilities is preferred to minimize the need for Government investment. Departments and agencies will include Government-owned production facilities in the industrial base only when—

(1) Private industry is unable to provide the facilities necessary to support DoD requirements; or

(2) The facilities are necessary—

(i) For reasons of national security; or

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(ii) To ensure a quick response capability to meet fluctuating demands.

### 208.7203 Authority.

Authority under current contracting procedures to accomplish industrial planning actions includes—

(a) Leasing of Government-owned property to planned emergency producers under the authority of the Military Leasing Act of 1947, 10 U.S.C. 2667;

(b) Acquisitions in the interest of national defense under FAR 6.202(a)(2), or in case of a national emergency or to achieve industrial mobilization under FAR 6.302–3;

(c) Acquisition of items restricted under 225.7010 and 225.71;

(d) Use of multiyear contracting (FAR subpart 17.1);

(e) Providing Government production and research property to contractors; and

(f) Use of direct payment for idle facilities or idle capacities reserved for defense mobilization production (FAR 31.205–17(d)).

[56 FR 36306, July 31, 1991, as amended at 57 FR 42629, Sept. 15, 1992; 62 FR 34121, June 24, 1997]

### 208.7204 Procedures.

(a) Except as otherwise provided in FAR or DFARS, solicit planned producers for all acquisitions of their planned items, when the acquisition exceeds the simplified acquisition threshold.

(b) The contracting officer may contract for industrial planning efforts for selected essential military items. These efforts may include, but are not limited to, the maintenance of Government-owned industrial facilities (real and personal property) or production data packages. These planning efforts may be acquired through an individual service contract or as a line item on a contract for a planned item.

[56 FR 36306, July 31, 1991, as amended at 64 FR 2596, Jan. 15, 1999]

## Subpart 208.73—Use of Government-Owned Precious Metals

### 208.7301 Definitions.

As used in this subpart—

**Department of Defense**

**208.7305**

*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.

[56 FR 36306, July 31, 1991, as amended at 65 FR 14398, Mar. 16, 2000; 65 FR 52951, Aug. 31, 2000; 65 FR 58607 Sept. 29, 2000]

**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.

[56 FR 36306, July 31, 1991, as amended at 65 FR 52951, Aug. 31, 2000]

**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—

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

(2) Use dual pricing evaluation procedures.

[56 FR 36306, July 31, 1991, as amended at 65 FR 52952, Aug. 31, 2000; 65 FR 58607, Sept. 29, 2000]

**208.7304 Refined precious metals.**

The following refined precious metals are currently managed by DSCP:

Precious metal	National stock number (NSN)
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

[65 FR 52952, Aug. 31, 2000]

**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