

225.701

Domestic Offer	8,900
Qualifying Country Offer	9,100

Award on Domestic Offer. The 50% evaluation factor is added to the nonqualifying country offer, inclusive of duty, yielding an evaluated price of \$9,000.

(ii) Alternate II: Duty Exempted:

Nonqualifying Country Offer (including \$1,000 duty	\$600,000
Domestic Offer	910,000
Qualifying Country Offer	920,000

Award on Nonqualifying Country Offer. The addition of the evaluation factor yields an evaluated price of \$900,000. Since duty is being exempted for nonqualifying country offers, the duty is subtracted from the offered price, which is awarded at \$599,000.

(2) Example 2.

(i) Alternate I: Duty Not Exempted for Nonqualifying Country Offers:

Nonqualifying Country Offer (including \$100 duty	\$6,000
Domestic Offer	8,500
Qualifying Country Offer	7,800

Award on Nonqualifying Country Offer. Since the qualifying country offer is lower than the domestic offer, the nonqualifying country offer is evaluated without the factor. Since duty is not being exempted for nonqualifying country offers, the offer is evaluated and award is made at the price inclusive of duty (\$6,000).

(ii) Alternate II: Duty Exempted:

Nonqualifying Country Offer (including \$1,000 duty	\$880,500
Domestic Offer	950,000
Qualifying Country Offer	880,000

Award on Nonqualifying Country Offer. Again, the qualifying country offer is lower than the domestic offer. The nonqualifying country offer is, therefore, evaluated without the factor. Since duty is being exempted for nonqualifying country offers, the duty identified by the offeror is subtracted from the offered price, which is evaluated and awarded at \$879,500.

(3) Example 3.

(i) Alternate I: Duty Not Exempted for Nonqualifying Country Offers:

Nonqualifying Country Offer (including \$150 duty	\$9,600
Qualifying Country Offer	9,500

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Award on Qualifying Country Offer. Since no domestic offers are received, the nonqualifying country offer is evaluated without the evaluation factor. Since duty is not being exempted and would be paid by the Government, the nonqualifying country offer is evaluated inclusive of duty.

(ii) Alternate II: Duty Exempted:

Nonqualifying Country Offer (including \$1,000 duty	\$880,500
Qualifying Country Offer	880,000

Award on Nonqualifying Country Offer. Since no domestic offers are received, the nonqualifying country offer is evaluated without the evaluation factor. Since duty is being exempted, duty is subtracted from the nonqualifying country offer, which is evaluated and awarded at \$879,500.

(4) Example 4.

(i) Alternate I:

Offer of U.S. Made End Product which is not a Domestic Offer	\$800,000
Domestic Offer	820,000
Eligible Product	830,000

Award on Domestic End Product. U.S. made end products which are not also domestic end products are evaluated the same as nonqualifying country end products. Adding the 50% evaluation factor yields an evaluated price of \$1,200,000.

(ii) Alternate II:

Offer of U.S. Made End Product which is not a Domestic Offer	\$800,000
Eligible Product	820,000
Domestic Offer	830,000

Award on U.S. Made End Product. Adding the 50% evaluation factor to the U.S. made end product would not result in the award of a domestic end product since the eligible product, which is evaluated the same as a qualifying country offer, is lower. All offers are evaluated without the factor.

Subpart 225.7—Prohibited Sources

225.701 Restrictions.

See 209.104-1(g)(i) for restrictions on contracting with firms owned or controlled by foreign governments that support terrorism. See 209.104-1(g)(ii)

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for prohibition on award of a DoD contract under a national security program to an entity controlled by a foreign government when access to proscribed information is required to perform the contract.

[59 FR 51133, Oct. 7, 1994. Redesignated at 65 FR 19854, Apr. 13, 2000]

225.770 Secondary Arab boycott of Israel.

225.770-1 Restriction.

In accordance with 10 U.S.C. 2410i, do not enter into a prime contract with a foreign person, company, or entity unless it has certified that it does not comply with the secondary Arab boycott of Israel.

[58 FR 28467, May 13, 1993]

225.770-2 Procedures.

For contracts awarded to the Canadian Commercial Corporation (CCC), the CCC will submit a certification from its proposed subcontractor with the other required precontractual material (see 225.870).

[57 FR 53599, Nov. 12, 1992]

225.770-3 Exceptions.

The restriction does not apply to—

(a) Purchases at or below the simplified acquisition threshold;

(b) Contracts for consumable supplies, provisions, or services for the support of the United States or of allied forces in a foreign country; or

(c) Contracts pertaining to any equipment, technology, data, or services for intelligence or classified purposes, or the acquisition or lease thereof in the interest of national security.

[57 FR 53599, Nov. 12, 1992, as amended at 64 FR 2598, Jan. 15, 1999]

225.770-4 Waivers.

The Secretary of Defense may waive the restriction on the basis of national security interests. Waiver requests should be forwarded to the Director of Defense Procurement, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics).

[57 FR 53599, Nov. 12, 1992, as amended at 60 FR 61597, Nov. 30, 1995; 65 FR 39705, June 27, 2000]

225.770-5 Solicitation provision and contract clause.

Unless an exception applies or a waiver has been granted, use the clause at 252.225-7031, Secondary Arab Boycott of Israel, in all solicitations and contracts.

[57 FR 53599, Nov. 12, 1992]

225.771 Prohibition on acquisition from the People's Republic of China.

225.771-1 Definition.

“People's Republic of China” is defined in the provision at 252.225-7017, Prohibition on Award to Companies Owned by the People's Republic of China.

[64 FR 8728, Feb. 23, 1999]

225.771-2 Legal authority.

This section implements Section 8120 of the DoD Appropriations Act for fiscal year 1999 (Pub. L. 105-262), as amended by Section 144 of Title I, Division C, of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Pub. L. 105-277).

[65 FR 6554, Feb. 10, 2000]

225.771-3 Prohibition on contract award.

If using fiscal year 1999 funds made available by Title III (Procurement) or Title IV (Research, Development, Test and Evaluation) of Pub. L. 105-262, do not award or renew a contract with any company in which the Director of Defense Procurement has determined that the People's Republic of China or the People's Liberation Army of the People's Republic of China owns more than 50 percent interest.

[65 FR 6554, Feb. 10, 2000]

225.771-4 Procedures.

(a) Forward any information that the People's Republic of China or the People's Liberation Army of the People's Republic of China owns more than 50 percent interest in a company, through the head of the agency, to the Director, Defense Procurement, ATTN: OUSD (AT&L) DP/FC, 3060 Defense Pentagon, Washington, DC 20301-3060.