

Notice about Specialty Metals

If you are delivering any item to Derco in support of a U.S. Government contract and the item includes specialty metals, you must comply with DoD DFARS clause 252.225-7014 Preference for Domestic Specialty Metals, its Alternate 1, and Derco's contractual terms and conditions. Please note that Alternate 1 of DFARS 252.225-7014 requires that you flow-down this requirement to all lower tier subcontractors/contractors/suppliers delivering any item that contains specialty metals. Also, there is no minimum quantity or dollar threshold exemption – any amount of specialty metal, from any tier of our supply chain, must be compliant with the DFARS clause.

On 29 January 2008, Section 804 of the FY 2008 National Defense Authorization Act, "Clarification of the Protection of Strategic Materials Critical to National Security", became law and made legislative changes governing the application of domestic source restrictions related to Specialty Metals.

For new prime contracts after 26 July 2008, the legislation eliminates the Class Domestic Non-Availability Determinations (DNADS) issued after 6 December 2006 by the Office of the Secretary of Defense (OSD) (e.g., the class fastener DNAD). The new law also eliminates fasteners from consideration as Commercial off-the-Shelf (COTS) items. The new law contains a self-certification requirement for fastener suppliers regarding each supplier's procurement of a certain amount of compliant domestic specialty metals for its use in the production of fasteners. The above are just a few of the significant changes enacted by the new law. The Class Deviation 2008-O0002, dated 29 January 2008, is available on the DoD Defense Procurement, Acquisition Policy, and Strategic Sourcing public Internet site at:

<http://www.acq.osd.mil/dpap/policy/policyvault/200701613-DPAP.pdf>.