



November 1, 2020

Heyco Metals DFARS Statement of Understanding

DFARS stands for “Defense Federal Acquisition Regulation Supplement” and is a well-known example of an agency supplement of the FAR, Federal Acquisition Regulations. DFARS that is used by the Department of Defense. DFARS 252.225-7014 Preference for Domestic Specialty Metals was issued under the office of the Secretary of Defense for Acquisition and Logistics.

The basic requirements of DFARS include that in order for a US company to use Specialty Metals, the metals must be melted in the United States or a qualifying country. A qualifying country, according to DFARS, means any country listed in subsection 225.872-1 of the Defense Federal Acquisition Regulation Supplement. The qualifying countries listed under DFARS are Australia, Belgium, Canada, Denmark, Egypt, Germany, France, Greece, Israel, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom and Northern Ireland.

Specialty Metals according to DFARS, A. Steel - with a maximum alloy content exceeding one or more of the following limits: Manganese, 1.65%, Silicon, 0.60%, or Copper, 0.60%, or containing more than 0.25% of any of the following Elements: Aluminum, Chromium, Cobalt, Columbium, Molybdenum, Nickel, Titanium, Tungsten, or Vanadium. B. Metal Alloys - consisting of Nickel, Iron-Nickel, and Cobalt base alloys containing a total of other alloying metals except Iron, in excess of ten percent, or Titanium and titanium alloys or zirconium and zirconium base alloys.

Heyco Metals DFARS interpretation:

DFARS regulations do not apply to copper-base alloys.

DFARS regulations do apply to specialty metals such as steels defined as follows:

(i) Steel

(A) With a maximum alloy content exceeding one or more of the following limits: manganese, 1.65 percent; silicon, 0.60 percent; or copper, 0.60 percent; or

(B) Containing more than 0.25 percent of any of the following elements: aluminum, chromium, cobalt, molybdenum, nickel, niobium (columbium), titanium, tungsten, or vanadium;

DFARS limitations do not apply to materials originating in the countries listed above.

All stainless steels processed and sold by Heyco are purchased from DFARS-compliant sources and so can be certified as “DFARS Compliant”.

As described above, none of the copper-base alloys processed and sold by Heyco are included in the DFARS regulation and as such are all considered “DFARS-Compliant” regardless of sourcing.

However, in the event that customers seek DFARS-Compliant certification of copper-base alloy products sold to them by Heyco, our position is as follows;

DFARS regulations do not apply to copper-base alloys. The majority of copper-base material purchased as reroll and processed here at Heyco originates in the US. However, we also have relationships with vendors outside the US from whom we have in the past bought material or from whom we may buy material in the future. Accordingly, we cannot provide a blanket statement that the totality of copper-base alloy materials we sell is sourced in countries listed as exempted in the DFARS regulations. Customers may request at time of order that material be sourced in such countries and we in turn would restrict the sourcing and certify "Country of Origin' accordingly."