

26.102

groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act, that is recognized by the Federal Government as eligible for services from BIA in accordance with 25 U.S.C. 1452(c).

Interested party means a prime contractor or an actual or prospective offeror whose direct economic interest would be affected by the award of a subcontract or by the failure to award a subcontract.

[56 FR 41737, Aug. 22, 1991, as amended at 61 FR 39210, July 26, 1996; 65 FR 24323, Apr. 25, 2000]

26.102 Policy.

Indian organizations and Indian-owned economic enterprises shall have the maximum practicable opportunity to participate in performing contracts awarded by Federal agencies. In fulfilling this requirement, the Indian Incentive Program allows an incentive payment equal to 5 percent of the amount paid to a subcontractor in performing the contract, if the contract so authorizes and the subcontractor is an Indian organization or Indian-owned economic enterprise.

[61 FR 39211, July 26, 1996]

26.103 Procedures.

(a) Contracting officers and prime contractors, acting in good faith, may rely on the representation of an Indian organization or Indian-owned economic enterprise as to its eligibility, unless an interested party challenges its status or the contracting officer has independent reason to question that status.

(b) In the event of a challenge to the representation of a subcontractor, the contracting officer shall refer the matter to the U.S. Department of the Interior, Bureau of Indian Affairs (BIA), Attn: Chief, Division of Contracting and Grants Administration, 1849 C Street, NW., MS-2626-MIB, Washington, DC 20240-4000. The BIA will determine the eligibility and notify the contracting officer.

(c) The BIA will acknowledge receipt of the request from the contracting officer within 5 working days. Within 45 additional working days, BIA will ad-

48 CFR Ch. 1 (10-1-06 Edition)

vised the contracting officer, in writing, of its determination.

(d) The contracting officer will notify the prime contractor upon receipt of a challenge.

(1) To be considered timely, a challenge shall—

(i) Be in writing;

(ii) Identify the basis for the challenge;

(iii) Provide detailed evidence supporting the claim; and

(iv) Be filed with and received by the contracting officer prior to award of the subcontract in question.

(2) If the notification of a challenge is received by the prime contractor prior to award, it shall withhold award of the subcontract pending the determination by BIA, unless the prime contractor determines, and the contracting officer agrees, that award must be made in order to permit timely performance of the prime contract.

(3) Challenges received after award of the subcontract shall be referred to BIA, but the BIA determination shall have prospective application only.

(e) If the BIA determination is not received within the prescribed time period, the contracting officer and the prime contractor may rely on the representation of the subcontractor.

(f) Subject to the terms and conditions of the contract and the availability of funds, contracting officers shall authorize an incentive payment of 5 percent of the amount paid to the subcontractor. Contracting officers shall seek funding in accordance with agency procedures.

[56 FR 41737, Aug. 22, 1991, as amended at 57 FR 20377, May 12, 1992; 61 FR 39211, July 26, 1996; 62 FR 40236, July 25, 1997; 64 FR 10532, Mar. 4, 1999]

26.104 Contract clause.

Contracting officers in civilian agencies may insert the clause at 52.226-1, Utilization of Indian Organizations and Indian-Owned Economic Enterprises, in solicitations and contracts if—

(a) In the opinion of the contracting officer, subcontracting possibilities exist for Indian organizations or Indian-owned economic enterprises; and

Federal Acquisition Regulation

26.300

(b) Funds are available for any increased costs as described in paragraph (b)(2) of the clause at 52.226-1.

[65 FR 24323, Apr. 25, 2000]

Subpart 26.2—Disaster or Emergency Assistance Activities

SOURCE: 61 FR 39200, July 26, 1996, unless otherwise noted.

26.200 Scope of subpart.

This subpart implements 42 U.S.C. 5150, which provides a preference for local organizations, firms, and individuals when contracting for major disaster or emergency assistance activities (see Subpart 6.6).

[61 FR 39200, July 26, 1996, as amended at 71 FR 44548, Aug. 4, 2006]

26.201 Policy.

(a) When contracting under this subpart for major disaster or emergency assistance activities, such as debris clearance, distribution of supplies, or reconstruction, preference shall be given, to the extent feasible and practicable, to those organizations, firms, or individuals residing or doing business primarily in the area affected by such major disaster or emergency.

(b) The authority to provide preference under this subpart applies only to those acquisitions, including those which do not exceed the simplified acquisition threshold, conducted during the term of a major disaster or emergency declaration made by the President of the United States under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 *et seq.*).

26.202 Procedures to accomplish the local area preference.

(a) *Local area set-aside.* The contracting officer may set-aside solicitations to allow only offerors residing or doing business primarily in the area affected by such major disaster or emergency to compete (see 6.602).

(1) The contracting officer, in consultation with the requirements office, shall define the specific geographic area for the local set-aside.

(2) A major disaster may result in numerous Presidential declarations span-

ning counties in several contiguous States. The designated area need not include all the counties in the declared disaster/emergency area(s), but cannot go outside it.

(3) The contracting officer shall also consider whether a local area set-aside should be further restricted to small business concerns in the designated area (see Part 19).

(b) *Other appropriate procedures.* The contracting officer may use other appropriate procedures to give preference to those organizations, firms, or individuals residing or doing business primarily in the area affected by the major disaster or emergency to the extent feasible and practicable. For example, the contracting officer may implement the preference by using an evaluation factor. (See 6.603.)

[71 FR 44548, Aug. 4, 2006, as amended at 71 FR 57380, Sept. 28, 2006]

26.203 Solicitation provisions and contract clause.

(a) The contracting officer shall insert the provision at 52.226-3, Disaster or Emergency Area Representation, for acquisitions using the local area set-aside. For commercial items see 12.301(e)(4).

(b) The contracting officer shall insert the provision 52.226-4, Notice of Disaster or Emergency Area Set-aside in solicitations and contracts for acquisitions that are set-aside for a Disaster or Emergency Area under 26.203(a).

(c) The contracting officer shall insert the clause 52.226-5, Restrictions on Subcontracting Outside Disaster or Emergency Area, in all solicitations and contracts that contain the provision at 52.226-3.

[71 FR 44548, Aug. 4, 2006, as amended at 71 FR 57380, Sept. 28, 2006]

Subpart 26.3—Historically Black Colleges and Universities and Minority Institutions

SOURCE: 62 FR 12703, Mar. 17, 1997, unless otherwise noted.

26.300 Scope of subpart.

(a) This subpart implements Executive Order 12928 of September 16, 1994,