

Alaska Procurement Connection

A Monthly Newsletter From Your Procurement Technical Assistance Centers

Interim Rule Provides Local Contracting Preference During Disasters/Emergencies

Contributed by K. Anderson (anksa@uaa.alaska.edu)

An interim rule implementing the Local Community Recovery Act of 2006 has been issued under Federal Acquisition Circular (FAC) 2005-12. This interim rule, effective as of August 4, 2006, would allow contracting officers to establish local area set-asides and subcontracting restrictions for areas that have been affected by a disaster or emergency.

The Local Community Recovery Act of 2006 (P.L. 109-218) amended the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5150) to authorize set-asides for debris clearance, distribution of supplies, reconstruction, and other major disaster or emergency assistance acquisitions to businesses that reside or primarily do business in the geographic area affected by the disaster or emergency. The set-aside may be used together with other authorized set-asides, such as those in FAR Part 19 for small businesses.

This rule also imposes subcontracting restrictions when a local area set-aside is used. To promote local recovery efforts, the rule requires certain percentages of the contract to be expended for employees of the contractor or employees of other local area businesses. If the contract includes other subcontracting restrictions (e.g., FAR 52.219-3, 52.219-14, 52.219-27, 52.226-5, or 52.236-1), the contractor must meet all the subcontracting restrictions in the contract. In addition, the rule establishes a new FAR Subpart 6.6 to clarify the competition justification requirements for Stafford Act acquisitions. The coverage on the Stafford Act previously located at FAR 6.302-5 has been moved to the new subpart.

As currently written, the contracting officer may set-aside solicitations to allow only offerors residing or doing business primarily in the area affected by a major disaster or emergency to compete. The contracting officer will define the specific geographic area, however, cannot go outside the declared disaster/emergency area. The contracting officer shall also consider whether or not the solicitation will be further restricted to small business concerns. The contracting officer may also use other appropriate procedures, such as giving preference to local firms in the disaster/emergency area by using an evaluation factor.

To safeguard the process, firms submitting offers under this rule would be required to include additional representations for their firm. Under the "Disaster or Emergency Area Representation" the firm would need to certify that they are residing or primarily doing business in the affected area. Supporting docu-

Continued on page 2

October 2006

On the Inside

EC/EDI Corner	2
Using Federal Labs on SBIR Projects	3
Responding to Federal Solicitations ..	3
FAQ: What is a CAGE Code?	4

Check out the PTAC Calendar of Events for Upcoming Opportunities!

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Continued from page 1

mentation such as business licenses, record of past work, contractual history, number of permanent employees in the designated area, and membership in local and state organizations of the designated area, among other things, may be required to support the representation.

Although this has been issued as an interim rule, comment is being sought by Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils). Specifically, the Councils would like to hear the views of interested parties on the sufficiency of these provisions. In particular, the Councils would like to know if the “Restrictions on Subcontracting Outside Disaster or Emergency Area” and the “Disaster or Emergency Area Representation” should apply to preferences other than local area set-asides; and whether the percentages for general or specialty construction should be raised (as currently written the restrictions are 15% for general construction and 25% for specialty construction). These restrictions refer to the amount of work a firm in the affected area must perform as a percentage of the cost of the contract, not including the cost of materials, with its own employees or employees of other businesses residing or primarily doing business in the designated area.

The Councils are also interested in input regarding the placement of various Stafford-Act-related coverage in the FAR: that is, comments addressing the optimal combination of regulatory treatment in FAR Subparts such as 6.2, 6.3, 6.6, and 26.2.

To read the full text of FAC 2005-12 and for instructions on how to comment, access <http://www.regulations.gov> and conduct a Keyword or ID search for: FAR-FAR-2006-0020-0022. Comments are due by October 3, 2006.

GSA Schedule Management Changes

According to the U.S. General Services Administration (GSA), Professional Engineering Service (PES) Schedule 871 management transferred from the Services Acquisition Center in Washington, D.C. to the Management Services Center (MSC) in Auburn, Washington on September 11, 2006. The GSA Business Manager for PES will be Ms. Tammy Lindsley at (253) 931-7627. The Energy Services Schedule, 871 II, will be transferred from the MSC to Kansas City, Missouri on October 1, 2006.

EC/EDI Corner

Contributed by Mary Wheeler (fnmaw@uaf.edu)

Fraudulent E-mail Scheme Involving FirstGov

FirstGov.gov warns the public to avoid falling victim to an e-mail scheme. The fake e-mails, which claim to originate from FirstGov or the U.S. General Services Administration, tell recipients to click on a link and enter information related to personal credit card accounts. Please delete any such messages, without clicking the links.

—<http://www.pueblo.gsa.gov/firstgovnews/fgnewsv5-5.htm>

SUBNet

Federal Acquisition Regulation 5.206 calls for contractors and subcontractors to post subcontracting opportunities, thereby increasing competition for subcontracts. The SUBNet website at <http://www.sba.gov/subnet> fulfills that function. To search for federal subcontracting opportunities in Alaska:

- Go to <http://www.sba.gov>
- Select “SUBNet” under “Hot Items”
- Select “Search”
- Select “Search the database”
- Select “AK-Alaska” for “Place of Performance” then click on “submit”

In mid- September, there were 75 opportunities listed for Alaska. These notices are required to describe the opportunity, any prequalification criteria, and where technical data needed for responding can be obtained.

Bookmark the SUBNet site and check regularly for updates. These notices are in chronological order, so you can go to the end of the listing to see what may have been added since the last time the site was accessed.

SUBNet also has a Subcontracting Opportunities Directory. This Directory lists, by state, contractors that are seeking subcontractors. The information provided includes: Company; Type of Business; and name of the Small Business Representative for that firm. This directory can be found at <http://www.sba.gov/GC/indexcontacts-sbsd.html>.

Using Federal Labs on SBIR Projects

Contributed by Carolyn Pratt (ancap1@uaa.alaska.edu)

Subcontracting on a Small Business Innovative Research (SBIR) projects is permissible to bolster a contractor's credentials (and ability) to perform the work. On a Phase 1 SBIR award, up to one-third of the project can be subcontracted; on a Phase 2 up to one-half. The rules are different for Small Business Technology Transfer.

One of the challenging parts of subcontracting on an SBIR project is using a federal laboratory. In the past, there was more freedom to propose a federal lab as a subcontractor, but those rules have changed.

When subcontracting with a federal lab, it is important to know their differences. Federally Funded Research and Development Centers, or FFRDCs, also sometimes known as Government Owned, Contractor Operated (or GOCOs), are distinguished by their workers being employed by a third-party contractor who runs the lab under contract to the federal government. For example, Sandia National Laboratories is operated by Lockheed Martin, with Lockheed under contract with the U.S. Department of Energy. The other type of federal laboratory is called Government Owned, Government Operated (GOGO), where the workers at the lab are employees of the federal government. Generally, GOGOs cannot be used as subcontractors.

Policy directive, however, from the U.S. Small Business Administration (SBA) says that FFRDCs/GOCOs *can* be used as subcontractors on SBIR projects when a waiver from SBA is obtained. The waiver requires that the proposing contractor demonstrates that the FFRDC/GOCO has unique capabilities that cannot be obtained elsewhere in the United States. Generally, these waivers are granted, provided the uniqueness/no coercion criteria is met. That said, some agencies do not like to make awards to SBIR proposers who have included FFRDCs/GOCOs on their projects. So, before an FFRDC/GOCO is included on an SBIR proposal, talk with the agency to which you are submitting to get some sense of their receptiveness to this inclusion. Be sure to specify what expertise/resources the lab brings to the project that cannot be obtained elsewhere. That could mean the difference between success or failure of your innovative approach to solving an important problem.

(Excerpt from "Limits on Using Federal Labs on SBIR Projects" by Greenwood Consulting Group copyright 2006.)

Responding to Federal Solicitations

Contributed by Robert Brunett (anreb2@uaa.alaska.edu)

The three secrets to responding to a federal solicitation: 1. Read the solicitation; 2. Read the solicitation again; and, 3. Just to make sure you didn't miss something, read it again! Reading through the solicitation is a strong suit for anyone wanting to be successful. Solicitations can often look overwhelming, and some are even bulky. But if you take it apart and start going through it carefully, you will know whether you want to submit an offer or lay it aside and possibly try another one.

In federal solicitations a certain format is used. In fact, Federal Acquisition Regulation Part 14 (subpart 201-1) and Part 15 (subpart 204-1) Uniform Contract Format provides details about the different formats. When reading a solicitation, pay attention to action words such as; shall, deliver, inspect, package, discount, submit, price. Highlight these items. These are generally the items that will need to be defined in the offer.

After you've thoroughly reviewed the solicitation and your notes, find the answers needed to address any questions and obtain any necessary clarification. Use the point of contact identified in the solicitation for these answers, or visit PTAC of Alaska to get guidance. Also:

1. Ensure you know and completely understand the supply, quantity and scope of service that is required. Are the delivery dates firm? Are the packaging requirements clear? What are the inspection/acceptance requirements?
2. Watch for administrative requirements that may be stated as part of performance, i.e., reports, control of government furnished materials, visits by government personnel.
3. Remember to include overhead and profit. Typically, pricing will be established just like it is for commercial business. Ensure you've read the solicitation and covered all the costs that may be incurred.

Once you're satisfied that you have your offer together and are ready to submit, read through the solicitation's requirements for responding. Ensure you have completed and provided everything the agency has asked for—including your signature. Don't go through all the work of preparing an offer and then not submit it according to the directions. If you don't comply with these requirements, it's very likely the agency will consider you "non-responsive" and not consider your firm for award. If needed, call PTAC of Alaska for assistance. You don't have to be the Lone Ranger.

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FAQ: What is a CAGE Code?

Contributed by Diana Wilson (andmw@uaa.alaska.edu)

CAGE is an acronym for Commercial and Government Entity. A CAGE code is a five-character identification number used extensively within the federal government. This number provides a consistent method of identifying companies and is used to support a variety of systems throughout the government.

The first and fifth position must be numeric and the second, third, and fourth must be a mixture of alpha/numeric coding excluding the letters “I” and “O”. The Defense Logistics Information Service in Battle Creek, MI, is the only authorized source of all CAGE codes.

When a vendor registers in the Central Contractor Registration (CCR), a CAGE code is assigned upon activation. A separate CAGE code for each physical location and separate division at the same physical location is provided. Searches for CAGE codes can be conducted at http://www.dlis.dla.mil/cage_welcome.asp. Notification of the new CAGE code is sent in a letter through the U.S. Postal Service to the person listed as the Point of Contact.

Non U.S. companies, must first obtain a North Atlantic Treaty Organization CAGE (NCAGE) before registering in CCR. The NCAGE code can be obtained directly from the Codification Bureau in that country. If a company does not already have an NCAGE code assigned, for most countries, one can be obtained by completing Form AC135 at http://www.dlis.dla.mil/Forms/Form_AC135.asp.

Reference these websites for more information about CAGE codes:

- CCR handbook at <http://www.ccr.gov/handbook.asp> under “Information Needed to Register”
- FAQ BINCS at <http://www.bpn.gov/bincs/faq.asp>

Or, for further assistance contact your local PTAC of Alaska office at 274-7232 in Anchorage or 456-7232 in Fairbanks.