

of subcontractors or tiers of subcontractors to perform the principal work of the contract.

(b) Specific requirement

At a minimum, the regulations promulgated under subsection (a) shall preclude a contractor from using subcontracts for more than 65 percent of the cost of the contract or the cost of any individual task or delivery order (not including overhead and profit), unless the Secretary determines that such requirement is not feasible or practicable.

(c) Covered contracts

This section applies to any cost-reimbursement type contract or task or delivery order in an amount greater than the simplified acquisition threshold (as defined by section 403 of title 41) entered into by the Department to facilitate response to or recovery from a natural disaster or act of terrorism or other man-made disaster.

(Pub. L. 109–295, title VI, §692, Oct. 4, 2006, 120 Stat. 1458.)

§ 793. Oversight and accountability of Federal disaster expenditures

(a) Authority of Administrator to designate funds for oversight activities

The Administrator may designate up to 1 percent of the total amount provided to a Federal agency for a mission assignment as oversight funds to be used by the recipient agency for performing oversight of activities carried out under the Agency reimbursable mission assignment process. Such funds shall remain available until expended.

(b) Use of funds

(1) Types of oversight activities

Oversight funds may be used for the following types of oversight activities related to Agency mission assignments:

(A) Monitoring, tracking, and auditing expenditures of funds.

(B) Ensuring that sufficient management and internal control mechanisms are available so that Agency funds are spent appropriately and in accordance with all applicable laws and regulations.

(C) Reviewing selected contracts and other activities.

(D) Investigating allegations of fraud involving Agency funds.

(E) Conducting and participating in fraud prevention activities with other Federal, State, and local government personnel and contractors.

(2) Plans and reports

Oversight funds may be used to issue the plans required under subsection (e) and the reports required under subsection (f).

(c) Restriction on use of funds

Oversight funds may not be used to finance existing agency oversight responsibilities related to direct agency appropriations used for disaster response, relief, and recovery activities.

(d) Methods of oversight activities

(1) In general

Oversight activities may be carried out by an agency under this section either directly or

by contract. Such activities may include evaluations and financial and performance audits.

(2) Coordination of oversight activities

To the extent practicable, evaluations and audits under this section shall be performed by the inspector general of the agency.

(e) Development of oversight plans

(1) In general

If an agency receives oversight funds for a fiscal year, the head of the agency shall prepare a plan describing the oversight activities for disaster response, relief, and recovery anticipated to be undertaken during the subsequent fiscal year.

(2) Selection of oversight activities

In preparing the plan, the head of the agency shall select oversight activities based upon a risk assessment of those areas that present the greatest risk of fraud, waste, and abuse.

(3) Schedule

The plan shall include a schedule for conducting oversight activities, including anticipated dates of completion.

(f) Federal disaster assistance accountability reports

A Federal agency receiving oversight funds under this section shall submit annually to the Administrator and the appropriate committees of Congress a consolidated report regarding the use of such funds, including information summarizing oversight activities and the results achieved.

(g) Definition

In this section, the term “oversight funds” means funds referred to in subsection (a) that are designated for use in performing oversight activities.

(Pub. L. 109–295, title VI, §693, Oct. 4, 2006, 120 Stat. 1458.)

§ 794. Limitation on length of certain non-competitive contracts

(a) Regulations

The Secretary shall promulgate regulations applicable to contracts described in subsection (c) to restrict the contract period of any such contract entered into using procedures other than competitive procedures pursuant to the exception provided in paragraph (2) of section 253(c) of title 41 to the minimum contract period necessary—

(1) to meet the urgent and compelling requirements of the work to be performed under the contract; and

(2) to enter into another contract for the required goods or services through the use of competitive procedures.

(b) Specific contract period

The regulations promulgated under subsection (a) shall require the contract period to not to exceed¹ 150 days, unless the Secretary determines that exceptional circumstances apply.

(c) Covered contracts

This section applies to any contract in an amount greater than the simplified acquisition

¹ So in original. Probably should be “period not to exceed”.