

customer will assume the risk for loss or damage under the appropriate limitation of liability clause(s) (see FAR subpart 46.8). Consider the costs of necessary insurance, if any, obtained by the contractor to cover the risk of loss or damage in establishing the FMS contract price.

225.7306 Exercise of options for FMS.

Consider changes to cost and profit attributable to pricing differences between U.S. and FMS requirements when exercising an option to satisfy an FMS requirement. Also consider such changes if the option is already identified for FMS, but it is exercised for country B requirements instead of the country A requirements for which it was priced.

225.7307 Offset arrangements.

In accordance with the Presidential policy statement of April 16, 1990, DoD does not encourage, enter into, or commit U.S. firms to FMS offset arrangements. The decision whether to engage in offsets, and the responsibility for negotiating and implementing offset arrangements, resides with the companies involved.

[62 FR 34125, June 24, 1997]

225.7308 Contract clauses.

(a) Use the clause at 252.225-7027, Restriction on Contingent Fees for Foreign Military Sales, in all solicitations and contracts for FMS.

(b) Use the clause at 252.225-7028, Exclusionary Policies and Practices of Foreign Governments, in all solicitations and contracts for the purchase of goods and services for international military education training and FMS.

[56 FR 36367, July 31, 1991, as amended at 62 FR 2617, Jan. 17, 1997; 63 FR 43890, Aug. 17, 1998]

Subpart 225.74—Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States

SOURCE: 63 FR 31937, June 11, 1998, unless otherwise noted.

225.7400 Scope of subpart.

This subpart pertains to antiterrorism/force protection policy for contracts that require performance or travel outside the United States.

225.7401 General.

Information and guidance pertaining to DoD antiterrorism/force protection can be obtained from the following offices:

(a) For Navy contracts: Naval Criminal Investigative Service (NCIS), Code 24; telephone, DSN 228-9113 or commercial (202) 433-9113.

(b) For Army contracts: HQDA (DAMO-ODL)/ODCSOP; telephone, DSN 225-8491 or commercial (703) 695-8491.

(c) For Marine Corps contracts: CMC Code POS-10; telephone, DSN 224-4177 or commercial (703) 614-4177.

(d) For Air Force contracts: HQ AFSFC/SFPT; telephone, DSN 473-0927/0928 or commercial (210) 671-0927/0928.

(e) For Combatant Command contracts: The appropriate Antiterrorism Force Protection Office at the Command Headquarters.

(f) For Defense Agencies: The appropriate agency security office.

(g) For additional information: Assistant Secretary of Defense for Special Operations and Low Intensity Conflict, ASD (SOLIC); telephone, DSN 255-0044 or commercial (703) 695-0044.

225.7402 Contract clause.

Use the clause at 252.225-7043, Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States, in solicitations and contracts that require performance or travel outside the United States, except for contracts with—

(a) Foreign governments;

(b) Representatives of foreign governments; or

(c) Foreign corporations wholly owned by foreign governments.

PART 226—OTHER SOCIOECONOMIC PROGRAMS

Subpart 226.1—Indian Incentive Program

Sec.

226.103 Procedures.

226.104 Contract clause.

Department of Defense

226.7002

Subpart 226.70—Historically Black Colleges and Universities and Minority Institutions

- 226.7000 Scope of subpart.
- 226.7001 Definitions.
- 226.7002 General policy.
- 226.7003 Set-asides for HBCUs and MIs.
- 226.7003-1 Set-aside criteria.
- 226.7003-2 Set-aside procedures.
- 226.7004 [Reserved]
- 226.7005 Eligibility as an HBCU or MI.
- 226.7006 Protesting an HBCU or MI representation.
- 226.7007 Goals and incentives for subcontracting with HBCU/MIs.
- 226.7008 Solicitation provision and contract clause.

Subpart 226.71—Preference for Local and Small Businesses

- 226.7100 Scope of subpart.
- 226.7101 Definition.
- 226.7102 Policy.
- 226.7103 Procedure.
- 226.7104 Other considerations.

Subpart 226.72—Base Closures and Realignment

- 226.7200 Scope.

AUTHORITY: 41 U.S.C. 421 and 48 CFR chapter 1.

SOURCE: 56 FR 36388, July 31, 1991, unless otherwise noted.

Subpart 226.1—Indian Incentive Program.

226.103 Procedures.

(f) The contracting officer shall submit a request for funding of the Indian incentive to the Office of Small and Disadvantaged Business Utilization, Office of the Under Secretary of Defense for Acquisition and Technology, OUSD(A&T)SADBU, Room 2A340, 3061 Defense Pentagon, Washington, DC 20301-3061. Upon receipt of funding from OUSD(A&T)SADBU, the contracting officer shall issue a contract modification to add the Indian incentive funding for payment of the contractor's request for equitable adjustment as described at FAR 52.226-1, Utilization of Indian Organizations and Indian-Owned Economic Enterprises.

[63 FR 11534, Mar. 9, 1998]

226.104 Contract clause.

(a) Also use the clause at FAR 52.226-1, Utilization of Indian Organizations

and Indian-Owned Economic Enterprises, in contracts—

(i) With contractors that have comprehensive subcontracting plans approved under the test program described at 219.702(a); and

(ii) That contain the clause at 252.219-7004, Small, Small disadvantaged and Women-Owned Small Business Subcontracting Plan (Test Program).

[63 FR 11534, Mar. 9, 1998]

Subpart 226.70—Historically Black Colleges and Universities and Minority Institutions

226.7000 Scope of subpart.

This subpart implements the historically black college and university (HBCU) and minority institution (MI) provisions of 10 U.S.C. 2323, which—

(a) Set a goal for DoD for each of fiscal years 1987 through 2000 to award five percent of contract and subcontract dollars to small disadvantaged business concerns and HBCU/MIs; and

(b) Require a separate goal, for each of fiscal years 1991 through 2000, as a subset of the five percent goal, for the participation of HBCUs and MIs.

[59 FR 27672, May 27, 1994]

226.7001 Definitions.

Definitions of HBCUs and MIs are in the clause at 252.226-7000.

226.7002 General policy.

The DoD will use outreach efforts, technical assistance programs, advance payments, HBCU/MI set-asides, and evaluation preferences to meet its contract and subcontract goal for use of HBCUs and MIs. In addition, DoD will establish "infrastructure assistance" (e.g., scholarships, faculty development, teaming agreements with defense laboratories, and laboratory renovation) at colleges, universities, and institutions that agree to bear a substantial portion of the costs associated with the programs.

[56 FR 67216, Dec. 30, 1991]

226.7003 Set-asides for HBCUs and MIs.**226.7003-1 Set-aside criteria.**

Set-aside acquisitions for exclusive HBCU and MI participation when the acquisition is for research, studies, or services of the type normally acquired from higher educational institutions and there is a reasonable expectation that—

(a) Offers will be submitted by at least two responsible HBCUs or MIs which can comply with the subcontracting limitations in the clause at FAR 52.219-14;

(b) Award will be made at not more than ten percent above fair market price; and

(c) Scientific and/or technological talent consistent with the demands of the acquisition will be offered.

226.7003-2 Set-aside procedures.

(a) As a general rule, use competitive negotiation for HBCU/MI set-asides.

(b) When using a broad agency announcement (FAR 35.016) for basic or applied research, make partial set-asides for HBCU/MIs as explained in 235.016.

(c) Follow the special synopsis instructions in 205.207(d) (iii), (iv), and (v).

(d) Cancel the set-aside if the low responsible offer exceeds the fair market price (defined in FAR part 19) by more than ten percent.

226.7004 [Reserved]**226.7005 Eligibility as an HBCU or MI.**

(a) To be eligible for award as an HBCU or MI under the preference procedures of this subpart, an offeror must—

(1) Be an HBCU or MI, as defined in the clause at 252.226-7000, Notice of Historically Black College or University and Minority Institution Set-Aside, at the time of submission of its initial offer including price; and

(2) Provide the contracting officer with evidence of its HBCU or MI status upon request.

(b) The contracting officer shall accept an offeror's HBCU or MI status under the provision at 252.226-7001, unless—

(1) Another offeror challenges the status; or

(2) The contracting officer has reason to question the offeror's HBCU/MI status. (A list of HBCUs is published periodically by the Department of Education.)

[56 FR 36388, July 31, 1991, as amended at 59 FR 22131, Apr. 29, 1994; 62 FR 2613, Jan. 17, 1997]

226.7006 Protesting an HBCU or MI representation.

Any offeror or other interested party may challenge an offeror's HBCU or MI representation by filing a protest with the contracting officer. The protest must contain specific detailed evidence supporting the basis for the challenge. Such protests are handled in accordance with FAR 33.103 and are decided by the contracting officer.

226.7007 Goals and incentives for subcontracting with HBCU/MIs.

(a) In reviewing subcontracting plans submitted under the clause at FAR 52.219-9, Small Business and Small Disadvantaged Business Subcontracting Plan, the contracting officer shall—

(1) Ensure that the contractor included anticipated awards to HBCU/MIs in the small disadvantaged business goal;

(2) Consider whether subcontracts are contemplated which involve research or studies of the type normally performed by higher educational institutions.

(b) Use of incentives for subcontracting with HBCU/MIs is prescribed in 219.708(c)(1).

226.7008 Solicitation provision and contract clause.

(a) Use the clause at 252.226-7000, Notice of Historically Black College or University and Minority Institution Set-Aside, in solicitations and contracts set-aside for HBCU/MIs.

(b) Use the provision at FAR 52.226-2, Historically Black College or University and Minority Institution Representation, in solicitations set aside for HBCU/MIs and in solicitations that contain the clause at FAR 52.219-23, Notice of Price Evaluation Adjustment

Department of Defense

226.7200

for Small Disadvantaged Business Concerns.

[56 FR 36388, July 31, 1991, as amended at 57 FR 42631, Sept. 15, 1992; 62 FR 2613, Jan. 17, 1997; 63 FR 41974, Aug. 6, 1998]

Subpart 226.71—Preference for Local and Small Businesses

SOURCE: 59 FR 12192, Mar. 16, 1994, unless otherwise noted.

226.7100 Scope of subpart.

This subpart implements section 2912 of the Fiscal Year 1994 Defense Authorization Act (Pub. L. 103-160) and section 817 of the Fiscal Year 1995 Defense Authorization Act (Pub. L. 103-337).

[60 FR 5870, Jan. 31, 1995]

226.7101 Definition.

Vicinity, as used in this subpart, means the county or counties in which the military installation to be closed or realigned is located and all adjacent counties, unless otherwise defined by the agency head.

[60 FR 29499, June 5, 1995]

226.7102 Policy.

Businesses located in the vicinity of a military installation that is being closed or realigned under a base closure law, including 10 U.S.C. 2687, and small and small disadvantaged businesses shall be provided maximum practicable opportunity to participate in acquisitions that support the closure or realignment, including acquisitions for environmental restoration and mitigation.

226.7103 Procedure.

In considering acquisitions for award through the section 8(a) program (subpart 219.8 and FAR subpart 19.8) or in making set-aside decisions under subpart 219.5 and FAR subpart 19.5 for acquisitions in support of a base closure or realignment, the contracting officer shall—

(a) Determine whether there is a reasonable expectation that offers will be received from responsible business concerns located in the vicinity of the military installation that is being closed or realigned.

(b) If offers can not be expected from business concerns in the vicinity, proceed with section 8(a) or set-aside consideration as otherwise indicated in part 219 and FAR part 19.

(c) If offers can be expected from business concerns in the vicinity—

(1) Consider section 8(a) only if the 8(a) contractor is located in the vicinity.

(2) Set aside the acquisition for small business only if one of the expected offers is from a small business located in the vicinity.

[60 FR 29499, June 5, 1995, as amended at 63 FR 41974, Aug. 6, 1998]

226.7104 Other considerations.

When planning for contracts for services related to base closure activities at a military installation affected by a closure or realignment under a base closure law, contracting officers shall consider including, as a factor in source selection, the extent to which offerors specifically identify and commit, in their proposals, to a plan to hire residents of the vicinity of the military installation that is being closed or realigned.

[60 FR 61598, Nov. 30, 1995]

Subpart 226.72—Base Closures and Realignments

226.7200 Scope.

This subpart identifies the various policies and statutory authorities that affect contracts associated with the closure and realignment of military installations. These policies and authorities are—

(a) *Right of first refusal of employment.* This authority is embodied in a clause for use in solicitations and contracts arising from the closure of a military installation. The clause establishes employment rights for Government employees who are adversely affected by closure of the installation (see subpart 222.71).

(b) *Preference for local and small business.* This authority allows contracting officers, when entering into a contract as part of the closure or realignment of a military installation, to give preference, to the greatest extent practicable, to qualified businesses located

226.7200

48 CFR Ch. 2 (10-1-98 Edition)

in the vicinity of the installation and to small and small disadvantaged business concerns (see subpart 226.71).

(c) *Services at installations being closed.* This authority allows DoD, under certain conditions, to contract with local

governments for police, fire protection, airfield operations and other community services at installations being closed (see subpart 237.74).

[59 FR 36089, July 15, 1994, as amended at 60 FR 29499, June 5, 1995]