

APD ALERT

Local Contractor Set-Aside for Disasters



Purpose

To notify acquisition personnel that Federal Acquisition Circular (FAC) 2005-12 was issued on August 4, 2006.

Policy

FAC 2005-12 contains an interim rule implementing the Local Community Recovery Act of 2006. This act authorizes set-asides for major disasters or emergency assistance acquisitions.

How does this affect me?

The interim rule allows Contracting Officers (CO) to set aside solicitations for contractors living in or doing business primarily in the area affected by a major disaster or emergency.

The CO may determine the geographic area for a specific local area set-aside. The area may not extend outside of the declared disaster or emergency area. The set-aside may be combined with other set-asides.

The set-aside contracts are subject to subcontracting restrictions requiring a certain percentage of the contract be reserved for employees of the contractor or employees of other local area businesses. That percentage is 50 percent of cost for service and supply contracts, 15 percent of cost for general construction contracts, and 25 percent of cost for special trade construction contracts.

Contact Jean Zurface on 301-504-1116 or e-mail jean.zurface@ars.usda.gov if you need further clarification.

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