



United States Department of the Interior
OFFICE OF THE ASSISTANT SECRETARY - INDIAN AFFAIRS

Washington, D.C. 20240



IN REPLY REFER TO:

National Policy Memorandum

Assistant Secretary - Indian Affairs
Deputy Assistant Secretary – Indian Affairs (Management)

Effective: April 14, 2014

Expires: April 14, 2015

Number: NPM-ACQ-06

Title: Required Sources for Acquisition of Supplies and Services

1. Purpose

This memorandum provides guidance for all procurement and non-procurement personnel to assist in complying with the Buy Indian Act (25 U.S.C.) and the Federal Acquisition Regulations (FAR) Part 8, Required Sources of Supplies and Services, when purchasing supplies, services and covered construction.

2. Scope

This policy applies to all IA headquarters, field and program staff under the authority of the Assistant Secretary – Indian Affairs (AS-IA), including the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE.)

3. Policy

It is the policy of Indian Affairs to comply with federal regulations and policy and direction from the Department of the Interior (DOI) and the Office of Management and Budget (OMB) to ensure adequate internal controls measures and reviews are established and implemented. IA has implemented these procedures to ensure proper internal controls in compliance with OMB Circular A123.

4. Procedures

While FAR Part 8 identifies required sources for the purchase of supplies and services, 48 CFR Part 1480 – Acquisitions, the Buy Indian Act provides that preference be given to Indian economic enterprises (IEEs) whenever the authority is authorized and practicable. Thus, IA may use the Buy Indian Act to give preference to IEEs through set-asides when acquiring supplies, services (including printing), and covered construction to meet needs and requirements.

Deviations to the Act may be granted, if after market research is conducted, there is no reasonable expectation of obtaining offers that will be competitive in terms of fair market price, quality and delivery from two or more responsible IEEs (or at least from one such enterprise, if the purchase does not exceed the dollar threshold described in FAR 13.003).

The set-aside program order of precedence for the purchase of supplies identifies eligible Indian/Alaska Native Economic Enterprises taking priority over all other required sources, except: Agency inventories and excess inventory for other Federal Agencies; Federal Prison Industry (UNICOR), and purchase from the list maintained by the Committee for Purchase from People Who are Blind or Severely Disabled (AbilityOne). For services, eligible Indian/Alaskan Native Economic Enterprises is second only to purchases from the list maintained by the Committee for Purchase From People Who are Blind or Severely Disabled (AbilityOne). Adherence to the priorities listing is mandatory for all procurement personnel and purchase cardholders in satisfying program requirements. In essence, the Act authorizes Indian Affairs to restrict competition to Indian-owned economic entities when purchasing good and services for its use and benefit.

The attachment to this guidance presents, in descending order of priority, a list of the required sources for acquisition of supplies and services. Please note that the supply list is different than the services list. In regard to joint ventures, teaming, mentoring, or partnering arrangements, Indian Affairs policy does not prohibit such business ventures. However, it must be kept in mind that the combined Indian or Indian Tribe ownership must constitute not less than 51 percent of the enterprise; the Indians or Indian Tribes must, together, receive at least a majority of the earnings from the contract; and the management and daily business operations of an enterprise must be controlled by one or more individuals who are Indians. To ensure actual control over the enterprise, the individuals must possess requisite management or technical capabilities directly related to the primary industry in which the enterprise conducts business.

The guidance and sources provided are in compliance with the existing laws and regulations to obtain supplies and services. In determining if a required source meets the Government's need, prior to placing the order, Contracting Officers should consider factors such as end-function, delivery date, quantity, shipping point, and cost or price. Contracting Officers and purchase cardholders should review Exhibits 1-3 and proceed accordingly. All procurement actions, regardless of dollar value, shall use the identified sources of supplies and services in the order in which they are listed.

5. Authorities

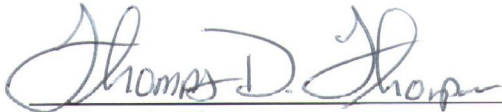
A. Statutes and Regulations

- 1) Federal Acquisition Regulation (FAR).
[FAR Subpart 8](#)
- 2) 48 CFR, Federal Acquisition Regulations System
- 3) Department of the Interior Acquisition Regulations (DIAR)
- 4) Departmental Manuals
- 5) Executive Orders

B. Guidance.

- 1) Department of the Interior Acquisition Policy Release (DIAPR)
- 2) Department of the Interior Guidance (DIG)
- 3) Indian Affairs Acquisition Guidance Release (IA-AGR)

6. Approval



Thomas D. Thompson
Deputy Assistant Secretary – Indian Affairs (Management)

4/14/2014
Date

SET-ASIDE PROGRAM
ORDER OF PRECEDENCE
SUPPLIES

Source Preference	Reference (48 CFR)
1. Bureau of Indian Affairs inventories or excess from other Federal Agencies	Subpart 8.1
2. Federal Prison Industries, Inc.	Subpart 8.6
3. Purchase from the Blind and Other Severely Handicapped (AbilityOne*)	Subpart 8.7
4. Wholesale Supply Sources (Stock Programs and Inventory Control Points such as GSA, VA, DLA depots)	41 CFR 101-26 3, 26.6 and 26.704
5. Indian/Alaska Native economic enterprise	Subpart 8.002(a) and BIA 1480.503 and 504
6. Mandatory Federal Supply Schedules	Subpart 8.4 and 41 CFR 101-42.1
7. Optional Use Federal Supply Schedules	Subpart 8.4 and 41 CFR 101-42.1
8. Contracts under Section 8(a) of the Small Business Act	Subpart 19.8
9. Small Business -Small Purchase Set-Aside	Sections 13.105 and DIAR 1413.103
10. Total Set-Aside for Small Business concerns located in Labor Surplus Areas	Section 19.504
11. Total Set-Aside for Small Business	Section 19.504
12. Partial Set-Aside for Small Business concerns located in Labor Surplus Areas	Section 19.504
13. Partial Set-Aside for Small Business	Section 19.504
14. Total Labor Surplus Area Set-Aside for concerns that are not Small	Section 19.504
15. Other Commercial Sources (including educational and nonprofit institutions). Open	Subpart 6.1

* Formerly Javits-Wagner-O'Day (JWOD) Program

SET-ASIDE PROGRAM
ORDER OF PRECEDENCE
SERVICES

Source Preference	Reference (48 CFR)
1. Purchase from the Blind and Other Severely Handicapped (AbilityOne*)	Subpart 8.7
2. Indian/Alaska Native economic	Subpart 8.002(a) and BIA 1480.402 and 403
3. Mandatory Federal Supply Schedules	Subpart 8.4 and 41 CFR 101-42.
4. Optional Use Federal Supply Schedules	Subpart 8.4 and 41 CFR 101-42.1
5. Federal Prison Industries, Inc.	Subpart 8.6
6. Contracts under Section 8(a) of the Small Business Act	Subpart 19.8
7. Small Business -Small Purchase Set-Aside	Sections 13.105 and DIAR 1413.103
8. Total Set-Aside for Small Business concerns located in Labor Surplus Areas	Section 19.504
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13. Other Commercial Sources (including educational and nonprofit institutions).	Subpart 6.1

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Definitions

Agency Inventory - Frequently used items readily available for use within agencies. These items are usually housed in central supply programs, depots, warehouses, and other facilities that obtain and stock items such as folders, pens, etc.

Excess from Other Agencies - Any personal property under the control of an agency which the agency does not need. To satisfy this requirement, contact the Servicing Personal Property Officer.

UNICOR - Also known as Federal Prison Industries provides a wide variety of products for sale to Government agencies at competitive prices. A schedule of UNICOR products and services is available at <http://www.unicor.gov>.

AbilityOne (Formerly JWOD) - Participating industries providing quality products and services by workers who are blind or who have other severe disabilities. These products and services are available from the National Industries for the Blind (NIB) and the National Industries for the Severely Handicapped (NISH) at <http://www.abilityone.gov>.

Indian Economic Enterprise - Eligible Indian/Alaskan Native economic enterprises must (1) be at least 51 percent Indian-owned; (2) daily management must be vested in the Indian-owner(s); (3) a majority of the profits must go to the Indian owner(s); and, (4) these guidelines also apply to joint ventures that seek to enter into contracts under the Buy Indian Act.

Wholesale Supply Sources - Sources include the GSA Stock Programs, Defense Logistics Agency, and Veteran Administration, and example of types of products available from these sources are lubricating oils, greases, fuel, and nonperishable subsistence items. Included also in the group is the Government Printing Office (GPO), <http://www.gpo.gov>. The GPO provides printing and/or duplication of publications.

Mandatory Federal Supply Schedules - These are GS A schedules which identify specific Government agencies in designated geographic areas that are required to use the contracts as sources of supply. A list of mandatory schedules is available at <http://www.gsa.gov>. These schedules are generally used by procurement personnel.

Optional Use Federal Supply Schedules - If an executive agency is not specified in the individual GSA schedules as a mandatory user, then it is an optional (non-mandatory) user. These schedules are used by procurement personnel.

Commercial Sources - Also known as "open market" sources and includes educational and nonprofit institutions. These are any businesses or other non-Federal activities which provide a commercial product or service (e.g. computers, computer accessories, word processing services, financial services).