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# ~~PART~~ Part 19 — ~~SMALL BUSINESS PROGRAMS~~ - Small Business

~~Authority: 40 U.S.C. 121(c); 10 U.S.C. chapter 4 and 10 U.S.C. chapter 137 legacy provisions (see 10 U.S.C. 3016); and 51 U.S.C. 20113.~~

~~Cross-Reference~~ 19.000 Scope of part.

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~~Source: 48 FR 42240, Sept. 19, 1983, unless otherwise noted.~~

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## **19.000 Scope of part.**

(a) This part implements the acquisition-related sections of the Small Business Act (~~15 U.S.C. 631, *et seq.*~~), ~~applicable sections of the Armed Services Procurement Act (10 U.S.C. 3063-3064 and 3203), 41 U.S.C. 3104, and Executive Order 12138, May 18, 1979~~ [15 U.S.C. 631, \*et seq.\*](#) and [41 U.S.C. 3104](#). It covers—

- (1) The determination that a concern is eligible for participation in the programs identified in this part;
- (2) The respective roles of executive agencies and the Small Business Administration (SBA) in implementing the programs;
- (3) Setting acquisitions aside, ~~in total or in part,~~ for exclusive competitive participation by small business, 8(a) participants, HUBZone small business concerns, service-disabled veteran-owned small business (SDVOSB) concerns eligible under the SDVOSB Program, and economically disadvantaged women-owned small business (EDWOSB) concerns and women-owned small business (WOSB) concerns eligible under the WOSB Program;
- (4) The certificate of competency program;

- (5) The subcontracting assistance program;
- (6) The “8(a)” business development program (hereafter referred to as 8(a) ~~program~~Program), under which agencies contract with the SBA for goods or services to be furnished under a subcontract by a small disadvantaged business concern;
- (7) The use of a price evaluation preference for HUBZone small business concerns;

~~(8) The use of veteran-owned small business concerns;~~

~~(9)~~ Sole source awards to HUBZone small business concerns, service-disabled veteran-owned small business concerns, and EDWOSB concerns and WOSB concerns eligible under the WOSB Program; and

~~(10)~~ The use of reserves.

(b)

(1) Unless otherwise specified in this part (see ~~subparts 19.6~~19.109 and ~~19.7~~19.204)—

(i) Contracting officers ~~shall~~must apply this part in the United States and its outlying areas; and

(ii) Contracting officers may apply this part outside the United States and its outlying areas.

(2) Offerors that participate in any procurement under this part ~~are required to~~must meet the definition of “small business concern” at 2.101 ~~and the definition of “concern” at 19.001.~~

~~[48 FR 42240, Sept. 19, 1983]~~

#### **Editorial Note**

**Editorial Note:** For Federal Register citations affecting section 19.000, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at [www.govinfo.gov](http://www.govinfo.gov).

#### **19.001 Definitions.**

As used in this part—

*Alaska Native Corporation (ANC)* means any Regional Corporation, Village Corporation, Urban Corporation, or Group Corporation organized under the laws of the state of Alaska in accordance with the Alaska Native Claims Settlement Act (43 U.S.C. 1601, *et seq.*) and which is considered a minority and economically disadvantaged concern under the criteria at 43 U.S.C. 1626(e)(1). This definition also includes ANC direct and indirect subsidiary corporations, joint ventures, and partnerships that meet the requirements of 43 U.S.C. 1626(e)(2).

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

*Commercial plan* means a subcontracting plan (including goals) that covers the offeror's fiscal year and that applies to the entire production of commercial products and performance of commercial services sold by either the entire company or a portion thereof (e.g., division, plant, or product line).

*Concern* means any business entity organized for profit (even if its ownership is in the hands of a nonprofit entity) with a place of business located in the United States or its outlying areas and that makes a significant contribution to the U.S. economy through payment of taxes and/or use of American products, material and/or labor, etc. “Concern” includes but is not limited to an individual, partnership, corporation, joint venture, association, or cooperative. For more information, see ~~13 CFR 121.105~~ 13 CFR 121.105.

*Electronic Subcontracting Reporting System (eSRS)* means the Governmentwide, electronic, web-based system for small business subcontracting program reporting.

*Failure to make a good faith effort to comply with the subcontracting plan* means willful or intentional failure to perform in accordance with the requirements of the subcontracting plan, or willful or intentional action to frustrate the plan.

*Fair market price* means a price based on reasonable costs under normal competitive conditions and not on lowest possible cost (see ~~19.202-6~~ 19.205(c)).

*Indian tribe* means any Indian tribe, band, group, pueblo, or community, including native villages and native groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act (43 U.S.C. 1601 *et seq.*), that is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs in accordance with 25 U.S.C. 1452(c). This definition also includes Indian-owned economic enterprises that meet the requirements of 25 U.S.C. 1452(e).

*Individual subcontracting plan* means a subcontracting plan that covers the entire contract period (including option periods), applies to a specific contract, and has goals that are based on the offeror's planned subcontracting in support of the specific contract, except that indirect costs incurred for common or joint purposes may be allocated on a prorated basis to the contract.

*Industry* means all concerns primarily engaged in similar lines of activity, as listed and described in the North American Industry Classification system (NAICS) manual.

~~*Similarly situated entity* means a first-tier subcontractor, including an independent contractor, that —~~

~~(1) Has the same small business program status as that which qualified the prime contractor for the award (e.g., for a small business set-aside contract, any small business concern, without regard to socioeconomic status); and~~

*Long-term contract* means a contract of more than five years in duration, including options. However, the term does not include contracts that exceed five years in duration because the

period of performance has been extended for a cumulative period not to exceed six months under the clause at 52.217-8, Option to Extend Services, or other appropriate authority.

Master subcontracting plan means a subcontracting plan that contains all the required elements of an individual subcontracting plan, except goals, and may be incorporated into individual subcontracting plans, provided the master subcontracting plan has been approved.

Subcontract means any agreement (other than one involving an employer-employee relationship) entered into by a Government prime contractor or subcontractor calling for supplies and/or services required to perform the contract, contract modification, or subcontract.

Total contract dollars means the final anticipated dollar value, including the dollar value of all options.

## **Subpart 19.1 - Presolicitation**

### **19.101 Small business goals.**

(a) It is the Government's policy to provide maximum practicable opportunities in its acquisitions to small business and other small business socioeconomic categories (i.e. veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns). Heads of contracting activities are responsible for achieving goals for small business and those other socioeconomic categories (15 U.S.C. 644(g)).

(1) Agencies must measure the extent of participation by small business and other small business socioeconomic categories in Government acquisitions in terms of the total value of contracts placed during each fiscal year. Agencies must report this data to the Small Business Administration (SBA) at the end of each fiscal year (see 4.301).

(2)

(i) SBA certifies offerors as veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, and women-owned small business concerns under the WOSB Program. SBA certifications can be found in the Small Business Search (SBS) website. To be eligible as a small business concern or small disadvantaged business concern, an offeror is required to represent in good faith that it meets the definition of those respective terms.

(ii)

(A) Insert the provision at 52.219-1, Small Business Program Representations, in solicitations exceeding the micro-purchase threshold when the contract is for supplies to be delivered or services to be performed in the United States or its outlying areas, or when the contracting officer has applied this part in accordance with 19.000(b)(1)(ii).

(B) Use the provision with its Alternate II in solicitations that will result in a multiple-award contract with more than one NAICS code assigned. This is authorized for solicitations issued after October 1, 2028 (see 19.103(b)(2)).

(iii)

(A) Insert the clause at 52.219-28, Postaward Small Business Program Rerepresentation, in solicitations and contracts exceeding the micro-purchase threshold when the contract is for supplies to be delivered or services to be performed in the United States or its outlying areas, or when the contracting officer has applied this part in accordance with 19.000(b)(1)(ii).

(B) Use the clause with its Alternate I in solicitations and the resulting multiple-award contracts with more than one NAICS code. This is authorized for solicitations issued after October 1, 2028 (see 19.103(b)(2)).

(b) Contracting officers can use various acquisition strategies to further the policy and achieve the goals referenced in paragraph (a). As summarized below, some are discretionary, but others are mandatory for certain acquisitions.

(1) Contracting officers must plan acquisitions (i.e. contracts) so that, if practicable, more than one small business concern may perform the work, if the work exceeds the amount for which a surety may be guaranteed by SBA against loss under 15 U.S.C. 694b (see definition of “applicable statutory limit” at 13 CFR 115.10).

(2) Contracting officers must, to the extent practicable, encourage maximum participation by small business concerns in acquisitions. They can do this by publicizing solicitations and contract awards through the Governmentwide point of entry (see subparts 5.2 and 5.3).

(3) Contracting officers must set aside contracts valued at more than the micro-purchase threshold for small businesses in certain circumstances. See 19.104.

~~(24) Is considered small for the size standard~~ Contracting officers may set aside or sole source contracts under the ~~NAICS code the prime contractor assigned to the subcontract~~ HUBZone Program. See 19.105.

~~[51 FR 2650, Jan. 17, 1986]~~

(5) Contracting officers may set aside or sole source contracts under the SDVOSB Program. See 19.106.



(6) Contracting officers may set aside or sole source contracts under the WOSB Program. See 19.107.

(7) Contracting officers may set aside or sole source contracts under the 8(a) Program. See 19.108.

(8) Contracting officers may set aside task orders or delivery orders. See 19.111-2.

(9) Contracting officers must require a small business subcontracting plan in certain acquisitions. See 19.109 and 19.302-1.

(10) Contracting officers must use a HUBZone price evaluation preference in full and open competitions. See 19.110.

(11) Contracting officers may use reserves on multiple-award contracts for any of the small business concerns identified in 19.000(a)(3). See 19.112.

(c) In certain instances, contracting officers must award to the small business when there are equal low bids from a small and other than small business. See 19.203.

(d) When an apparent successful small business offeror has been determined to be nonresponsible, contracting officers must refer the business to SBA for a certificate of competency. A certificate of competency would allow award to be made to that small business offeror. See 19.204.

**Editorial Note** **19.102 Coordination.**

**Editorial Note:** ~~For Federal Register citations affecting section 19.001, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at [www.govinfo.gov](http://www.govinfo.gov).~~

## **Subpart 19.1—Size Standards**

### **19.101 [Reserved]**

(a) SBA helps contracting personnel ensure their agency meets their small business goals. The Director of the Office of Small and Disadvantaged Business Utilization (OSDBU), or for the Department of Defense, the Director of the Office of Small Business Programs (OSBP) serves as the agency focal point for interfacing with SBA. In certain instances, coordinating with SBA, the Director of the OSDBU, or the Director of OSBP is required.

(b)

(1) The SBA may assign one or more procurement center representatives (PCRs) to any contracting activity or contract administration office to carry out SBA policies and

programs. Assigned SBA PCR are required to comply with the contracting agency's directives governing the conduct of contracting personnel and the release of contract information. The SBA must obtain for its PCRs security clearances required by the contracting agency.

(2) If an SBA PCR is not assigned to the procuring activity or contract administration office, contact the SBA Office of Government Contracting Area Office serving the area in which the procuring activity is located for assistance in carrying out SBA policies and programs. See <https://www.sba.gov/federal-contracting/counseling-help/procurement-cen...> for the location of the SBA office servicing the activity.

(c) Upon their request and subject to applicable acquisition and security regulations, contracting officers must give SBA PCRs (or, if a PCR is not assigned, see paragraph (b) of this section) access to all reasonably obtainable contract information that is directly pertinent to their official duties.

(d) The duties assigned by SBA to its PCR are set forth at 13 CFR 125.2(b) and include but are not limited to reviewing proposed acquisitions to recommend the set-aside or sole-source award to a small business of selected acquisitions.

(e)

(1) Contracting officers must provide a copy of the proposed acquisition package and other reasonably obtainable information related to the acquisition to the SBA procurement center representative at least 30 days before the solicitation is issued if—

(i) The proposed acquisition is for supplies or services that a small business currently provides, and the proposed acquisition is of a quantity or estimated dollar value that makes it unlikely that small businesses can compete for the prime contract;

(ii) The proposed acquisition is for construction and seeks to package or consolidate discrete construction projects, and the magnitude of this packaging or consolidation makes it unlikely that small businesses can compete for the prime contract; or

(iii) The proposed acquisition is for a consolidated or bundled requirement. The contracting officer must provide all information to justify the consolidation or bundling. The contracting officer must also provide the same information to the agency OSDBU or for the Department of Defense, the OSBP.

(2) (2) For acquisitions described in paragraph (e)(1) of this section, provide a statement explaining why the—

(i) Proposed acquisition cannot be divided into reasonably small lots (not less than economic production runs) to permit offers on quantities less than the total requirement;

(ii) Delivery schedules cannot be established on a realistic basis that will encourage small business participation to the extent consistent with the actual requirements of the Government;

(iii) Proposed acquisition cannot be structured to make it likely that small businesses can compete for the prime contract;

(iv) Consolidated construction project cannot be acquired as separate discrete projects; or

(v) Bundling is necessary and justified.

(3) Process the 30-day notification at the same time as other processing steps required before issuing the solicitation.

(4) If the SBA PCR believes that the acquisition as proposed makes it unlikely that small businesses can compete for the prime contract, the representative will recommend any alternate contracting method that the representative reasonably believes will increase small business prime contracting opportunities. The representative has 15 days after receiving the package to make the recommendation to the contracting officer.

(f) If the contracting officer rejects a recommendation of the SBA PCR (or, if a procurement center representative is not assigned, see paragraph (b) of this section), written notice must be furnished to the appropriate SBA representative within 5 working days of the contracting officer's receipt of the recommendation.

(1) The SBA PCR (or, if a PCR is not assigned, see paragraph (b) of this section) may appeal the contracting officer's rejection to the head of the contracting activity within 2 working days after receiving the notice. The head of the contracting activity shall render a decision in writing, and provide it to the SBA representative within 7 working days. Pending issuance of a decision to the SBA representative, the contracting officer must suspend action on the acquisition.

(2) If the head of the contracting activity agrees that the contracting officer's rejection was appropriate—

(i) Within 2 working days, the SBA PCR (or, if a PCR is not assigned, see paragraph (b) of this section) may request the contracting officer to suspend action on the acquisition until the SBA Administrator appeals to the agency head (see paragraph (f)(5) of this section); and

(ii) The SBA must be allowed 15 working days after making such a written request, within which the Administrator of SBA—

(A) May appeal to the Secretary of the Department concerned; and

(B) Must notify the contracting officer whether the further appeal has, in fact, been taken. If notification is not received by the contracting officer within the 15-day period, it is deemed that the SBA request to suspend the contract action has been withdrawn and that an appeal to the Secretary was not taken.

(3) When the contracting officer has been notified within the 15-day period that the SBA has appealed to the agency head, the head of the contracting activity (or designee) must forward justification for its decision to the agency head. The contracting officer must suspend contract action until notification is received that the SBA appeal has been settled.

(4) The agency head must reply to the SBA within 30 working days after receiving the appeal. The decision of the agency head shall be final.

(5) A request to suspend action on an acquisition need not be honored if the contracting officer determines that proceeding to contract award and performance is in the public interest. The contracting officer must include in the contract file a statement of the facts justifying the determination, and must promptly notify the SBA representative of the determination and provide a copy of the justification.

(g) Contracting officers must consider the recommendations of the agency Director of the OSDBU or for the Department of Defense, the Director of the OSBP as to whether a particular contract should be set aside (see 19.104). Agencies must establish procedures including dollar thresholds for the Director to review acquisitions to make these recommendations. The contracting officer must document in the contract file whenever the Director's recommendations are not accepted.

## **~~19.102~~19.103 Small business size standards and North American Industry Classification System codes.**

*(a) Locating size standards and North American Industry Classification System codes.*

(1) SBA establishes small business size standards on an industry-by-industry basis. Small business size standards and corresponding North American Industry Classification System (NAICS) codes are provided at ~~43 CFR 121.201~~13 CFR 121.201. They are also available at <https://www.sba.gov/document/support--table-size-standards>.

(2) NAICS codes are updated by the Office of Management and Budget through its Economic Classification Policy Committee every five years. New NAICS codes are not available for use in Federal contracting until SBA publishes corresponding size standards. NAICS codes are available from the U.S. Census Bureau at <https://www.census.gov/naics/>.

(3) SBA determines the size status of a concern, including its affiliates, as of the date the concern represents that it is small to the contracting officer as part of its initial offer, which includes price.

(4) When an agency uses a solicitation for a multiple-award contract that does not require offers for the contract to include price, SBA determines size as of the date of initial offer for the multiple-award contract, whether or not the offer includes price or the price is evaluated. (See ~~13 CFR 121.404(a)(1)(iv)~~ [13 CFR 121.404\(a\)\(1\)\(iv\)](#)).

*(b) Determining the appropriate NAICS codes for the solicitation.*

(1) Unless required to do otherwise by ~~paragraph (b)(2)(ii)(B)~~ [paragraph \(b\)\(2\)\(ii\)\(B\)](#) of this section, contracting officers ~~shall~~must assign one NAICS code and corresponding size standard to all solicitations, contracts, and task ~~and~~or delivery orders. The contracting officer ~~shall~~must determine the appropriate NAICS code by classifying the product or service being acquired in the one industry that best describes the principal purpose of the supply or service being acquired. ~~Primary consideration is given to the industry descriptions in the U.S. NAICS Manual, the product or service descriptions in the solicitation, the relative value and importance of the components of the requirement making up the end item being procured, and the function of the goods or services being purchased. A procurement is usually classified according to the component that accounts for the greatest percentage of contract value.~~

(2)

(i) For solicitations issued on or before October 1, 2028, that will result in multiple-award contracts, the contracting officer ~~shall~~must assign a NAICS code in accordance with ~~paragraph (b)(1)~~ [paragraph \(b\)\(1\)](#) of this section.

(ii) For solicitations issued after October 1, 2028, that will result in multiple-award contracts, the contracting officer ~~shall~~must—

(A) Assign a single NAICS code (and corresponding size standard) that best describes the principal purpose of both the acquisition and each subsequent order; or

(B) Divide the acquisition into distinct portions or categories (e.g., line item numbers, Special Item Numbers, sectors, functional areas, or equivalent) and assign each portion or category a single NAICS code and size standard that best describes the principal purpose of the supplies or services to be acquired under that distinct portion or category.

(3)

~~(i) When placing orders under multiple award contracts with a single NAICS code, the contracting officer shall assign the order the same NAICS code and corresponding size standard designated in the contract.~~

~~(ii) When placing orders under multiple award contracts with more than one NAICS code, the contracting officer shall assign the order the NAICS code and corresponding size standard designated in the contract for the distinct portion or category against which the order is placed. If an order covers multiple portions or categories, select the NAICS code and corresponding size standard designated in the contract for the distinct portion or category that best represents the principal purpose of the order.~~

~~(4)~~ The contracting officer's designation is final unless appealed in accordance with the procedures in ~~19.103~~ [paragraph \(d\) of this section](#).

*(c) Application of small business size standards to solicitations.*

(1) The contracting officer ~~shall~~[must](#) apply the size standard in effect on the date the solicitation is issued.

(2) The contracting officer may amend the solicitation and use the new size standard if SBA amends the size standard and it becomes effective before the due date for receipt of initial offers.

~~[85 FR 11757, Feb. 27, 2020, as amended at 85 FR 27101, May 6, 2020; 86 FR 31074, June 10, 2021; 87 FR 58244, Sept. 23, 2022; 88 FR 9737, Feb. 14, 2023; 89 FR 70298, Aug. 29, 2024]~~

**~~19.103~~** [\(d\)](#) *Appealing the contracting officer's North American Industry Classification System code and size standard determination.*

~~(a)~~ The contracting officer's determination is final unless appealed as follows:

(1) An appeal of a contracting officer's NAICS code designation and the applicable size standard ~~shall~~[must](#) be served and filed within 10 calendar days after the issuance of the initial solicitation or any amendment affecting the NAICS code or size standard. However, SBA may file a NAICS code appeal at any time before offers are due.

(2) Appeals of a contracting officer's NAICS code designation or applicable size standard may be filed with SBA's Office of Hearings and Appeals (OHA) by—

(i) Any person adversely affected by a NAICS code designation or applicable size standard. However, with respect to a particular sole source 8(a) contract, only the SBA Associate Administrator for Business Development may appeal a NAICS code designation; or

(ii) The Associate or Assistant Director for the SBA program involved, through SBA's Office of General Counsel.

(3) Contracting officers ~~shall~~must advise the public, by amendment to the solicitation, of the existence of a NAICS code appeal (see ~~5.102(a)(1)~~part 5). Such notices ~~shall~~must include the procedures and the deadline for interested parties to file and serve arguments concerning the appeal.

(4) SBA's OHA will dismiss summarily an untimely NAICS code appeal.

(5) NAICS code appeals are filed in accordance with ~~13 CFR 121.1103~~13 CFR 121.1103.

(6) Upon receipt of a NAICS code appeal, OHA will notify the contracting officer by a notice and order of the date OHA received the appeal, the docket number, and the Administrative Judge assigned to the case. The contracting officer's response to the appeal, if any, ~~shall~~must include argument and evidence (see ~~13 CFR part 134~~13 CFR part 134), and ~~shall~~must be received by OHA within 15 calendar days from the date of the docketing notice and order, unless otherwise specified by the Administrative Judge. Upon receipt of OHA's docketing notice and order, the contracting officer ~~shall~~must withhold award, unless withholding award is not in the best interests of the Government, and immediately send to OHA an electronic link to or a paper copy of both the original solicitation and all amendments relating to the NAICS code appeal. The contracting officer ~~shall~~must inform OHA of any amendments, actions, or developments concerning the procurement in question.

(7) After close of record, OHA will issue a decision and inform the contracting officer. If OHA's decision is received by the contracting officer before the date the offers are due, the decision shall be final and the solicitation ~~shall~~must be amended to reflect the decision, if appropriate. OHA's decision received after the due date of the initial offers shall not apply to the pending solicitation but shall apply to future solicitations of the same products or services.

(e) For procedures related to determining size prior to award, see FAR 19.201.

#### 19.104 Small business set-asides

~~(b) SBA's regulations concerning appeals of NAICS code designations are located at 13 CFR 121.1102 to 121.1103 and 13 CFR part 134.~~

~~[85 FR 11758, Feb. 27, 2020]~~

## **~~Subpart 19.2 — Policies~~**

### **~~19.201 General policy~~19.104-1 Total small business set-asides.**

~~(a) It is the policy of the Government to provide maximum practicable opportunities in its acquisitions to small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns. Such concerns must also have the maximum practicable opportunity to participate as subcontractors in the contracts awarded by any executive agency, consistent with efficient contract performance. The Small Business Administration (SBA) counsels and assists small business concerns and assists contracting personnel to ensure that a fair proportion of contracts for supplies and services is placed with small business.~~

~~(b) Heads of contracting activities are responsible for effectively implementing the small business programs within their activities, including achieving program goals. They are to ensure that contracting and technical personnel maintain knowledge of small business program requirements and take all reasonable action to increase participation in their activities' contracting processes by these businesses.~~

~~(c) The Small Business Act requires each agency with contracting authority to establish an Office of Small and Disadvantaged Business Utilization (see section 15(k) of the Small Business Act). For the Department of Defense, in accordance with section 904 of Public Law 109-163 (10 U.S.C. 144 note), the Office of Small and Disadvantaged Business Utilization has been redesignated as the Office of Small Business Programs. Management of the office is the responsibility of an officer or employee of the agency who, in carrying out the purposes of the Act —~~

~~(1) Is known as the Director of the Office of Small and Disadvantaged Business Utilization; or for the Department of Defense, the Director of the Office of Small Business Programs;~~

(a) A “set-aside for small business” is the limiting of an acquisition exclusively for participation by small business concerns. For contracts above the micro-purchase threshold, the contracting officer must set the contract aside for small business if there is a reasonable expectation of obtaining offers—

(1) From two or more responsible small business concerns; and

(2) That are competitive in terms of fair market prices, quality, and delivery.

(b)

(1) The contracting officer makes the determination to do a small business set-aside under paragraph (a). The contracting officer must document the reason when a contract is not set aside for small business as required.

(2) If the contracting officer rejects a recommendation by SBA to do a small business set-aside, see 19.102(f).



(c) The requirement in paragraph (a) of this section does not apply to purchases at or below the micro-purchase threshold or purchases from required sources under part 8 (e.g., Committee for Purchase From People Who are Blind or Severely Disabled).

(d) When using competitive procedures in accordance with 8.304(b)(1), agencies must include Federal Prison Industries, Inc. (FPI), in the solicitation process for a small business set-aside and consider a timely offer from FPI.

(e) The requirements of paragraph (a) do not preclude the contracting officer from awarding a contract to a small business under the HUBZone Program, SDVOSB Program, WOSB Program, or 8(a) Program. See FAR 19.105 through 19.108.

(f)

(1) Any concern, including a supplier, that is awarded a contract or order subject to the nonmanufacturer rule, other than a construction or service acquisition, but proposes to furnish an end item that it did not itself manufacture, process, or produce (i.e., a “nonmanufacturer”), is required to provide an end item that a small business has manufactured, processed, or produced in the United States or its outlying areas.

(2) When the end item being acquired is a kit of supplies the offeror may not exceed 500 employees, or 150 employees for information technology value-added resellers under NAICS code 541519.

(3)

(i) The SBA may grant an individual or a class waiver to the nonmanufacturer rule to allow a nonmanufacturer to provide an end item of an other than small business without regard to the place of manufacture, processing, or production.

(A) *Class waiver.* An agency may request that SBA waive the requirement at paragraph (f)(1) or (f)(2) of this section for a specific product or class of products. See 13 CFR 121.1202 for an explanation of when SBA will issue a class waiver.

(B) *Individual waiver.* The contracting officer may also request a waiver of the requirements at paragraph (f)(1) or (f)(2) of this section for an individual acquisition once the contracting officer determines through market research that no known small business manufacturers, processors, or producers in the United States or its outlying areas can reasonably be expected to offer an end item meeting the requirements of the solicitation. This type of waiver is known as an individual waiver and would apply only to a specific acquisition.

(ii) Requests for waivers must include the content specified at 13 CFR 121.1204 and must be sent via email to [nmrwaivers@sba.gov](mailto:nmrwaivers@sba.gov) or by mail to the—Director,

Office of Government Contracting, Small Business Administration, 409 Third Street SW, Washington, DC 20416.

(iii) For the most current listing of class waivers, contact the SBA Office of Government Contracting or go to <https://www.sba.gov/document/support-non-manufacturer-rule-class-waiver>....

(iv) The contracting officer must provide potential offerors with written notification of any class or individual waiver in the solicitation. If providing the notification after solicitation issuance, the contracting officer must provide potential offerors a reasonable amount of additional time to respond to the solicitation.

(4)

(i) If at least 50 percent of the estimated contract value is composed of items that are manufactured, processed, or produced by small business concerns, then a waiver of the nonmanufacturer rule is not required. There is no requirement that each item acquired in a multiple-item acquisition be manufactured, processed, or produced by a small business in the United States or its outlying areas.

(ii) If more than 50 percent of the estimated acquisition cost is composed of items manufactured, processed, or produced by other than small business concerns, then a waiver is required. SBA may grant an individual waiver for one or more items in an acquisition in order to ensure that at least 50 percent of the cost of the items to be supplied by the nonmanufacturer comes from small business manufacturers, processors, and producers in the United States or its outlying areas or are subject to a waiver.

(iii) If a small business offeror is both a manufacturer of item(s) and a nonmanufacturer of other item(s) for an acquisition, the contracting officer must apply the manufacturer size standard.

(g) For evaluation requirements related to set-asides, see FAR 19.205.

#### **19.104-2 Partial small business set-asides.**

(a) Contracting officers may, at their discretion, set aside a portion or portions of an acquisition, except for construction, for any of the small business concerns identified at 19.000(a)(3) when—

(1) Market research indicates that a total set-aside is not appropriate (see 19.104-1);

(2) The requirement can be divided into distinct portions;

(3) The acquisition is not subject to simplified acquisition procedures;

(4) Two or more responsible small business concerns are reasonably expected to submit an offer on the set-aside portion or portions of the acquisition that are competitive in terms of fair market prices, quality, and delivery; and

(5) The specific program eligibility requirements identified in this part apply.

(b) When the contracting officer determines that a requirement is to be partially set aside, the solicitation must identify which portion or portions are set aside and not set aside.

(c) The contracting officer must specify in the solicitation how offers must be submitted with regard to the set-aside and non-set-aside portions.

(d) Offers received from concerns that do not qualify as small business concerns shall be considered nonresponsive and must be rejected on the set-aside portion of partial set-asides. However, before rejecting an offer otherwise eligible for award because of questions concerning the size representation, an SBA determination must be obtained (see 19.201).

(e) For evaluation requirements related to partial set-asides, see FAR 19.205.

### **19.104-3 Small business set-aside clauses.**

(a) The contracting officer must insert the clause at 52.219-6, Notice of Total Small Business Set-Aside, in solicitations involving total small business set-asides. This includes multiple-award contracts when orders may be set aside for any of the small business concerns identified in 19.000(a)(3), as described in parts 8 and 16. Use the provision with its Alternate I when including FPI in the competition in accordance with 19.104-1(d).

(b) The contracting officer must insert the clause at 52.219-7, Notice of Partial Small Business Set-Aside, in solicitations and contracts involving partial small business set-asides. This includes part or parts of multiple-award contracts. Use the clause at 52.219-7 with its Alternate I when including FPI in the competition in accordance with 19.104-1(d).

(c) The contracting officer must insert the clause at 52.219-14, Limitations on Subcontracting, in solicitations and contracts—

(1) For supplies, services, and construction, if any portion of the requirement is to be set aside for small business and the contract amount is expected to exceed the simplified acquisition threshold, and in any solicitations and contracts that are set aside or awarded on a sole-source basis in accordance with sections 19.105, 19.106, 19.107, and 19.108, regardless of dollar value. This includes multiple-award contracts when orders may be set aside for small business concerns, as described in subpart 8.4 and subpart 16.5. For contracts that are set aside, the contracting officer must indicate in paragraph (f) of the clause whether compliance with the limitations on subcontracting is required at the contract or order level;

(2) Using the HUBZone price evaluation preference (see 19.110). However, if the prospective contractor waived the use of the preference, or is an other than small business, do not insert the clause in the resultant contract.

(d) The contracting officer must insert the clause at 52.219-13, Notice of Set-Aside of Orders, in all solicitations for multiple-award contracts under which orders may be set aside for any of the small business concerns identified in 19.000(a)(3), and all contracts awarded from such solicitations.

(e)

(1) The contracting officer must insert the clause at 52.219-33, Nonmanufacturer Rule, in solicitations and contracts, including multiple-award contracts, when orders may be set aside for small business concerns as described in subpart 8.4 and subpart 16.5, when—

(i) the item being acquired has been assigned a manufacturing or supply NAICS code, and—

(ii)

(A) Any portion of the requirement is to be—

(1) Set aside for small business and is expected to exceed the simplified acquisition threshold; or

(2) Set aside or awarded on a sole-source basis in accordance with sections 19.105, 19.106, 19.107, and 19.108, regardless of dollar value; or

(B) Using the HUBZone price evaluation preference (see 19.110). However, if the prospective contractor waived the use of the price evaluation preference, or is an other than small business, do not insert the clause in the resultant contract.

(2) The contracting officer must not insert the clause at 52.219-33 when the Small Business Administration has waived the nonmanufacturer rule (see 19.104-1(f)(3)).

## **19.105 Historically Underutilized Business Zone (HUBZone) Program.**

### **19.105-1 Status as a HUBZone small business concern.**

(a) Status as a HUBZone small business concern is determined by the Small Business Administration (SBA) in accordance with 13 CFR part 126. If SBA determines that a concern is a HUBZone small business, it will designate the concern as a HUBZone small business in the Small Business Search (SBS) at <https://search.certifications.sba.gov/>. SBA's designation also appears in the System for Award Management (SAM).

(b) For a HUBZone small business concern that seeks a HUBZone set-aside or sole-source contract, the contracting officer must verify that the offeror is designated in SBS or SAM as a HUBZone small business concern certified by SBA.

(c) A joint venture may be considered a HUBZone small business concern if—

(1) The joint venture qualifies as small under 19.201-1(b)(1);

(2) ~~Is appointed by the agency head~~ At least one party to the joint venture is a HUBZone small business concern; and

~~(3) Is responsible to and reports directly to the agency head or the deputy to the agency head (except that for the Department of Defense, the Director of the Office of Small Business Programs reports to the Secretary or the Secretary's designee);~~

~~(4) Is responsible for the agency carrying out the functions and duties in sections 8, 15, 31, 36, and 44 of the Small Business Act;~~

~~(5) Works with the SBA procurement center representative (PCR) (or, if a PCR is not assigned, see 19.402(a)) to identify proposed solicitations that involve bundling and work with the agency acquisition officials and SBA to revise the acquisition strategies for such proposed solicitations to increase the probability of participation by small businesses;~~

~~(6) Assists small business concerns in obtaining payments under their contracts, late payment interest penalties, or information on contractual payment provisions;~~

~~(7) Has supervisory authority over agency personnel to the extent that their functions and duties relate to sections 8, 15, 31, 36, and 44 of the Small Business Act;~~

(3) The joint venture complies with 13 CFR 126.616(a) through (c).

(d) To be eligible for a HUBZone contract under this section, a HUBZone small business concern must be a HUBZone small business concern at the time of its initial offer.

### 19.105-2 Set-aside procedures.

(a) The contracting officer—

(1) May set aside contracts exceeding the micro-purchase threshold for competition restricted to HUBZone small business concerns when the requirements of paragraph (b) of this section can be satisfied; and

(2) Must consider HUBZone set-asides before considering HUBZone sole-source awards (see 19.105-3).

~~(8b) Assigns a technical advisor to each~~ To set aside an acquisition for competition restricted to HUBZone small business concerns, the contracting activity within the agency to which the SBA has assigned a representative (see 19.402) officer must have a reasonable expectation that—

~~(i) Who is a full-time employee of the contracting activity, well-qualified, technically trained, and familiar with the supplies or services contracted for by the activity; and~~

~~(ii) Whose principal duty is to assist the SBA's assigned representative in performing functions and duties relating to sections 8, 15, 31, 36, and 44 of the Small Business Act;~~

~~(9) Cooperates and consults on a regular basis with the SBA in carrying out the agency's functions and duties in sections 8, 15, 31, 36, and 44 of the Small Business Act;~~

~~(10) Makes recommendations in accordance with agency procedures as to whether a particular acquisition should be awarded under subpart 19.5 as a small business set-aside, under subpart 19.8 as a section 8(a) award, under subpart 19.13 as a HUBZone set-aside, under subpart 19.14 as a set-aside for service-disabled veteran-owned small business (SDVOSB) concerns eligible under the SDVOSB Program, or under subpart 19.15 as a set-aside for economically disadvantaged women-owned small business (EDWOSB) concerns or women-owned small business (WOSB) concerns eligible under the WOSB Program;~~

(1) Offers will be received from two or more HUBZone small business concerns; and

(2) Award will be made at a fair market price.

(c) If the contracting officer receives only one acceptable offer from a HUBZone small business concern in response to a set aside, the contracting officer should make an award to that concern. If the contracting officer receives no acceptable offers from HUBZone small business concerns, the HUBZone set-aside must be withdrawn and the requirement, if still valid, set aside for small business concerns, as appropriate (see 19.104).

(d) The procedures at 19.102(f) apply to this section if the contracting officer decides to reject a recommendation of the SBA procurement center representative (or, if a procurement center representative is not assigned, see 19.102(b)) to set aside a contract for competition restricted to HUBZone small business concerns.

### **19.105-3 Sole source awards.**

(a) A contracting officer may consider a contract award to a HUBZone small business concern on a sole-source basis (see 6.103-5(c)(1)) provided—

(1) The contracting officer does not have a reasonable expectation that offers would be received from two or more HUBZone small business concerns;

(2) The anticipated price of the contract, including options, will not exceed—

(b) \$7 million for a requirement within the North American Industry Classification System (NAICS) codes for manufacturing; or

(c) \$4.5 million for a requirement within all other NAICS codes;

(1) The HUBZone small business concern has been determined to be a responsible contractor with respect to performance; and

(2) Award can be made at a fair and reasonable price.

(d) The SBA has the right to appeal the contracting officer's decision not to make a HUBZone sole-source award (see 13 CFR 126.610).

#### **19.105-4 Contract clauses.**

(a) The contracting officer must insert the clause at 52.219-3, Notice of HUBZone Set-Aside or Sole-Source Award, in solicitations and contracts for acquisitions that are set aside or awarded on a sole-source basis to, HUBZone small business concerns under 19.105-2 or 19.105-3. This includes multiple-award contracts when orders may be set aside for HUBZone small business concerns as described in subpart 8.4 and subpart 16.5.

(b) For use of clause 52.219-14, Limitations on Subcontracting, see the prescription at 19.104-3(c).

(c) For use of clause 52.219-33, Nonmanufacturer Rule, see the prescription at 19.104-3(e).

#### **19.106 Service-Disabled Veteran-Owned Small Business (SDVOSB) Program.**

##### **19.106-1 Status as a SDVOSB concern.**

(a) Status as an SDVOSB concern is determined by SBA in accordance with 13 CFR part 128.

(b) For an SDVOSB concern that seeks an SDVOSB set-aside or sole-source contract, the contracting officer must verify that the offeror is designated in the System for Award Management (SAM) as an SDVOSB concern certified by SBA.

(c) A joint venture may be considered an SDVOSB concern eligible under the SDVOSB Program if—

(1) The joint venture qualifies as small under 19.201-1(b)(1);

(2) The managing SDVOSB joint venture partner is designated in SAM as an SDVOSB concern certified by SBA; and

(3) The joint venture complies with the requirements of 13 CFR 128.402.

##### **19.106-2 Set-aside procedures.**

(a) The contracting officer—

(1) May set-aside contracts exceeding the micro-purchase threshold for competition restricted to SDVOSB concerns when the requirements of paragraph (b) of this section can be satisfied; and

(2) Must consider SDVOSB set-asides before considering SDVOSB sole source awards (see 19.106-3).

(b) A contracting officer may restrict competition to SDVOSB concerns eligible under the SDVOSB Program if there is a reasonable expectation based on market research that—

(1) Two or more SDVOSB concerns eligible under the SDVOSB Program will submit offers; and

(2) Award will be made at a fair market price.

(c) If the contracting officer receives only one acceptable offer from an SDVOSB concern eligible under the SDVOSB Program in response to a set-aside, the contracting officer should make an award to that concern. If the contracting officer receives no acceptable offers from SDVOSB concerns eligible under the SDVOSB Program, the SDVOSB set-aside must be withdrawn and the requirement, if still valid, set aside for small business concerns, as appropriate (see 19.104).

(d) The procedures at 19.102(f) apply to this section if the contracting officer decides to reject a recommendation of the SBA procurement center representative (or, if a procurement center representative is not assigned, *see* 19.102(b)) to set aside a contract for competition restricted to SDVOSB concerns.

**19.106-3 Sole source awards.**

(a) A contracting officer may consider a contract award to a SDVOSB concern on a sole source basis (see 6.103-5(c)(1)), provided—

(1) The contracting officer does not have a reasonable expectation that offers would be received from two or more SDVOSB concerns;

(2) The anticipated award price of the contract, including options, will not exceed—

(i) \$7 million for a requirement within the NAICS codes for manufacturing; or

(ii) \$4 million for a requirement within any other NAICS code;

(3) The SDVOSB concern has been determined to be a responsible contractor with respect to performance; and

(4) Award can be made at a fair and reasonable price.



(b) The SBA has the right to appeal the contracting officer's decision not to make an SDVOSB sole-source award (see 13 CFR 128.407).

#### **19.106-4 Contract clauses.**

(a) The contracting officer must insert the clause at 52.219-27, Notice of Set-Aside for, or Sole-Source Award to, Service-Disabled Veteran-Owned Small Business (SDVOSB) Concerns Eligible Under the SDVOSB Program, in solicitations and contracts for acquisitions that are set aside or awarded on a sole-source basis to, service-disabled veteran-owned small business concerns under 19.106-2 and 19.106-3. This includes multiple-award contracts when orders may be set aside for service-disabled veteran-owned small business concerns as described in subpart 8.4 and subpart 16.5.

(b) For use of clause 52.219-14, Limitations on Subcontracting, see the prescription at 19.104-3(c).

(c) For use of clause 52.219-33, Nonmanufacturer Rule, see the prescription at 19.104-3(e).

#### **19.107 Women-Owned Small Business (WOSB) Program.**

##### **19.107-1 Status under the WOSB Program.**

(a) Status as an economically disadvantaged women-owned small business (EDWOSB) concern or WOSB concern eligible under the WOSB Program is determined by the Small Business Administration in accordance with 13 CFR part 127.

(b) For a WOSB that seeks a WOSB or EDWOSB set-aside or sole-source contract, the contracting officer must verify prior to award that the offeror is designated as a certified EDWOSB or WOSB concern in the System for Award Management (SAM).

(c) A joint venture may be considered an EDWOSB concern or WOSB concern eligible under the WOSB Program if the EDWOSB or WOSB participant is certified in SAM and the joint venture meets the requirements of 13 CFR 127.506.

##### **19.107-2 Set-aside procedures.**

(a) The contracting officer—

(1) May set aside contracts exceeding the micro-purchase threshold for competition restricted to EDWOSB concerns when the acquisition is assigned a NAICS code in which SBA has determined that WOSB concerns are underrepresented in Federal procurement;  
or

(2) May set aside contracts exceeding the micro-purchase threshold for competition restricted to WOSB concerns eligible under the WOSB Program when the acquisition is assigned a NAICS code in which SBA has determined that WOSB concerns are

substantially underrepresented in Federal procurement, as specified on SBA's website at <http://www.sba.gov/WOSB>.

(b) For requirements in NAICS codes designated by SBA as underrepresented, a contracting officer may restrict competition to EDWOSB concerns if the contracting officer has a reasonable expectation based on market research that—

(1) Two or more EDWOSB concerns will submit offers for the contract; and

(2) Contract award will be made at a fair and reasonable price.

(c) For requirements in NAICS codes designated by SBA as substantially underrepresented, a contracting officer may restrict competition to WOSB concerns eligible under the WOSB Program (including EDWOSB concerns) if there is a reasonable expectation based on market research that—

(1) Two or more WOSB concerns eligible under the WOSB Program (including EDWOSB concerns), will submit offers; and

(2) Contract award may be made at a fair and reasonable price.

(d) The contracting officer may make an award, if only one acceptable offer is received from a qualified EDWOSB concern or WOSB concern eligible under the WOSB Program. If no acceptable offers are received from an EDWOSB concern or WOSB concern eligible under the WOSB Program, the set-aside must be withdrawn and the requirement, if still valid, set aside for small business, as appropriate (see subpart 19.104).

(e) The procedures at 19.102(f) apply to this section if the contracting officer decides to reject a recommendation of the SBA procurement center representative (or, if a procurement center representative is not assigned, see 19.102(b)) to set aside a contract for competition restricted to EDWOSB concerns or WOSB concerns eligible under the WOSB Program.

### **19.107-3 Sole source awards.**

(a) A contracting officer may consider a contract award to an EDWOSB concern on a sole-source basis (see 6.103-5(c)(1)) provided—

(1) The acquisition is assigned a NAICS code in which SBA has determined that WOSB concerns are underrepresented in Federal procurement;

(2) The contracting officer does not have a reasonable expectation that offers would be received from two or more EDWOSB concerns; and

(3) The conditions in paragraph (c) of this section exist.

(b) A contracting officer may consider a contract award to a WOSB concern (including EDWOSB concerns) eligible under the WOSB Program on a sole-source basis (see 6.103-5(c)(1)) provided—

(1) The acquisition is assigned a NAICS code in which SBA has determined that WOSB concerns are substantially underrepresented in Federal procurement;

(2) The contracting officer does not have a reasonable expectation that offers would be received from two or more WOSB concerns (including EDWOSB concerns); and

(3) The conditions in paragraph (c) of this section exist.

(c)

(1) The anticipated award price of the contract, including options, will not exceed—

(i) \$7 million for a requirement within the NAICS codes for manufacturing; or

(ii) \$4.5 million for a requirement within any other NAICS codes.

(2) The EDWOSB concern or WOSB concern has been determined to be a responsible contractor with respect to performance.

(3) The award can be made at a fair and reasonable price.

(d) The SBA has the right to appeal the contracting officer's decision not to make a sole-source award to either an EDWOSB concern or WOSB concern eligible under the WOSB program.

#### **19.107-4 Contract clauses.**

(a) The contracting officer must insert the clause at 52.219-29, Notice of Set-Aside for, or Sole-Source Award to, Economically Disadvantaged Women-owned Small Business Concerns, in solicitations and contracts for acquisitions that are set aside or awarded on a sole-source basis to, EDWOSB concerns under 19.107-2(b) or 19.107-3(a). This includes multiple-award contracts when orders may be set aside for EDWOSB concerns as described in subpart 8.4 and subpart 16.5.

(b) The contracting officer must insert the clause at 52.219-30, Notice of Set-Aside for, or Sole-Source Award to, Women-Owned Small Business Concerns Eligible Under the Women-Owned Small Business Program, in solicitations and contracts for acquisitions that are set aside or awarded on a sole-source basis to WOSB concerns under 19.107-2(c) or 19.107-3(b). This includes multiple-award contracts when orders may be set aside for WOSB concerns eligible under the WOSB Program as described in subpart 8.4 and subpart 16.5.

(c) For use of clause 52.219-14, Limitations on Subcontracting, see the prescription at 19.104-3(c).

(d) For use of clause 52.219-33, Nonmanufacturer Rule, see the prescription at 19.104-3(e).

## **19.108 Contracting With the Small Business Administration (the 8(a) Program)**

### **19.108-1 General.**

(a) Section 8(a) of the Small Business Act (15 U.S.C. 637(a)) established a program that authorizes the Small Business Administration (SBA) to enter into all types of contracts with other agencies and award subcontracts for performing those contracts to firms eligible for program participation. This program is the “8(a) Business Development Program,” commonly referred to as the “8(a) program.” A small business that is accepted into the 8(a) program is known as a “participant.” SBA's subcontractors are referred to as “8(a) contractors.” As used in this subpart, an 8(a) contractor is an 8(a) participant that is currently performing on a Federal contract or order that was set aside for 8(a) participants.

(b) Contracts may be awarded to the SBA for performance by eligible 8(a) participants on either a sole source or competitive basis.

(c) Acting under the authority of the program, the SBA certifies to an agency that SBA is competent and responsible to perform a specific contract. The contracting officer has the discretion to award the contract to the SBA based upon mutually agreeable terms and conditions.

(d) When SBA has delegated its 8(a) program contract execution authority to an agency, the contracting officer must refer to its agency supplement or other policy directives for appropriate guidance.

### **19.108-2 Determining eligibility for the 8(a) program.**

Determining the eligibility of a small business to be a participant in the 8(a) program is the responsibility of the SBA. SBA's regulations on eligibility requirements for participation in the 8(a) program are found at 13 CFR 124.101 through 124.112. SBA designates the concern as an 8(a) participant in the Small Business Search (SBS) at <https://search.certifications.sba.gov/>. SBA's designation also appears in the System for Award Management (SAM).

### **19.108-3 Selecting acquisitions for the 8(a) program.**

Through their cooperative efforts, the SBA and an agency match the agency's requirements with the capabilities of 8(a) participants to establish a basis for the agency to contract with the SBA under the program. Selection is initiated in one of three ways:

(a) The SBA advises the contracting activity of an 8(a) participant's capabilities through a search letter and requests the contracting activity to identify acquisitions to support the participant's business plans. In these instances, the SBA will provide at a minimum the following information in order to enable the contracting activity to match an acquisition to the participant's capabilities:

(1) Identification of the participant and its owners.

(2) Background information on the participant, including any and all information pertaining to the participant's technical ability and capacity to perform.

(3) The participant's present production capacity and related facilities.

(4) The extent to which contracting assistance is needed in the present and the future, described in terms that will enable the agency to relate the participant's plans to present and future agency requirements.

(5) If construction is involved, the request must also include the following:

(i) A participant's capabilities in and qualifications for accomplishing various categories of construction work typically found in North American Industrial Category System subsector 236 (construction of buildings), subsector 237 (heavy and civil engineering construction), or subsector 238 (specialty trade contractors).

(ii) The participant's capacity in each construction category in terms of estimated dollar value (e.g., electrical, up to \$100,000).

(b) The SBA identifies a specific requirement for one or more 8(a) participant(s) and sends a requirements letter to the agency's OSDBU, or for the Department of Defense, OSBP, requesting the contracting office offer the acquisition to the 8(a) program. In these instances, in addition to the information in paragraph (a) of this section, the SBA will provide—

(1) A clear identification of the acquisition sought; e.g., project name or number;

(2) A statement as to how the required equipment and real property will be provided in order to ensure that the participant will be fully capable of satisfying the agency's requirements;

(3) If construction, information as to the bonding capability of the participant(s); and

~~(14) Conducts annual reviews to assess the~~ Either—

~~(i) Extent to which small businesses are receiving a fair share of Federal procurements, including contract opportunities under the programs administered under the Small Business Act;~~

(i) If a sole source request—

(A) The reasons why the participant is considered suitable for this particular acquisition; e.g., previous contracts for the same or similar supply or service; and

(B) A statement that the participant is eligible in terms of its small business size status relative to the assigned NAICS code, business support levels, and business activity targets; or

(ii) If competitive, a statement that at least two 8(a) participants are considered capable of satisfying the agency's requirements and a statement that the participants are also eligible in terms of their small business size status relative to the assigned NAICS code, business support levels, and business activity targets. If requested by the contracting office, SBA will identify at least two such participants and provide information concerning the participants' capabilities.

(c) Agencies may also review other proposed acquisitions for the purpose of identifying requirements which may be offered to the SBA. Where agencies independently, or through the self marketing efforts of an 8(a) participant, identify a requirement for the 8(a) program, they may offer on behalf of a specific 8(a) participant, for the 8(a) program in general, or for 8(a) competition.

#### **19.108-4 Evaluation, offering, and acceptance.**

(a) *Agency evaluation.* In determining the extent to which a requirement should be offered in support of the 8(a) program, the agency should evaluate—

(1) Current and future plans to acquire the specific items or work that 8(a) participants are seeking to provide, identified in terms of—

(i) Estimated quantities of the supplies or services required or the estimated number of construction projects planned;

(ii) ~~Adequacy of consolidated or bundled~~ Length of contract ~~documentation and justifications~~, including option periods (see 19.303-1(d)); and

(iii) Performance or delivery requirements, including—

(A) Required monthly production rates, when applicable; and

(B) For construction, the geographical location where work is to be performed;

(2) The impact of any delay in delivery;

(3) Whether the items or work have previously been acquired using small business set-asides, and the date the items or work were acquired;

(4) Problems encountered in previous acquisitions of the items or work from the 8(a) participants or other contractors; and

(5) Any other pertinent information about known 8(a) participants, the items, or the work. This includes any information concerning the participants' products or capabilities. When necessary, the contracting agency must make an independent review of the factors in 19.108-3(a) and other aspects of the participants' capabilities which would ensure the satisfactory performance of the requirement being considered for commitment to the 8(a) program.

~~(iii) Actions taken to mitigate the effects of necessary and justified consolidation or bundling on small businesses;~~

~~(12) Provides a copy of the assessment made under paragraph (c)(11) of this section to the Agency Head and SBA Administrator;~~

~~(13) Provides to the chief acquisition officer and senior procurement executive advice and comments on acquisition strategies, market research, and justifications related to consolidation of contract requirements;~~

~~(14) When notified by a small business concern prior to the award of a contract that the small business concern believes that a solicitation, request for proposal, or request for quotation unduly restricts the ability of the small business concern to compete for the award —~~

~~(i) Submits the notification by the small business concern to the contracting officer and, if necessary, recommends ways in which the solicitation, request for proposal, or request for quotation may be altered to increase the opportunity for competition; and~~

~~(ii) Informs the advocate for competition of such agency (as established under 41 U.S.C. 1705 or 10 U.S.C. 3249) of such notification;~~

~~(15) Ensures agency purchases using the Governmentwide purchase card that are greater than the micro-purchase threshold and less than the simplified acquisition threshold were made in compliance with the Small Business Act and were properly recorded in accordance with subpart 4.6 in the Federal Procurement Data System;~~

~~(16) Assists small business contractors and subcontractors in finding resources for education and training on compliance with contracting regulations;~~

~~(17) Reviews all subcontracting plans required by 19.702(a) to ensure the plan provides maximum practicable opportunity for small business concerns to participate in the performance of the contract; and~~

~~(18b) Performs other duties listed at 15 U.S.C. 644(k)~~ Agency offering.

(1) After completing its evaluation, the contracting office must notify the SBA of the extent of its plans to place 8(a) contracts with the SBA for specific quantities of items or work. The notification, referred to as an offering letter, must identify the time frames

within which resulting 8(a) awards must be completed in order for the agency to meet its responsibilities. The offering letter must also contain the following information applicable to each prospective contract:

(i) A description of the work to be performed or items to be delivered, and a copy of the statement of work, if available.

(ii) The estimated period of performance.

(iii) The NAICS code that applies to the principal nature of the acquisition.

(iv) The anticipated dollar value of the requirement, including options, if any.

(v) Any special restrictions or geographical limitations on the requirement (for construction, include the location of the work to be performed).

(vi) Any special capabilities or disciplines needed for contract performance.

(vii) The type of contract anticipated. In accordance with 8.104, use of existing government-wide contracts is required in certain instances.

(viii) The acquisition history, if any, of the requirement, including the names and addresses of any small business contractors that have performed this requirement during the previous 24 months.

(ix) A statement that prior to the offering no solicitation for the specific acquisition has been issued as a small business, HUBZone, service-disabled veteran-owned small business set-aside, or a set-aside under the Women-Owned Small Business (WOSB) Program, and that no other public communication (such as a notice through the Governmentwide point of entry (GPE)) has been made showing the contracting agency's clear intention to set-aside the acquisition for small business, HUBZone small business, service-disabled veteran-owned small business concerns, or a set-aside under the WOSB Program.

(x) Identification of any particular 8(a) participant designated for consideration, including a brief justification, such as—

(A) The 8(a) participant, through its own efforts, marketed the requirement and caused it to be reserved for the 8(a) program; or

(B) The acquisition is a follow-on or renewal contract and the nominated 8(a) participant is the incumbent.

(xi) Bonding requirements, if applicable.

(xii) Identification of all 8(a) participants which have expressed an interest in being considered for the acquisition. This should include a list of all 8(a) contract-



holders on an existing government-wide contract that is planned to be used to fill the requirement (see 8.104).

(xiii) Identification of all SBA field offices that have asked for the acquisition for the 8(a) program.

(xiv) A request, if appropriate, that a requirement with an estimated contract value under the applicable competitive threshold be awarded as an 8(a) competitive contract (see 19.108-7(d)). SBA has already authorized certain government-wide contracts (e.g. Federal Supply Schedule) to allow competition amongst the 8(a) contract-holders at any dollar value. To determine whether SBA has provided this authority for the contract planned to be used, refer to the ordering procedures for that contract.

(xv) A request, if appropriate, that a requirement with a contract value over the applicable competitive threshold be awarded as a sole source contract (see 19.108-7(b)).

(xvi) Any other pertinent and reasonably available data.

(2) An agency offering a construction requirement for which no specific offeror is nominated should submit it to the SBA District Office for the geographical area where the work is to be performed.

(3) An agency offering a construction requirement on behalf of a specific offeror should submit it to the SBA District Office servicing that concern.

(4) Sole source requirements, other than construction, should be forwarded directly to the district office that services the nominated 8(a) participant. If the contracting officer is not nominating a specific 8(a) participant, the offering letter should be forwarded to the district office servicing the geographical area in which the contracting office is located.

(5) All requirements for 8(a) competition, other than construction, should be forwarded to the district office servicing the geographical area in which the contracting office is located. All requirements for 8(a) construction competition should be forwarded to the district office servicing the geographical area in which all or the major portion of the construction is to be performed. All requirements, including construction, must be synopsisized through the GPE. For construction, the synopsis must include the geographical area of the competition set forth in the SBA's acceptance letter.

(c) SBA acceptance.

(1) Upon receipt of the contracting office's offering letter, SBA will determine whether to accept the requirement for the 8(a) program. SBA's decision whether to accept the requirement will be transmitted to the contracting office in writing within 10 working days of receipt of the offer if the contract is likely to exceed the simplified acquisition

threshold and within two working days of receipt if the contract is at or below the simplified acquisition threshold. The contracting office may grant an extension of these time periods, if requested by SBA.

(i) For acquisitions exceeding the simplified acquisition threshold, if SBA does not respond to an offering letter within ten working days, the contracting office may seek SBA's acceptance through the Associate Administrator for Business Development. The contracting office may assume that SBA has accepted the requirement into the 8(a) program if it does not receive a reply from the Associate Administrator for Business Development within five calendar days of receipt of the contracting office's request.

(ii) For acquisitions not exceeding the simplified acquisition threshold, when the contracting office makes an offer to the 8(a) program on behalf of a specific 8(a) participant and does not receive a reply to its offering letter within two working days, the contracting office may assume the offer is accepted and proceed with award of an 8(a) contract.

(2) As part of the acceptance process, SBA will review the appropriateness of the NAICS code designation assigned to the requirement by the contracting officer.

(i) SBA will not challenge the NAICS code assigned to the requirement by the contracting officer if it is reasonable, even though other NAICS codes may also be reasonable.

(ii) If SBA and the contracting officer are unable to agree on a NAICS code designation for the requirement, SBA may refuse to accept the requirement for the 8(a) program, appeal the contracting officer's determination to the head of the agency pursuant to 19.108-9, or appeal the NAICS code designation to the SBA Office of Hearings and Appeals under subpart C of 13 CFR part 134.

(3) For sole source 8(a) awards, if an appropriate match exists, SBA will advise the contracting officer whether it will participate in contract negotiations or whether SBA will authorize the contracting officer to negotiate directly with the identified 8(a) participant. Where SBA has delegated its contract execution functions to a contracting agency, SBA will also identify that delegation in its acceptance letter. For a joint venture, SBA will determine eligibility as part of its acceptance of a sole-source requirement and will approve the joint venture agreement prior to award in accordance with 13 CFR 124.513(e).

(i) Sole source award where the contracting officer nominates a specific 8(a) participant. SBA will determine whether an appropriate match exists where the contracting officer identifies a particular participant for a sole source award.

(A) Once SBA determines that a procurement is suitable to be accepted as an 8(a) sole source contract, SBA will normally accept it on behalf of the

8(a) participant recommended by the contracting officer, provided that the 8(a) participant complies with the requirements of 13 CFR 124.503(c)(1).

(B) If an appropriate match does not exist, SBA will notify the 8(a) participant and the contracting officer, and may then nominate an alternate 8(a) participant.

(ii) Sole source award where the contracting officer does not nominate a specific 8(a) participant. When a contracting officer does not nominate an 8(a) participant for performance of a sole source 8(a) contract, SBA will select an 8(a) participant for possible award from among two or more eligible and qualified 8(a) participants. The selection will be based upon relevant factors, including business development needs, compliance with competitive business mix requirements (if applicable), financial condition, management ability, technical capability, and whether award will promote the equitable distribution of 8(a) contracts. (For construction requirements see 13 CFR 124.503(d)(1)).

#### **19.108-5 Repetitive acquisitions.**

In order for repetitive acquisitions to be awarded through the 8(a) program, there must be separate offers and acceptances. This allows the SBA to determine—

- (a) Whether the requirement should be a competitive 8(a) award;
- (b) A nominated 8(a) participant's eligibility, and whether or not it is the same 8(a) participant that performed the previous contract;
- (c) The effect that contract award would have on the equitable distribution of 8(a) contracts; and
- ~~(d) Small business specialists shall be appointed and act in accordance with agency regulations~~ Whether the requirement should continue under the 8(a) program.

#### **19.108-6 Basic ordering agreements and blanket purchase agreements.**

- (a) The contracting office must submit an offering letter for, and SBA must accept, each order under a basic ordering agreement (BOA) or a blanket purchase agreement (BPA) (see 12.201-1), in addition to the agency offering and SBA accepting the BOA or BPA itself.
- (b) SBA will not accept for award on a sole-source basis any order that would cause the total dollar amount of orders issued under a specific BOA or BPA to exceed the competitive threshold amount in 19.108-7.
- (c) Once an 8(a) participant's program term expires, the participant otherwise exits the 8(a) program, or becomes other than small for the NAICS code assigned under the BOA or the BPA, SBA will not accept new orders under the BOA or BPA for the participant.

### **19.108-7 Competitive 8(a) and sole source 8(a) policy.**

*Competitive 8(a) policy.* An acquisition offered to the SBA under the 8(a) program must be awarded on the basis of competition limited to eligible 8(a) participants when—

There is a reasonable expectation that at least two eligible and responsible 8(a) participants will submit offers and that award can be made at a fair market price; and

The anticipated total value of the contract, including options, will exceed \$7 million for acquisitions assigned manufacturing North American Industry Classification System (NAICS) codes and \$4.5 million for all other acquisitions.

*Above competitive thresholds.* Where an acquisition exceeds the competitive threshold (see paragraph (a)(2) of this section), the SBA may accept the requirement for a sole source 8(a) award only after the contracting officer has complied with the requirements for other than full and open competition in accordance with 6.103.

*Prohibition on splitting requirements.* A proposed 8(a) requirement with an estimated value exceeding the applicable competitive threshold amount shall not be divided into several requirements for lesser amounts in order to use 8(a) sole source procedures for award to a single firm.

*Below competitive thresholds.* To ensure fair market pricing and to prepare 8(a) participants for competition, SBA has approved certain government-wide contracts for competition amongst the 8(a) contract-holders (see 19.111-2) at any dollar value, including below the competitive thresholds. Where an acquisition is below the competitive threshold (see paragraph (a)(2) of this section), contracting officers must first try conducting the acquisition as a competitive 8(a) order using these government-wide contracts before proceeding with a sole source 8(a) award. To determine whether SBA has provided approval for a particular government-wide contract, refer to the ordering procedures for that contract.

The SBA Associate Administrator for Business Development may approve a contracting office's request for a competitive 8(a) award below the competitive thresholds when not using the contracts referenced in paragraph (d)(1). Such requests will be approved only on a limited basis and will be primarily granted where technical competitions are appropriate or where a large number of responsible 8(a) participants are available for competition. In determining whether a request to compete below the threshold will be approved, the SBA Associate Administrator for Business Development will, in part, consider the extent to which the contracting activity is supporting the 8(a) program on a noncompetitive basis. The agency may include recommendations for competition below the threshold in the offering letter or by separate correspondence to the SBA Associate Administrator for Business Development.

### **19.108-8 Limitations on subcontracting and nonmanufacturer rule.**

(a) Limitations on subcontracting. To be awarded a contract or order under the 8(a) program, the 8(a) participant is required to perform—

(1) For services (except construction), at least 50 percent of the cost incurred for personnel with its own employees;

(2) For supplies or products (other than a procurement from a nonmanufacturer of such supplies or products), at least 50 percent of the cost of manufacturing the supplies or products (not including the cost of materials);

(3) For general construction, at least 15 percent of the cost with its own employees (not including the cost of materials); and

(4) For construction by special trade contractors, at least 25 percent of the cost with its own employees (not including the cost of materials).

(b) Compliance period for limitations on subcontracting. An 8(a) contractor is required to comply with the limitations on subcontracting—

(1) For a contract under the 8(a) program, either by the end of the base term and then by the end of each subsequent option period or by the end of the performance period for each order issued under the contract, at the contracting officer's discretion; and

(2) For an order competed exclusively among contractors who are 8(a) participants, by the end of the performance period for the order.

(c) Waiver. The applicable SBA District Director may waive the provisions in paragraph (b)(1) requiring a participant to comply with the limitations on subcontracting for each period of performance or for each order. Instead, the SBA District Director may permit the participant to subcontract in excess of the limitations on subcontracting where the SBA District Director makes a written determination that larger amounts of subcontracting are essential during certain stages of performance.

(1) The 8(a) participant is required to provide the SBA District Director written assurance that the participant will ultimately comply with the requirements of this section prior to contract completion. The contracting officer must review the written assurance and inform the 8(a) participant of their concurrence or nonconcurrence. The 8(a) participant can only submit the written assurance to the SBA District Director upon concurrence by the contracting officer.

(2) The contracting officer does not have the authority to waive the provisions of this section requiring an 8(a) participant to comply with the limitations on subcontracting for each period of performance or order, even if the agency has a Partnership Agreement with SBA.

(3) Where the 8(a) participant does not ultimately comply with the limitations on subcontracting by the end of the contract, SBA will not grant future waivers for the 8(a) participant.

(d) Nonmanufacturer rule. See 19.104-1(f) for application of the nonmanufacturer rule, inclusive of waivers and exceptions to the nonmanufacturer rule.

#### **19.108-9 SBA appeals.**

(a) The SBA Administrator may submit for determination to the agency head if the SBA and the contracting officer fail to agree on the decision to make a particular acquisition available for award under the 8(a) Program.

(b) The procedures at 19.102(f) apply to this section if there is disagreement between the contracting officer and the SBA procurement center representative (or, if a procurement center representative is not assigned, see 19.102(b)) regarding the matters in paragraph (a).

(c) If the SBA appeal is denied, the decision of the agency head must specify the reasons for the denial. The decision must be made a part of the contract file.

#### **19.108-10 Contract clauses.**

(1a) The contracting ~~activity shall coordinate with the small business specialist as early in the acquisition planning process as practicable, but no later than 30 days before the issuance of a solicitation, or prior to placing an order without a solicitation~~ officer must insert the clause at 52.219-11, Special 8(a) Contract Conditions, in contracts between the SBA and the agency when the acquisition ~~meets the dollar thresholds set forth at 7.107-4~~ is accomplished using sole source procedures in 19.208-7(a)(1). ~~See also 7.104 and (d2).~~

(b) The contracting officer must insert the clause at 52.219-12, Special 8(a) Subcontract Conditions, in contracts between the SBA and its 8(a) contractor when the acquisition is accomplished using sole source procedures in 19.208-7(a)(1) and (2).

(c) The contracting officer must insert the clause at 52.219-17, Section 8(a) Award, in competitive solicitations and contracts when the acquisition is accomplished using the procedures of 19.208-1 and in sole source awards which utilize the alternative procedure in 19.208-7(a)(3).

(d) The contracting officer must insert the clause at 52.219-18, Notification of Competition Limited to Eligible 8(a) Participants, in competitive solicitations and contracts when the acquisition is accomplished using the procedures of 19.208-1. Use the clause at 52.219-18 with its Alternate I when competition is to be limited to 8(a) participants within one or more specific SBA districts pursuant to 19.108-4(b).

(e) For contracts or orders resulting from this subpart, see 19.104-3(c) for use of 52.219-14, Limitations on Subcontracting, and 19.104-3(e) for use of 52.219-33, Nonmanufacturer Rule.

### 19.108-11 Release requirements for non-8(a) procurement.

(a) Once a requirement has been accepted by SBA into the 8(a) program, any follow-on requirements (see definition at 13 CFR 124.3) must remain in the 8(a) program unless—

(1) There is a mandatory source (see 8.101 through 8.103);

(2) The follow-on will be set aside under the HUBZone, SDVOSB, or WOSB programs; or

(3) SBA agrees to release the requirement from the 8(a) program for a follow-on, non-8(a) procurement in accordance with 13 CFR 124.504(d) (see paragraph (b) of this section).

~~(2) The small business specialist shall notify the agency's Director of the Office of Small and Disadvantaged Business Utilization, and for the Department of Defense, the Director of the Office of Small Business Programs, when the criteria relating to substantial bundling at 7.107-4(a)(1) are met.~~

~~(3) The small business specialist shall coordinate with the contracting activity and the SBA PCR on all determinations and findings required by 7.107 for consolidation or bundling of contract requirements.~~

~~[48 FR 42240, Sept. 19, 1983]~~

#### **Editorial Note**

**Editorial Note:** For Federal Register citations affecting section 19.201, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at [www.govinfo.gov](http://www.govinfo.gov).

### **19.202 Specific policies.**

~~In order to further the policy in 19.201(a), contracting officers shall comply with the specific policies listed in this section and shall consider recommendations of the agency Director of the Office of Small and Disadvantaged Business Utilization, or for the Department of Defense, the Director of the Office of Small Business Programs, or the Director's designee, as to whether a particular acquisition should be awarded under subpart 19.5, 19.8, 19.13, 19.14, or 19.15. Agencies shall establish procedures including dollar thresholds for review of acquisitions by the Director or the Director's designee for the purpose of making these recommendations. The contracting officer shall document the contract file whenever the Director's recommendations are not accepted, in accordance with 19.506.~~

~~[85 FR 11758, Feb. 27, 2020]~~

## **19.202-1 Encouraging small business participation in acquisitions.**

Small business concerns shall be afforded an equitable opportunity to compete for all contracts that they can perform to the extent consistent with the Government's interest. When applicable, the contracting officer shall take the following actions:

(a) Divide proposed acquisitions of supplies and services (except construction) into reasonably small lots (not less than economic production runs) to permit offers on quantities less than the total requirement.

(b) Plan acquisitions such that, if practicable, more than one small business concern may perform the work, if the work exceeds the amount for which a surety may be guaranteed by SBA against loss under 15 U.S.C. 694b (see definition of "Applicable Statutory Limit" at 13 CFR 115.10). To obtain release of a requirement from the 8(a) program, the contracting officer must make a written request to, and receive concurrence from, the SBA Associate Administrator for Business Development.

(c) Ensure that delivery schedules are established on a realistic basis that will encourage small business participation to the extent consistent with the actual requirements of the Government.

(c)

(1) The written request to the SBA Associate Administrator for Business Development must indicate—

(i) Whether the agency has achieved its small disadvantaged business goal;

(ii) Whether the agency has achieved its HUBZone, SDVOSB, WOSB, or small business goal(s); and

(iii) Whether the requirement is critical to the business development of the 8(a) contractor that is currently performing the requirement.

(2) The requirement that a follow-on procurement must be released from the 8(a) program in order for it to be fulfilled outside the 8(a) program does not apply to task or delivery orders offered to and accepted into the 8(a) program, where the basic contract was not accepted into the 8(a) program.

### **19.109 Small business subcontracting plans.**

(ea)



(1) Except as stated in paragraph (b) of this section, 15 U.S.C. 637(d) imposes the following requirements regarding subcontracting with small businesses and small business subcontracting plans:

(i) In negotiated acquisitions, each solicitation of offers to perform a contract that is expected to exceed \$750,000 (\$1.5 million for construction of any public facility) and that has subcontracting possibilities, must require the apparently successful offeror to submit an acceptable subcontracting plan. If the apparently successful offeror fails to negotiate a subcontracting plan acceptable to the contracting officer within the time limit prescribed by the contracting officer, the offeror will be ineligible for award. For a multiple-award contract with more than one North American Industry Classification System (NAICS) code, see paragraph (a)(2) of this section.

(ii) In sealed bidding acquisitions, each invitation for bids to perform a contract that is expected to exceed \$750,000 (\$1.5 million for construction of any public facility) and that has subcontracting possibilities, must require the bidder selected for award to submit a subcontracting plan. If the selected bidder fails to submit a plan within the time limit prescribed by the contracting officer, the bidder will be ineligible for award. For a multiple-award contract with more than one NAICS code, see paragraph (a)(2) of this section.

(2) For a multiple-award contract with more than one NAICS code, the solicitation referenced in paragraphs (a)(1)(i) and (ii) of this section shall require the apparently successful offeror to submit an acceptable subcontracting plan for either the distinct portion(s) or category(ies) of their proposal for which the offeror is other than small or for the entirety of their proposal, at the offeror's discretion. When determining the need for a subcontracting plan, the contracting officer must consider the cumulative dollar value of the portion(s) or category(ies) of the offeror's proposal for which the offeror is other than small.

~~(1) Provide a copy of the proposed acquisition package and other reasonably obtainable information related to the acquisition to the SBA PCR (or, if a PCR is not assigned, see 19.402(a)) at least 30 days prior to the issuance of the solicitation if—~~

~~(i) The proposed acquisition is for supplies or services currently being provided by a small business and the proposed acquisition is of a quantity or estimated dollar value, the magnitude of which makes it unlikely that small businesses can compete for the prime contract;~~

~~(ii) The proposed acquisition is for construction and seeks to package or consolidate discrete construction projects and the magnitude of this consolidation makes it unlikely that small businesses can compete for the prime contract;~~

~~(iii) The proposed acquisition is for a consolidated or bundled requirement. (See 7.107-5(a) for mandatory 30-day notice requirement to incumbent small business concerns.) The contracting officer shall provide all information relative to the justification for the consolidation or bundling, including the acquisition plan or strategy, and if the acquisition involves substantial bundling, the information identified in 7.107-4. The contracting officer shall also provide the same information to the agency Office of Small and Disadvantaged Business Utilization; or~~

~~(iv) The acquisition will be reviewed at the PCR's discretion.~~

~~(2b) For acquisitions described in paragraph (e)(1)(i) through (iii)~~Subcontracting plans (see paragraph (a) of this section, provide a statement explaining why the) are not required—

~~(i) Proposed acquisition cannot be divided into reasonably small lots (not less than economic production runs) to permit offers on quantities less than the total requirement;~~

(1) From small business concerns;

(2) For personal services contracts; or

(3) For contracts or contract modifications that will be performed entirely outside of the United States and its outlying areas.

(c)

(1) The contracting officer must determine whether subcontracting possibilities exist by considering relevant factors such as—

(i) Whether firms engaged in the business of furnishing the types of items to be acquired usually contract for performance of part of the work or maintain sufficient in-house capability to perform the work;

~~(ii) Delivery schedules cannot be established on a realistic basis that will encourage small business participation to the extent consistent with the actual~~Whether there are likely to be product prequalification requirements~~of the Government; and~~

~~(iii) Proposed acquisition cannot be structured so as to make it likely that small businesses can compete for the prime contract;~~

~~(iv) Consolidated construction project cannot be acquired as separate discrete projects; or~~

(iii) Whether the firm can acquire any portion of the work with minimal or no disruption to performance (with consideration given to the time remaining until contract completion), and at fair market value, when a plan is required under 19.302-1.

(2) If it is determined that there are no subcontracting possibilities, the determination must include a detailed rationale, be approved at a level above the contracting officer, and placed in the contract file.

(d) In solicitations for negotiated acquisitions, the contracting officer may require the submission of subcontracting plans with initial offers or at any other time prior to award. In determining when subcontracting plans should be required, as well as when and with whom plans should be negotiated, the contracting officer must consider the integrity of the competitive process, the goal of affording maximum practicable opportunity for small business and the socioeconomic categories to participate, and the burden placed on offerors.

~~(ve) Consolidation or bundling is necessary and justified.~~

(1) Insert the clause at 52.219-8, Utilization of Small Business Concerns, in solicitations and contracts when the contract amount is expected to exceed the simplified acquisition threshold unless—

~~(3) Process the 30-day notification concurrently with other processing steps required prior to the issuance of the solicitation.~~

~~(4) If the contracting officer rejects the SBA PCR's recommendation made in accordance with 19.402(c)(2), document the basis for the rejection and notify the SBA PCR in accordance with 19.502-8.~~

~~[48 FR 42240, Sept. 19, 1983, as amended at 56 FR 67132, Dec. 27, 1991; 57 FR 60581, Dec. 21, 1992; 64 FR 72444, Dec. 27, 1999; 65 FR 46055, July 26, 2000; 68 FR 60006, Oct. 20, 2003; 71 FR 36925, June 28, 2006; 81 FR 67773, Sept. 30, 2016; 85 FR 11758, Feb. 27, 2020; 86 FR 44248, Aug. 11, 2021; 89 FR 61338, July 30, 2024]~~

## ~~19.202-2 Locating small business sources.~~

~~The contracting officer shall, to the extent practicable, encourage maximum participation by small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns in acquisitions by taking the following actions:~~

~~(a) Before issuing solicitations, make every reasonable effort to find additional small business concerns (see 10.002(b)(2)). This effort should include contacting the agency small business specialist and SBA PCR (or, if a PCR is not assigned, see 19.402(a)).~~

~~(b) Publicize solicitations and A personal services contract awards through the Governmentwide point of entry (see subparts 5.2 and 5.3 is considered (see 37.104)); or~~

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

(ii) The contract, together with all of its subcontracts, will be performed entirely outside of the United States and its outlying areas.

~~[48 FR 42240, Sept. 19, 1983, as amended at 63 FR 70268, Dec. 18, 1998; 65 FR 60544, Oct. 11, 2000; 66 FR 27413, May 16, 2001; 68 FR 43856, July 24, 2003; 71 FR 36925, June 28, 2006; 85 FR 11759, Feb. 27, 2020]~~

## ~~19.202-3 Equal low bids.~~

~~In the event of equal low bids (see 14.408-6), awards shall be made first to small business concerns which are also labor surplus area concerns, and second to small business concerns which are not also labor surplus area concerns.~~

~~[60 FR 48261, Sept. 18, 1995]~~

## ~~19.202-4 Solicitation.~~(2)

(i) Insert the clause at 52.219-9, Small Business Subcontracting Plan, in solicitations and contracts that offer subcontracting possibilities, are expected to exceed \$750,000 (\$1.5 million for construction of any public facility), and are required to include the clause at 52.219-8, Utilization of Small Business Concerns, unless the acquisition is set aside or is to be accomplished under the 8(a) program. When—

(A) Contracting by sealed bidding rather than by negotiation, use the clause with its Alternate I;

(B) Contracting by negotiation, and subcontracting plans are required with initial proposals as provided for in 19.109(d), use the clause with its Alternate II; or

(C) The contract action will not be reported in the Federal Procurement Data System pursuant to part 4, use the clause with its Alternate III.

(ii) Insert the clause at 52.219-16, Liquidated Damages—Subcontracting Plan, in all solicitations and contracts containing the clause at 52.219-9, Small Business Subcontracting Plan, or the clause with its Alternate I or II.

(f)

(1) The contracting officer ~~shall encourage maximum response to solicitations by~~ may, when contracting by negotiation, insert in solicitations and contracts a clause substantially the same as the clause at 52.219-10, Incentive Subcontracting Program, when a subcontracting plan is required, and inclusion of a monetary incentive is, in the judgment of the contracting officer, necessary to increase subcontracting opportunities

for small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns ~~by taking the following actions~~, and is commensurate with the efficient and economical performance of the contract; unless the conditions in paragraph (f)(3) of this section are applicable. The contracting officer may vary the terms of the clause as specified in paragraph (f)(2) of this section.

~~(a) Allow the maximum amount of time practicable for the submission of offers.~~

~~(b) Furnish specifications, plans, and drawings with solicitations, or furnish information as to where they may be obtained or examined.~~

~~(c) Provide to any small business concern, upon its request, a copy of solicitations with respect to any contract to be let, the name and telephone number of an agency contact to answer questions related to such prospective contract and adequate citations to each major Federal law or agency rule with which such business concern must comply in performing such contract other than laws or agency rules with which the small business must comply when doing business with other than the Government.~~

~~[48 FR 42240, Sept. 19, 1983, as amended at 63 FR 70268, Dec. 18, 1998; 65 FR 60544, Oct. 11, 2000; 68 FR 43856, July 24, 2003; 85 FR 11759, Feb. 27, 2020]~~

## **~~19.202-5 Data collection and reporting requirements.~~**

~~Agencies shall measure the extent of small business participation in their acquisition programs by taking the following actions:~~

~~(a) Require each prospective contractor to represent whether it is a small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, women-owned small business, EDWOSB concern, or WOSB concern eligible under the WOSB Program (see the provision at 52.219-1, Small Business Program Representations).~~

~~(b2) Accurately measure the extent of participation by~~Various approaches may be used in the development of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns ~~in Government acquisitions in terms of the total value of contracts placed during each fiscal year, and report data to the SBA at the end of each fiscal year (see subpart 4.6).~~subcontracting incentives. They can take many forms, from a fully quantified schedule of payments based on actual subcontract achievement to an award-fee approach employing subjective evaluation criteria (see paragraph (f)(3) of this section). The incentive should not reward the contractor for results other than those that are attributable to the contractor's efforts under the incentive subcontracting program.

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

~~(e) When the contract includes the clause at 52.219-28, Postaward Small Business Program Rerepresentation, and the conditions in the clause for rerepresenting are met—~~

~~(3) As specified in paragraph (f)(2) of this section, the contracting officer may include small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business subcontracting as one of the factors to be considered in determining the award fee in a cost-plus-award-fee contract; in such cases, however, the contracting officer must not use the clause at 52.219-10, Incentive Subcontracting Program.~~

~~(g) The contracting officer must provide the SBA's procurement center representative (or, if a procurement center representative is not assigned, see 19.102(b)) a reasonable period of time to review any solicitation requiring submission of a subcontracting plan and to submit advisory findings before the solicitation is issued.~~

~~(h) For evaluation requirements related to subcontracting plans, see FAR 19.206.~~

~~(1) Require a contractor that represented itself as any of the~~ **19.110 Price evaluation preference for HUBZone small business concerns** ~~identified in 19.000.~~

~~(a)(3) prior to award of the contract to rerepresent its size and socioeconomic status (i.e., 8(a), small disadvantaged business, Use the price evaluation preference for HUBZone small business, service-disabled veteran-owned small business, EDWOSB, or WOSB status); and concerns in acquisitions conducted using full and open competition. Do not use the preference—~~

~~(1) Where price is not a selection factor because in this situation a price evaluation preference would not be considered (e.g., architect/engineer acquisitions); or~~

~~(2) Permit a contractor that represented itself as other than a small business concern prior to award to rerepresent its size status.~~

~~[48 FR 42240, Sept. 19, 1983, as amended at 60 FR 48261, Sept. 18, 1995; 63 FR 70268, Dec. 18, 1998; 65 FR 60544, Oct. 11, 2000; 72 FR 36854, July 5, 2007; 74 FR 11825, Mar. 19, 2009; 76 FR 18309, Apr. 1, 2011; 85 FR 11759, Feb. 27, 2020; 90 FR 522, Jan. 3, 2025]~~

## ~~19.202-6 Determination of fair market price.~~

~~(a2) The~~ Where all ~~fair market price shall be the price achieved in accordance with the and reasonable price guidelines in 15.404-1(b) offers are accepted (e.g., the award of multiple award schedule contracts) for—.~~

~~(1) Total and partial small business set-asides, and reserves (see subpart 19.5);~~

~~(2) HUBZone set-asides (see subpart 19.13);~~

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

(b) Insert the provision at 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns, in solicitations for acquisitions conducted using full and open competition.

(c) For use of clause 52.219-14, Limitations on Subcontracting, see the prescription at 19.104-3(c).

(d) For use of clause 52.219-33, Nonmanufacturer Rule, see the prescription at 19.104-3(e).

(3e) ~~Contracts utilizing the~~ For evaluation requirements related to the HUBZone price evaluation preference ~~for HUBZone small business concerns (see subpart 19.13);~~, see FAR 19.207.

~~(4) Set-asides for SDVOSB concerns eligible under the SDVOSB Program (see subpart 19.14); and~~

~~(5) Set-asides for EDWOSB concerns and WOSB concerns eligible under the WOSB Program (see subpart 19.15).~~

## 19.111 Orders under multiple-award contracts.

### 19.111-1 Size.

(a) When placing orders under multiple-award contracts with a single NAICS code, the contracting officer must assign the order the same NAICS code and corresponding size standard designated in the contract.

(b) When placing orders under multiple-award contracts with more than one NAICS code, the contracting officer must assign the order the NAICS code and corresponding size standard designated in the contract for the distinct portion or category against which the order is placed. If an order covers multiple portions or categories, select the NAICS code and corresponding size standard designated in the contract for the distinct portion or category that best represents the principal purpose of the order.

### 19.111-2 Set-asides.

(a)

(1) In accordance with section 1331 of the Small Business Jobs Act of 2010 (15 U.S.C. 644(r)(2)), contracting officers may, at their discretion, set aside orders placed under multiple-award contracts for any of the small business concerns identified in 19.000(a)(3).

(2) A contracting officer's decision to set aside or not set aside an order for small business concerns is an exercise of discretion granted to agencies and not a basis for protest. However, this does not preclude the filing of a protest of such an order if such a

protest would otherwise be authorized on a separate basis recognized in accordance with 16.505(a)(10)(i).

~~(b) For 8(a) contracts, both with respect to meeting the requirement at 19.806(b) and in order to accurately estimate the current fair market price, contracting officers shall follow the procedures at 19.807.~~ The contracting officer must comply with the specific program eligibility requirements identified in this part in addition to the ordering procedures for a multiple-award contract (for orders placed against the Federal Supply Schedules Program, see subpart 8.4; for orders placed under all other multiple-award contracts, see subpart 16.5).

### 19.112 Reserves.

(a) In accordance with section 1331 of the Small Business Jobs Act of 2010 (15 U.S.C. 644(r)(3)) and 13 CFR 125.2(e)(4), contracting officers may, at their discretion when conducting multiple-award procurements using full and open competition, reserve one or more contract awards for any of the small business concerns identified in 19.000(a)(3), when market research indicates—

(1) A total set-aside is not feasible because there is no reasonable expectation of receiving offers that are competitive in terms of fair market prices, quality, and delivery from at least two responsible small business concerns identified in 19.000(a)(3), that can perform the entire requirement; and

(2) A partial set-aside is not feasible because—

[52 FR 38189, Oct. 14, 1987, as amended at 53 FR 43390, Oct. 26, 1988; 54 FR 46005, Oct. 31, 1989; 62 FR 51270, Sept. 30, 1997; 63 FR 35722, June 30, 1998; 63 FR 70268, Dec. 18, 1998; 69 FR 25276, May 5, 2004; 76 FR 18309, Apr. 1, 2011; 79 FR 61750, Oct. 14, 2014; 85 FR 11759, Feb. 27, 2020; 89 FR 13956, Feb. 23, 2024]

### **~~19.203 Relationship among small business programs.~~**

~~(a) **General.** There is no order of precedence among the 8(a) Program (subpart 19.8), HUBZone Program (subpart 19.13), Service Disabled Veteran Owned Small Business (SDVOSB) Program (subpart 19.14), or the Women Owned Small Business (WOSB) Program (subpart 19.15).~~

~~(b) **At or below the simplified acquisition threshold.** For acquisitions of supplies or services that have an anticipated dollar value above the micro purchase threshold, but at or below the simplified acquisition threshold, the requirement at 19.502-2(a) to set aside acquisitions for small business concerns does not preclude the contracting officer from awarding a contract to a small business under the 8(a) Program, HUBZone Program, SDVOSB Program, or WOSB Program.~~



~~(c) ***Above the simplified acquisition threshold.*** For acquisitions of supplies or services that have an anticipated dollar value exceeding the simplified acquisition threshold definition at 2.101, the contracting officer shall first consider an acquisition for the small business socioeconomic contracting programs (*i.e.*, 8(a), HUBZone, SDVOSB, or WOSB programs) before considering a small business set aside (see 19.502-2(b)). However, if a requirement has been accepted by the SBA under the 8(a) Program, it must remain in the 8(a) Program unless the SBA agrees to its release in accordance with 13 CFR parts 124, 126, 127, and 128.~~

~~(d) ***In determining which socioeconomic program to use for an acquisition,*** the contracting officer ***should consider, at a minimum—***is unable to divide the requirement into distinct portions; or~~

~~(1) Results of market research that was done to determine if there are socioeconomic firms capable of satisfying the agency's requirement; and~~

~~(ii) There is no reasonable expectation that at least two responsible small business concerns identified in 19.000(a)(3) can perform any portion of the requirement competitively in terms of fair market price, quality, and delivery.~~

(b) A reserve will result in one of the following:

(1) One or more contract awards to any one or more types of small business concerns identified in 19.000(a)(3).

(2) In the case of a solicitation of a bundled requirement that will result in a multiple-award contract, an award to one or more small businesses with a Small Business Teaming Arrangement.

(c) The specific program eligibility requirements identified in this part apply.

(d) The limitations on subcontracting and the nonmanufacturer rule (see 52.219-14 and 52.219-33) do not apply to reserves at the contract level, but shall apply to orders that are set aside under 19.111-2.

(e) The contracting officer must insert the provision at 52.219-31, Notice of Small Business Reserve, in solicitations for multiple-award contracts that have reserves.

## **Subpart 19.2 - Evaluation and Award**

~~(2) Agency progress in fulfilling its small~~**19.201 Small business goals**~~size and socioeconomic status determination.~~

~~(e) Small business set-asides have priority over acquisitions using full and open competition. See requirements for establishing a small business set aside at subpart 19.5.~~

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

~~[75 FR 14567, Mar. 16, 2011, as amended at 76 FR 18309, Apr. 1, 2011; 77 FR 12932, Mar. 2, 2012; 80 FR 38298, July 2, 2015; 81 FR 30439, May 16, 2016; 82 FR 4717, Jan. 13, 2017; 85 FR 11759, Feb. 27, 2020; 85 FR 27090, May 6, 2020; 89 FR 13956, Feb. 23, 2024]~~

## **~~Subpart 19.3—Determination of Small Business Size and Status for Small Business Programs~~**

### **~~19.301~~19.201-1 Representations ~~and rerepresentations.~~**

#### **~~19.301-1 Representation by the offeror.~~**

(a)

(1) To be eligible for award as a small business concern ~~identified in 19.000(a)(3)~~, an offeror is required to represent in good faith—

(i)

(A) That it meets the small business size standard corresponding to the North American Industry Classification System (NAICS) code identified in the solicitation; or

(B) For a multiple-award contract where there is more than one NAICS code assigned, that it meets the small business size standard for each distinct portion or category (*e.g.*, line item numbers, Special Item Numbers (SINs), sectors, functional areas, or the equivalent) for which it submits an offer. If the small business concern submits an offer for the entire multiple-award contract, it must meet the size standard for each distinct portion or category (*e.g.*, line item number, SIN, sector, functional area, or equivalent); and

(ii) The Small Business Administration (SBA) has not issued a written determination stating otherwise pursuant to ~~13 CFR 121.1009~~ 13 CFR 121.1009.

(2) To be eligible for award as a small business concern under a socioeconomic program listed in this part, the small business concern has to be certified by SBA for that program (see 19.101(a)(2)(i)).

~~(2b)~~

~~(i1)~~ A joint venture may qualify as a small business concern if the joint venture complies with the requirements of ~~13 CFR 121.103(h) and 13 CFR 125.8(a) and (b)~~ and if ~~13 CFR 121.103(h) and 13 CFR 125.8(a) and (b).~~

~~(A) Each party to the joint venture qualifies as small under the size standard for the solicitation; or~~

~~(B) The protégé is small under the size standard for the solicitation in a joint venture comprised of a mentor and protégé with an approved mentor-protégé agreement under an SBA mentor-protégé program.~~

~~(#2)~~ A joint venture may qualify for an award under the socioeconomic programs as described in ~~subparts 19.8, 19.13, 19.14, and 19.15~~ [19.105, 19.106, 19.107, and 19.108](#).

~~(bc)~~ An offeror is required to represent its size ~~and socioeconomic status~~ in writing to the contracting officer at the time of initial offer, (whether or not the offer includes price or the price is evaluated), including offers for—

(1) Basic ordering agreements (see ~~16.703~~ [part 16](#)); and

(2) Blanket purchase agreements (BPAs) issued pursuant to part ~~13~~ [12](#).

~~(ed)~~ To be eligible for an award of an order under a basic ordering agreement or a BPA issued pursuant to part ~~13~~ [12](#) as a small business concern identified in 19.000(a)(3), the offeror must be a small business concern identified in 19.000(a)(3) at the time of award of the order.

~~(d) To be eligible for an award under the HUBZone Program (see subpart 19.13), a HUBZone small business concern must be a HUBZone small business concern at the time of initial offer.~~

(e) Multiple-award contract representations:

(1) A business that represents as a small business concern at the time of its initial offer for the contract (whether or not the offer includes price or the price is evaluated (see ~~13 CFR 121.404(a)(1)(iv)~~ [13 CFR 121.404\(a\)\(1\)\(iv\)](#)), is considered a small business concern for each order issued under the contract ~~(but see 19.301-2 for rerepresentations)~~.

(2) A business that represents as a small business concern at the time of its initial offer for a distinct portion or category as set forth in paragraph (a)(1)(~~#1~~) [\(B\)](#) is considered a small business concern for each order issued under that distinct portion or category ~~(but see 19.301-2 for rerepresentations)~~.

[\(f\) For requirements related to rerepresenting size after award, see FAR 19.301.](#)

~~(fg)~~ The contracting officer ~~shall~~ [must](#) accept an offeror's representation in a specific bid or proposal that it is a small business unless

(1) another offeror or interested party challenges the concern's small business representation or  
(2) the contracting officer has a reason to question the representation. Challenges of and questions concerning a specific representation ~~shall~~ [must](#) be referred to the SBA in accordance with ~~19.302~~ [19.201-2](#).

(g) An offeror's representation that it is a small business is not binding on the SBA. If an offeror's small business status is challenged, the SBA will evaluate the status of the concern and make a determination, which will be binding on the contracting officer, as to whether the offeror is a small business. A concern cannot become eligible for a specific award by taking action to meet the definition of a small business concern after the SBA has determined that it is not a small business.

~~(h) If the SBA determines that the status of a concern as a small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, or women-owned small business has been misrepresented in order to obtain a set-aside contract, an 8(a) subcontract, a subcontract that is to be included as part or all of a goal contained in a subcontracting plan, or a prime or subcontract to be awarded as a result, or in furtherance of any other provision of Federal law that specifically references Section 8(d) of the Small Business Act for a definition of program eligibility, the SBA may take action as specified in Sections 16(a) or 16(d) of the Act. If the SBA declines to take action, the agency may initiate the process. The SBA's regulations on penalties for misrepresentations and false statements are contained in 13 CFR 121.108 for small business, 13 CFR 124.501 for 8(a) small business, 13 CFR 128.600 for veteran or service-disabled veteran-owned small business, 13 CFR 126.900 for HUBZone small business, and 13 CFR 127.700 for economically disadvantaged women-owned small business concerns and women-owned small business (WOSB) concerns eligible under the WOSB Program.~~

~~[48 FR 42240, Sept. 19, 1983, as amended at 55 FR 3882, Feb. 5, 1990; 60 FR 48261, Sept. 18, 1995; 62 FR 236, Jan. 2, 1997; 63 FR 70268, Dec. 18, 1998; 65 FR 60545, Oct. 11, 2000; 69 FR 25276, May 5, 2004. Redesignated at 72 FR 36855, July 5, 2007; 75 FR 77738, Dec. 13, 2010; 76 FR 18309, Apr. 1, 2011; 85 FR 11759, Feb. 27, 2020; 87 FR 58223, 58235, Sept. 23, 2022; 88 FR 9737, Feb. 14, 2023; 88 FR 53752, Aug. 8, 2023]~~

## ~~19.301-2 Rerepresentation by a contractor that represented its status as a small business concern.~~

~~(a) **Definition.** As used in this subsection—~~

~~*Long-term contract* means a contract of more than five years in duration, including options. However, the term does not include contracts that exceed five years in duration because the period of performance has been extended for a cumulative period not to exceed six months under the clause at 52.217-8, Option to Extend Services, or other appropriate authority.~~

~~(b) **Requirements.** A contractor that represented its status as any of the small business concerns identified at 19.000(a)(3) before contract award is required to rerepresent its size and socioeconomic status in accordance with the clause at 52.219-28, Postaward Small Business Program Rerepresentation—~~

~~(1) For the NAICS code(s) in the contract—~~

~~(i) Within 30 days after execution of a novation agreement or within 30 days after modification of the contract to include the clause at 52.219-28, Postaward Small Business Program Rerepresentation, if the novation agreement was executed prior to inclusion of this clause in the contract;~~

~~(ii) Within 30 days after a merger or acquisition (whether the contractor acquires or is acquired by another company) of the contractor that does not require novation or within 30 days after modification of the contract to include the clause at 52.219-28, Postaward Small Business Program Rerepresentation, if the merger or acquisition occurred prior to inclusion of this clause in the contract;~~

~~(iii) For long-term contracts—~~

~~(A) Within 60 to 120 days prior to the end of the fifth year of the contract; and~~

~~(B) Within 60 to 120 days prior to the date specified in the contract for exercising any option thereafter; or~~

~~(2) For the NAICS code assigned to an order (except for an order issued under a Federal Supply Schedule contract)—~~

~~(i) Set aside exclusively for a small business concern identified at 19.000(a)(3) that is issued under an unrestricted multiple-award contract, unless the order is issued under the reserved portion of an unrestricted multiple-award contract (e.g., an order set aside for a woman-owned small business concern under a multiple-award contract that was not set aside, unless the order is issued under the reserved portion of the multiple-award contract);~~

~~(ii) Issued under a multiple-award contract set aside for small businesses that is further set aside for a specific socioeconomic category that differs from the underlying multiple-award contract (e.g., an order set aside for a HUBZone small business concern under a multiple-award contract that is set aside for small businesses); or~~

~~(iii) Issued under the part of the multiple-award contract that is set aside for small businesses that is further set aside for a specific socioeconomic category that differs from the underlying set-aside part of the multiple-award contract (e.g., an order set aside for a part of the multiple-award contract that is partially set aside for small businesses); or~~

~~(3) For the NAICS code assigned to an order under a multiple-award contract, if the contracting officer requires contractors to rerepresent their size and socioeconomic status for that order.~~

~~(c) **NAICS code size standard.** A contractor is required to rerepresent its size status in accordance with the size standard in effect at the time of its rerepresentation that corresponds to the NAICS code that was initially assigned to the contract. For multiple-award contracts~~

~~where there is more than one NAICS code assigned, the contractor is required to rerepresent its size status for each NAICS code assigned to the contract.~~

~~(d) **Procedures**~~

~~(1) **Contract rerepresentation.** After a contractor rerepresents for a contract that it no longer qualifies as a small business concern identified in 19.000(a)(3) in accordance with 52.219-28, the agency may no longer include the value of options exercised, modifications issued, orders issued, or purchases made under BPAs on that contract in its small business prime contracting goal achievements. When a contractor's rerepresentation for a contract qualifies it as a different small business concern identified in 19.000(a)(3) than what it represented for award, the agency may include the value of options exercised, modifications issued, orders issued, or purchases made under BPAs on that contract in its small business prime contracting goal achievements, consistent with the rerepresentation. Agencies should issue a modification to the contract capturing the rerepresentation and report it to FPDS within 30 days after notification of the rerepresentation.~~

~~(2) **Rerepresentation for a task or delivery order.**~~

~~(i) When an order is issued under an unrestricted multiple award contract and the contractor's rerepresentations no longer qualifies it as a small business concern identified at 19.000(a)(3), the agency can no longer include the value of the order in its small business prime contracting goal achievements. When a contractor's rerepresentation for an order qualifies it as a different small business concern identified at 19.000(a)(3) than what it represented for contract award, the agency can include the value of the order in its small business prime contracting goal achievement, consistent with the rerepresentation.~~

~~(ii) A rerepresentation for an order issued under an unrestricted multiple award contract does not change the size or socioeconomic status representation for the contract.~~

~~(e) **Size status change.** A change in size status does not change the terms and conditions of the contract. However, the contracting officer may require a subcontracting plan for a contract containing 52.219-9, Small Business Subcontracting Plan, if a prime contractor's size status changes from small to other than small as a result of a size rerepresentation (see 19.705-2(b)(3)).~~

~~[72 FR 36855, July 5, 2007, as amended at 74 FR 11825, Mar. 19, 2009; 81 FR 45843, July 14, 2016; 85 FR 11759, Feb. 27, 2020; 90 FR 522, Jan. 3, 2025]~~

## ~~**19.301-3 Rerepresentation by a contractor that represented itself as other than a small business concern.**~~

~~A contractor that represented itself as other than small before contract award may, but is not required to, rerepresent its size status when—~~

~~(a) The conditions in 19.301-2(b) apply; and~~

~~(b) The contractor qualifies as a small business concern under the applicable size standard in effect at the time of its rerepresentation.~~

~~[72 FR 36855, July 5, 2007, as amended at 74 FR 11825, Mar. 19, 2009]~~

## ~~19.302~~19.201-2 **Protesting a small business representation or rerepresentation.**

(a)

(1) The SBA regulations on small business size and size protests are found at ~~13 CFR part 121~~13 CFR part 121.

(2) An offeror, the contracting officer, SBA, or another interested party may protest the small business representation of an offeror in a specific offer for a contract. However, for competitive 8(a) contracts, the filing of a protest is limited to an offeror, the contracting officer, or SBA. See ~~13 CFR 121.1001(a)~~13 CFR 121.1001(a).

(b) Any time after offers are received by the contracting officer, or in the case of bids, opened, the contracting officer may question the small business representation of any offeror in a specific offer by filing a contracting officer's protest (see ~~paragraph (e)~~paragraph (c) of this section).

(c)

(1) Any contracting officer who receives a protest, whether timely or not, or who, as the contracting officer, wishes to protest the small business representation of an offeror, or rerepresentation of a contractor, ~~shall~~must promptly forward the protest to the SBA Government Contracting Area Director at the Government Contracting Area Office serving the area in which the headquarters of the offeror is located.

(2) The protest, or confirmation if the protest was initiated orally, ~~shall~~must be in writing and ~~shall~~must contain the basis for the protest with specific, detailed evidence to support the allegation that the offeror is not small. The SBA will dismiss any protest that does not contain specific grounds for the protest.

(3) The protest ~~shall~~must include a referral letter written by the contracting officer with information pertaining to the solicitation. The referral letter must include the following information to allow SBA to determine timeliness and standing:

(i) The protest and any accompanying materials.

(ii) A copy of the size self-certification.

(iii) Identification of the applicable size standard.

- (iv) A copy of or an electronic link to the solicitation and any amendments.
  - (v) The name, address, telephone number, email address, and fax number of the contracting officer.
  - (vi) Identification of the bid opening date or the date of notification provided to unsuccessful offerors.
  - (vii) The date the contracting officer received the protest.
  - (viii) A complete address and point of contact for the protested concern.
- (d) In order to affect a specific solicitation, a protest must be timely. SBA's regulations on timeliness are contained in ~~13 CFR 121.1004~~[13 CFR 121.1004](#). SBA's regulations on timeliness related to protests of disadvantaged status are contained in ~~13 CFR part 124, subpart B~~[13 CFR part 124, subpart B](#).
- (1) To be timely, a protest by any concern or other interested party must be received by the contracting officer by the close of business of the fifth business day after—
- (i) Bid opening for sealed bid acquisitions; or
  - (ii) Receipt of the special notification from the contracting officer (see 15.503(a)(2)) that identifies the apparently successful offeror for negotiated acquisitions, including—
    - (A) Partial set-asides and reserves of multiple-award contracts; and
    - (B) Orders that are set-aside under an unrestricted multiple-award contract (except for orders and blanket purchase agreements placed ~~under~~against a Federal Supply Schedule contract (see ~~8.405~~[8.4](#) and ~~paragraph (d)(5)~~[paragraph \(d\)\(5\)](#) of this section)); ~~and~~or
    - ~~(C) Orders placed under multiple-award contracts where the contracting officer requested rerepresentation for the order; or~~
- (iii) Receipt of notification using other communication means when written notification is not required.
- (2) A protest may be made orally if it is confirmed in writing and received by the contracting officer within the 5-day period or by letter postmarked no later than 1 business day after the oral protest.
- (3) A protest may be made in writing if it is delivered to the contracting officer by hand, mail, facsimile, email, express or overnight delivery service.



- (4) Except as provided in ~~paragraph (d)(6)~~paragraph (d)(6) of this section, a protest filed by the contracting officer or SBA is always considered timely whether filed before or after award.
- (5) A protest under a GSA Multiple Award Schedule will be timely if received by SBA at any time prior to the expiration of the contract period, including renewals.
- (6) A protest filed before bid opening, or notification to offerors of the selection of the apparent successful offeror, will be dismissed as premature by SBA.
- (e) Upon receipt of a protest from or forwarded by the Contracting Office, the SBA will—
- (1) Notify the contracting officer and the protester of the date it was received, and that the size of the concern being challenged is under consideration by the SBA; and
- (2) Furnish to the concern whose representation is being protested a copy of the protest and a blank SBA Form 355, Application for Small Business Determination, by certified mail, return receipt requested.
- (f)
- (1) Within 15 business days after receipt of a protest or request for a formal size determination or within any extension of time granted by the contracting officer the SBA Area Office will determine the size status of the challenged concern. The SBA Area Office will notify the contracting officer, the protester, and the challenged concern of its decision by a verifiable means, which may include facsimile, electronic mail, or overnight delivery service.
- (2) Award may be made to a protested concern after the SBA Area Office has determined that ~~either~~ the protested concern is an eligible small business or has dismissed all protests against it.
- (3) If SBA's Office of Hearings and Appeals (OHA) subsequently overturns the Area Office's determination of eligibility or dismissal, and contract award has not been made, the contracting officer may apply the OHA decision to the procurement in question.
- (g)
- (1) After receiving a protest involving an offeror being considered for award, the contracting officer ~~shall~~must not award the contract until the SBA has made a size determination or 15 business days have expired since SBA's receipt of a protest, whichever occurs first; however, award ~~shall~~must not be withheld when the contracting officer determines in writing that an award must be made to protect the public interest.
- (2) If SBA has not made a determination within 15 business days, or within any extension of time granted by the contracting officer, the contracting officer may award the contract

after determining in writing that there is an immediate need to award the contract and that waiting until SBA makes its determination will be disadvantageous to the Government.

(3) SBA may, at its sole discretion, reopen a formal size determination to correct an error or mistake, if it is within the appeal period and no appeal has been filed with OHA or, a final decision has not been rendered by the SBA Area Office or OHA.

(4) If a protest is received that challenges the small business status of an offeror not being considered for award, the contracting officer is not required to suspend contract action. The contracting officer ~~shall~~must forward the protest to the SBA (see ~~paragraph (e)(1)~~paragraph (c)(1) of this section) with a notation that the concern is not being considered for award, and ~~shall~~must notify the protester of this action.

(h) An appeal from an SBA size determination may be filed by any concern or other interested party whose protest of the small business representation of another concern has been denied by an SBA Government Contracting Area Director, any concern or other interested party that has been adversely affected by an SBA Government Contracting Area Director's decision, or the SBA Associate Administrator for the SBA program involved. The appeal must be filed with the Office of Hearings and Appeals, ~~Small Business Administration, Suite 5900, 409 3rd Street, SW., Washington, DC 20416,~~ within the time limits and in strict accordance with the procedures contained in Subpart C of ~~13 CFR part 134~~13 CFR part 134. It is within the discretion of the SBA Judge whether to accept an appeal from a size determination. If a post-award appeal is submitted to OHA within the time limits specified in Subpart C of ~~13 CFR part 134~~13 CFR part 134, the contracting officer ~~shall~~must consider suspending contract performance until an SBA Judge decides the appeal. SBA will inform the contracting officer of its ruling on the appeal. SBA's decision, if received before award, will apply to the pending acquisition. If the contracting officer has made a written determination in accordance with (g)(1) or (2) of this section, the contract has been awarded, the SBA rulings is received after award, and OHA finds the protested concern to be ineligible for award, the contracting officer ~~shall~~must terminate the contract unless termination is not in the best interests of the Government, in keeping with the circumstances described in the written determination. However, the contracting officer ~~shall~~must not exercise any options or award further task or delivery orders.

(i) SBA will dismiss untimely protests. A protest that is not timely, even though received before award, ~~shall~~must be forwarded to the SBA Government Contracting Area Office (see ~~paragraph (e)(1)~~paragraph (c)(1) of this section), with a notation ~~on it that~~ the protest is not timely. A protest received by a contracting officer after award of a contract ~~shall~~must be forwarded to the SBA Government Contracting Area Office with a notation that award has been made.

(j) When a concern is found to be other than small under a protest concerning a size status rerepresentation made in accordance with the clause at 52.219-28, Postaward Small Business Program Rerepresentation, a contracting officer may permit contract performance to continue, issue orders, or exercise option(s), because the contract remains a valid contract.

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

~~[48 FR 42240, Sept. 19, 1983, as amended at 50 FR 1743, Jan. 11, 1985; 50 FR 52429, Dec. 23, 1985; 51 FR 2664, Jan. 17, 1986; 60 FR 42656, Aug. 16, 1995; 61 FR 69289, Dec. 31, 1996; 62 FR 44820, Aug. 22, 1997; 62 FR 51270, Sept. 30, 1997; 63 FR 9053, 9055, Feb. 23, 1998; 63 FR 35722, June 30, 1998; 64 FR 32743, June 17, 1999; 67 FR 13054, Mar. 20, 2002; 72 FR 36855, July 5, 2007; 79 FR 43582, July 25, 2014; 81 FR 83099, Nov. 18, 2016; 85 FR 11760, Feb. 27, 2020; 89 FR 61336, July 30, 2024; 90 FR 522, Jan. 3, 2025]~~

## ~~19.303 [Reserved]~~

### ~~19.304~~19.201-3 Small disadvantaged business status.

- (a) The contracting officer may accept an offeror's representation that it is a small disadvantaged business ~~concern~~ (SDB) concern.
- (b) The provision at 52.219-1, Small Business Program Representations, ~~or 52.212-3(e)(5), Offeror Representations and Certifications—Commercial Products and Commercial Services,~~ is used to collect SDB data.
- (c) A representation of SDB status on a Federal prime contract will be deemed a misrepresentation of SDB status if the firm does not meet the requirements of ~~13 CFR 124.1001~~13 CFR 124.1001.
- (d) Any person or entity that misrepresents a firm's status as an SDB concern in order to obtain a contracting opportunity in accordance with section 8(d) of the Small Business Act, (~~15 U.S.C. 637(d)~~15 U.S.C. 637(d)) will be subject to the penalties imposed by section 16(d) of the Small Business Act, (~~15 U.S.C. 645(d)~~15 U.S.C. 645(d)), as well as any other penalty authorized by law.

~~[79 FR 61750, Oct. 14, 2014, as amended at 86 FR 61027, Nov. 4, 2021; 88 FR 53752, Aug. 8, 2023; 89 FR 13956, Feb. 23, 2024]~~

## ~~19.305 Reviews of SDB status.~~

~~This section applies to reviews of a small business concern's SDB status as a prime contractor or subcontractor.~~

- (~~a~~e) SBA may initiate the review of SDB status on any firm that has represented itself to be an SDB on a prime contract or subcontract to a Federal prime contract whenever it receives credible information calling into question the SDB status of the firm.
- (~~b~~f) Requests for an SBA review of SDB status may be forwarded to the Small Business Administration, ~~Associate Administrator for Business Development (AA/BD), 409 Third Street SW., Washington, DC 20416~~in accordance with 13 CFR 124.1002(b).

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

(eg) An SBA review of a subcontractor's SDB status differs from a formal protest. ~~Protests of a concern's size as a prime contractor are processed under 19.302. Protests of a concern's size as a subcontractor are processed under 19.703(b).~~

~~[79 FR 61750, Oct. 14, 2014, as amended at 81 FR 45843, July 14, 2016; 88 FR 53752, Aug. 8, 2023; 89 FR 30254, Apr. 22, 2024]~~

## ~~19.306~~19.201-4 **Protesting a firm's status as a HUBZone small business concern.**

*Interested party* has the meaning given in 13 CFR 126.103.

(a) *Definition.* As used in this section—

~~*Interested party* has the meaning given in 13 CFR 126.103.~~

(b)

(1) For sole-source procurements, SBA or the contracting officer may protest the prospective contractor's certified HUBZone status; for all other procurements, SBA, the contracting officer, or any other interested party may protest the apparent successful offeror's certified HUBZone status (see ~~13 CFR 126.800~~13 CFR 126.800).

(2) The Director of SBA's Office of the HUBZone Program will determine whether the concern has certified HUBZone status. If SBA upholds the protest, SBA will remove the concern's HUBZone status in the ~~Dynamic~~-Small Business Search (~~DSBSSBS~~). SBA's protest regulations are found in subpart H “Protests” at ~~13 CFR 126.800~~13 CFR 126.800 through ~~126.805~~126.805.

(c) Protests relating to small business size status are subject to the procedures of ~~19.302~~19.201-2. An interested party seeking to protest both the small business size and HUBZone status of an apparent successful offeror shall file two separate protests. Protests relating to small business size status for the acquisition and the HUBZone eligibility requirements will be processed concurrently by SBA.

(d)

(1) All protests must be in writing and must state all specific grounds for the protest (*i.e.*, why the protested concern did not meet the eligibility requirements at ~~13 CFR 126.200~~13 CFR 126.200 at the time of the concern's application to SBA for certification as a HUBZone small business concern or at the time SBA certified or last recertified the concern as a HUBZone small business concern). Assertions that a protested concern is not a HUBZone small business concern, without setting forth specific facts or allegations, will not be considered by SBA (see ~~13 CFR 126.801(b)~~13 CFR 126.801(b)).

(2) Protests filed against a HUBZone joint venture must state one or, if applicable, both of the following:

(i) Why the HUBZone small business party to the joint venture did not meet the eligibility requirements at ~~13 CFR 126.200~~[13 CFR 126.200](#) at the time of its application to SBA for certification or at the time SBA certified or last recertified the concern as a HUBZone small business concern.

(ii) Why the joint venture did not meet the requirements at ~~13 CFR 126.616~~[13 CFR 126.616](#) at the time of submission of its offer for a HUBZone contract.

(3) SBA will consider protests for HUBZone set-aside or sole-source service contracts or orders, if a HUBZone prime contractor is unduly reliant on a small entity subcontractor that is not a similarly-situated entity as defined in ~~13 CFR 125.1~~[13 CFR 125.1](#), or if such subcontractor performs the primary and vital requirements of the contract. For allegations that the prime contractor is unduly reliant on an other-than-small subcontractor, see size protests at ~~19.302, and 13 CFR 121.103(h)(2)~~[19.201-2 and 13 CFR 121.103\(h\)\(3\)](#), which treats the pair as joint venturers for size determination purposes (the “ostensible subcontractor rule”).

(e) *Submission of a protest.*

(1) An interested party shall submit its ~~written~~[written](#) protest to the contracting officer—

(i) For sealed bids—

(A) By the close of business on the fifth business day after bid opening; or

(B) By the close of business on the fifth business day from the date of identification of the apparent successful offeror, if the price evaluation preference was not applied at the time of bid opening;

(ii) For negotiated acquisitions, by the close of business on the fifth business day after receipt of the special notification from the contracting officer (see ~~15.503(a)(2)~~[part 15](#)) of the apparently successful offeror, including—

(A) Orders placed under multiple-award contracts where the contracting officer requested rerepresentation for the order (see ~~13 CFR 126.801(d)(1)~~[13 CFR 126.801\(d\)\(1\)](#)); and

(B) Orders set aside for HUBZone small businesses under multiple-award contracts that are not partially or totally set-aside or reserved for HUBZone small business concerns (see ~~13 CFR 126.801(d)(1)~~[13 CFR 126.801\(d\)\(1\)](#)), except for orders and blanket purchase agreements placed ~~under~~[against](#) a Federal Supply Schedule contract (see ~~8.405 and 19.302(d)(5)~~[part 8](#)); or

(iii) By the close of business on the fifth business day after receipt of notification using other communication means when written notification is not required.

(2) Any protest received after the designated time limits is untimely, unless it is from the contracting officer or SBA.

(f) The contracting officer ~~shall~~must forward all protests with a referral letter to the Director of SBA's Office of the HUBZone Program, by email to [hzprotests@sba.gov](mailto:hzprotests@sba.gov). The referral letter ~~shall~~must include the following—

- (1) The solicitation number;
- (2) The contracting officer's name and contact information;
- (3) The type of HUBZone contract (*i.e.*, sole-source, set-aside, full and open competition with a HUBZone price evaluation preference, or reserve for HUBZone small business concerns under a multiple-award contract);
- (4) For a procurement conducted using full and open competition with a HUBZone price evaluation preference, whether the protester's opportunity for award was affected by the preference;
- (5) For a HUBZone set-aside, whether the protester submitted an offer;
- (6) Whether the protested concern was the apparent successful offeror;
- (7) Whether the procurement was conducted using sealed bid or negotiated procedures;
- (8) The bid opening date, if applicable;
- (9) The date the protester was notified of the apparent successful offeror;
- (10) The date the contracting officer received the protest;
- (11) The date the protested concern submitted its initial offer or quote to the contracting officer; and
- (12) Whether a contract has been awarded, and if so, the date of award and contract number.

(g) SBA will notify the protester and the contracting officer of the date SBA received the protest.

(h) *Before SBA decision.*

(1) After receiving a protest involving the apparent successful offeror's status as a HUBZone small business concern, the contracting officer ~~shall~~must either—

- (i) Withhold award of the contract until SBA determines the status of the protested concern; or

(ii) Award the contract if—

(A) SBA does not issue its decision within 15 business days after receipt of the protest; and

(B) The contracting officer determines in writing that there is an immediate need to award the contract and that waiting for SBA's determination will be disadvantageous to the Government.

(2) SBA will determine the merits of the status protest within 15 business days after receipt of a protest, or within any extension of time granted by the contracting officer.

(i) *After SBA decision.* The SBA will notify the contracting officer, the protester, and the protested concern of the SBA determination. The determination is effective immediately and is final unless overturned on appeal by SBA's Associate Administrator, Office of Government Contracting and Business Development(AA/GC&BD).

(1) If the contracting officer has withheld contract award and SBA has determined that the protested concern is an eligible HUBZone or dismissed all protests against the protested concern, the contracting officer may award the contract to the protested concern. If the AA/GC&BD subsequently overturns the initial determination or dismissal, the contracting officer may apply the AA/GC&BD decision to the procurement in question.

(2) If the contracting officer has withheld award and the HUBZone Program Director has determined that the protested concern is ineligible, and a timely AA/GC&BD appeal has not been filed, then the contracting officer ~~shall~~must not award the contract to the protested concern.

(3) If the contracting officer has made a written determination in accordance with (h)(1)(ii)(B) of this section, awarded the contract, and the Director of SBA's Office of the HUBZone Program's ruling sustaining the protest is received after award—

(i) The contracting officer ~~shall~~must either—

(A) Terminate the contract; or

(B)

(1) Make a written determination that termination is not in the best interests of the Government; and

(2) Not exercise any options or award further task or delivery orders under the contract.

(ii) SBA will remove the concern's designation as a certified HUBZone small business concern in the ~~Dynamic~~ Small Business Search (~~DSBS~~SBS). The



concern is not permitted to submit an offer as a HUBZone small business concern until SBA issues a decision that the ineligibility is resolved; and

(iii) After SBA updates the concern's designation as a HUBZone small business in ~~DSBS~~SBS, the contracting officer ~~shall~~must update the Federal Procurement Data System (FPDS) to reflect the final decision of the HUBZone Program Director if no appeal is filed.

(4) If the contracting officer has made a written determination in accordance with (h)(1)(ii)(B) of this section, awarded the contract, SBA has sustained the protest and determined that the concern is not a HUBZone small business, and a timely (AA/GC&BD) appeal has been filed, then the contracting officer ~~shall~~must consider whether performance can be suspended until an (AA/GC&BD) decision is rendered.

(5) If the AA/GC&BD affirms the decision of the HUBZone Program Director, finding the protested concern is ineligible, and contract award has occurred—

(i) The contracting officer ~~shall~~must either—

(A) Terminate the contract; or

(B)

(1) Make a written determination that termination is not in the best interests of the Government; and

(2) Not exercise any options or award further task or delivery orders under the contract;

(ii) SBA will remove the concern's designation as a certified HUBZone small business concern in ~~DSBS~~SBS. The concern is not permitted to submit an offer as a HUBZone small business concern until SBA issues a decision that the ineligibility is resolved or the AA/GC&BD finds the concern is eligible on appeal; and

(iii) After SBA updates the concern's designation as a HUBZone small business in ~~DSBS~~SBS, the contracting officer ~~shall~~must update FPDS to reflect the AA/GC&BD decision.

(6) A concern found to be ineligible during a HUBZone status protest is precluded from applying for HUBZone certification for 90 calendar days from the date of the SBA final decision.

(j) *Appeals of HUBZone status determinations.* The protested HUBZone small business concern, the protester, or the contracting officer may file appeals of protest determinations with SBA's AA/GC&BD. The AA/GC&BD must receive the appeal no later than 5 business days after the date of receipt of the protest determination. SBA will dismiss any untimely appeal.



(k) *The appeal must be in writing.* The appeal must identify the protest determination being appealed and must set forth a full and specific statement as to why the decision is erroneous or what significant fact the HUBZone Program Director failed to consider.

(l)

(1) The party appealing the decision must provide notice of the appeal to—

(i) The contracting officer; and

(ii) The protested HUBZone small business concern or the original protester, as appropriate.

(2) SBA will not consider additional information or changed circumstances that were not disclosed at the time of the HUBZone Program Director's determination or that are based on disagreement with the findings and conclusions contained in the determination.

(m) The AA/GC&BD will make its decision within 5 business days of the receipt of the appeal, if practicable, and will base its decision only on the information and documentation in the protest record as supplemented by the appeal. SBA will provide a copy of the decision to the contracting officer, the protester, and the protested HUBZone small business concern. The SBA decision, if received before award, will apply to the pending acquisition. The AA/GC&BD's decision is the final decision.

~~[63 FR 70269, Dec. 18, 1998, as amended at 64 FR 51831, Sept. 24, 1999; 75 FR 77729, Dec. 13, 2010; 79 FR 43584, July 25, 2014; 87 FR 58235, Sept. 23, 2022; 88 FR 9737, Feb. 14, 2023; 89 FR 61336, July 30, 2024]~~

## ~~19.307~~19.201-5 **Protesting a firm's status as a service-disabled veteran-owned small business concern.**

(a) *Definition.* *Interested party*, as used in this section, has the meaning given in ~~13 CFR 134.1002(b)~~13 CFR 134.1002(b).

(b) *General.*

(1) For sole source acquisitions, the contracting officer, the Department of Veterans Affairs (VA), or SBA may protest the apparently successful offeror's service-disabled veteran-owned small business (SDVOSB) status. For all other acquisitions, any interested party may protest the apparently successful offeror's ~~service-disabled veteran-owned small business~~SDVOSB status.

(2) SBA's protest regulations are found in ~~13 CFR 128.500 and 13 CFR part 134~~13 CFR 128.500 and 13 CFR part 134.

(c) Protests relating to small business size status are subject to the procedures of ~~19.302~~[19.201-2](#). An interested party seeking to protest both the small business size and ~~service-disabled veteran-owned small business~~[SDVOSB](#) status of an apparent successful offeror shall file two separate protests.

(d) All protests must be in writing and must state all specific grounds for the protest.

(1) OHA will consider protests challenging the SDVOSB status or the ownership and control of a concern if—

(i) For status protests, the protester presents evidence supporting the contention that the owner(s) cannot provide documentation from the VA to show that they meet the definition of “service-disabled veteran” or “service-disabled veteran with a permanent and severe disability” as set forth in ~~13 CFR 128.102~~[13 CFR 128.102](#); or

(ii) For ownership and control protests, the protester presents evidence that the concern is not 51 percent owned and controlled by one or more service-disabled veterans. In the case of a veteran with a permanent and severe disability, the protester presents evidence that the concern is not controlled by the veteran, spouse, or permanent caregiver of such veteran; or

(iii) For set-aside or sole-source service contract or order ostensible subcontractor protests, the protester presents credible evidence of the alleged undue reliance on a small entity subcontractor that is not a similarly-situated entity as defined in ~~13 CFR 125.1~~[13 CFR 125.1](#), or credible evidence that the small non-similarly situated entity is performing the primary and vital requirements of the contract. For allegations that the prime contractor is unduly reliant on an other-than-small subcontractor, see size protests at ~~19.302, and 13 CFR 121.103(h)(2)~~[19.201-2, and 13 CFR 121.103\(h\)\(3\)](#), which treats the pair as joint venturers for size determination purposes (the “ostensible subcontractor rule”); or

(iv) For joint venture protests, the protester presents evidence that the managing SDVOSB joint venture partner does not meet the requirements at ~~13 CFR 128.402~~[13 CFR 128.402](#).

(2) Assertions that a protested concern is not a ~~service-disabled veteran-owned small business~~[SDVOSB](#) concern, without setting forth specific facts or allegations, will not be considered by OHA (see ~~13 CFR 134.1005~~[13 CFR 134.1005](#))

(e) *Protest by an interested party.*

(1) An interested party (except contracting officers should see ~~paragraph (f)(1)~~[paragraph \(f\)\(1\)](#) of this section) shall submit its protest to the contracting officer—

(i) To be received by close of business on the fifth business day after bid opening for sealed bid acquisitions;

(ii) To be received by close of business on the fifth business day after receipt of the special notification from the contracting officer (see ~~15.503(a)(2)~~[part 15](#)) that identifies the apparently successful offeror for negotiated acquisitions, including—

(A) Orders placed under multiple-award contracts where the contracting officer requested rerepresentation for the order (see ~~13 CFR 134.1004(a)(3)(ii)~~[13 CFR 134.1004\(a\)\(3\)\(ii\)](#)); and

(B) Orders set aside for service-disabled veteran-owned small businesses under multiple-award contracts that are not partially or totally set aside or reserved for ~~service-disabled veteran-owned small business~~[SDVOSB](#) concerns (see ~~13 CFR 134.1004(a)(3)(i)~~[13 CFR 134.1004\(a\)\(3\)\(i\)](#)), except for orders and blanket purchase agreements placed ~~under~~[against](#) a Federal Supply Schedule contract (see ~~8.405 and 19.302(d)(5)~~[part 8](#));

(iii) To be received by close of business on the fifth business day after notification by the contracting officer of the intended awardee for an order that is set aside for SDVOSBs under a multiple-award contract that was not totally or partially set aside or reserved for SDVOSB concerns. This ~~paragraph (e)(1)(iii)~~[paragraph \(e\)\(1\)\(iii\)](#) does not apply to an order issued ~~under~~[against](#) a Federal Supply Schedule (FSS) contract;

(iv) To be received by the close of the fifth business day after notification by the contracting officer of the intended awardee for a blanket purchase agreement that is set aside for SDVOSBs under a multiple-award contract that was not totally or partially set aside or reserved for SDVOSB concerns. This ~~paragraph (e)(1)(iv)~~[paragraph \(e\)\(1\)\(iv\)](#) does not apply to a blanket purchase agreement issued under a FSS contract; or

(v) To be received by the close of business on the fifth business day after receipt of notification using other communication means when written notification is not required.

(2) Any protest received after the designated time limits is untimely, except—

(i) The VA or SBA may file an SDVOSB status protest at any time; and

(ii) The contracting officer, SBA, or VA may file an SDVOSB status protest at any time after the apparent awardee has been identified or after bid opening, whichever applies.

(f) *Forwarding protests to SBA.*

(1) The contracting officer ~~shall~~must forward all protests to the U.S. Small Business Administration, Office of Hearings and Appeals, 409 Third Street SW, Washington, DC 20416, or by email at [OHAfilings@sba.gov](mailto:OHAfilings@sba.gov), marked “Attn: SDVOSB Status Protest” (see 13 CFR 134.1004(c)).

(2) The protest shall include a referral letter written by the contracting officer with information pertaining to the solicitation. The referral letter must include the following information to allow OHA to determine timeliness and standing:

- (i) The solicitation number (or an electronic link to or a paper copy of the solicitation).
- (ii) The name, address, telephone number, and email address of the contracting officer.
- (iii) Whether the contract was sole-source or set-aside.
- (iv) Whether the protestor submitted an offer.
- (v) Whether the protested concern was the apparent successful offeror.
- (vi) When the protested concern submitted its initial offer that included price.
- (vii) Whether the acquisition was conducted using sealed bid or negotiated procedures.
- (viii) The bid opening date, if applicable.
- (ix) The date the contracting officer received the protest.
- (x) The date the protestor received notification about the apparent successful offeror, if applicable.
- (xi) Whether a contract has been awarded.

(g) *Notification by OHA.* OHA will notify the protester, the protested concern, SBA's Director of Government Contracting (D/GC), SBA Counsel, and the contracting officer of the date OHA received the protest.

(h) *Before OHA decision.*

(1) After receiving a protest involving the apparent successful offeror's status as an SDVOSB concern, the contracting officer ~~shall~~must either—

- (i) Withhold award of the contract until OHA determines the status of the protested concern; or

(ii) Award the contract after receipt of the protest but before OHA issues its decision if the contracting officer determines in writing that an award must be made to protect the public interest. The contracting officer ~~shall~~must notify OHA and SBA D/GC in writing of the determination and a copy ~~shall~~must be included in the contract file.

(2) OHA will determine the merits of the status protest.

(3) OHA does not have a standard timeline for issuing decisions.

(i) *After OHA decision.* OHA will notify the contracting officer, the protester, and the protested concern of its decision. The decision is effective immediately and is final.

(1) If the contracting officer has withheld contract award and OHA has determined that the protested concern is an eligible SDVOSB or dismissed all protests against the protested concern, then the contracting officer may award the contract to the protested concern.

(2) If the contracting officer has withheld contract award, and OHA has sustained the protest and determined that the concern is not an SDVOSB, then the contracting officer ~~shall~~must not award the contract to the protested concern.

(3) If the contracting officer has made a written determination in accordance with ~~paragraph (h)(1)(ii)~~paragraph (h)(1)(ii) of this section, the contract has been awarded, and the OHA decision to sustain the protest is received after award—

(i) The contracting officer ~~shall~~must terminate the contract, unless the contracting officer has made a written determination that termination is not in the best interests of the Government. However, the contracting officer ~~shall~~must not exercise any options or award further task or delivery orders;

(ii) The contracting officer ~~shall~~must update FPDS to reflect the final OHA decision; and

(iii) The concern must remove its designation in the System for Award Management (SAM) as an SDVOSB concern within 2 days of the OHA decision. SBA will update the concern's SDVOSB status in SAM if the concern fails to do so. The concern shall not submit an offer as a SDVOSB concern or an SDVOSB concern eligible under the SDVOSB Program, until the concern is designated as an SDVOSB by SBA in the SBA Veteran Small Business Certification Program database at <https://veterans.certify.sba.gov>.

(4) A concern found to be ineligible may not submit future offers as an SDVOSB concern until the concern is designated as an SDVOSB by SBA in the SBA Veteran Small Business Certification Program database at <https://veterans.certify.sba.gov>.

~~<https://www.ecfr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

~~[79 FR 43586, July 25, 2014, as amended at 79 FR 46375, Aug. 8, 2014; 85 FR 11760, Feb. 27, 2020; 88 FR 9737, Feb. 14, 2023; 89 FR 13956, Feb. 23, 2024; 89 FR 61336, July 30, 2024]~~

**~~19.308~~19.201-6 Protesting a firm's status as an economically disadvantaged women-owned small business concern or women-owned small business concern eligible under the Women-Owned Small Business Program.**

(a) *Definition. Interested party*, as used in this section, has the meaning given in ~~13 CFR 127.102~~13 CFR 127.102.

(b)

(1) For sole source acquisitions, the contracting officer or SBA may protest the offeror's status as an economically disadvantaged women-owned small business (EDWOSB) concern or as a WOSB concern eligible under the WOSB Program. For all other acquisitions, an interested party (see ~~13 CFR 127.102~~13 CFR 127.102) may protest the apparent successful offeror's EDWOSB or WOSB status.

(2) SBA's protest regulations are found in subpart F "Protests" at ~~13 CFR 127.600~~13 CFR 127.600 through ~~127.605~~127.605.

(c) Protests relating to small business size status are subject to the procedures of ~~19.302~~19.201-2. An interested party seeking to protest both the small business size and WOSB or EDWOSB status of an apparent successful offeror shall file two separate protests.

(d) All protests shall be in writing and must state all specific grounds for the protest.

(1) SBA will consider protests challenging the status of a concern if—

(i) The protest presents evidence that the concern is not at least 51 percent owned and controlled by one or more women who are United States citizens;

(ii) The protest presents evidence that the concern is not at least 51 percent owned and controlled by one or more economically disadvantaged women who are United States citizens, when it is in connection with an EDWOSB contract; or

(iii) For WOSB or EDWOSB set-aside or sole-source service contracts or orders, the protest presents evidence that the prime contractor is unduly reliant on a small entity subcontractor that is not a similarly-situated entity as defined in ~~13 CFR 125.1~~13 CFR 125.1, or a protest alleging that such subcontractor is performing the primary and vital requirements of a set-aside or sole-source WOSB or EDWOSB contract. For allegations that the prime contractor is unduly reliant on an other-than-small subcontractor, see size protests at ~~19.302, and 13 CFR 121.103(h)(2)~~19.201-2, and 13 CFR 121.103(h)(3), which treats the pair as joint venturers for size determination purposes (the "ostensible subcontractor rule").

(2) Assertions that a protested concern is not an EDWOSB or WOSB concern eligible under the WOSB Program, without setting forth specific facts or allegations, will not be considered by SBA (see ~~13 CFR 127.603(a)~~ [13 CFR 127.603\(a\)](#)).

(e) *Protest by an interested party.*

(1) An offeror shall submit its protest to the contracting officer—

(i) To be received by the close of business by the fifth business day after bid opening for sealed bid acquisitions;

(ii) To be received by the close of business by the fifth business day after receipt of the special notification from the contracting officer (see ~~15.503(a)(2)~~ [part 15](#)) that identifies the apparently successful offeror for negotiated acquisitions including—

(A) Orders placed under multiple-award contracts where the contracting officer requested rerepresentation for the order (see ~~13 CFR 127.603(e)(1)~~ [13 CFR 127.603\(c\)\(1\)](#)); and

(B) Orders set aside for EDWOSB or WOSB concerns under multiple-award contracts that are not partially or totally set aside or reserved for EDWOSB or WOSB concerns (see ~~13 CFR 127.603(e)(1)~~ [13 CFR 127.603\(c\)\(1\)](#)), except for orders and blanket purchase agreements placed ~~under~~ [against](#) a Federal Supply Schedule contract (see ~~8.405 and 19.302(d)(5)~~ [part 8](#)); or

(iii) To be received by the close of business on the fifth business day after receipt of notification using other communication means when written notification is not required.

(2) Any protest received after the designated time limit is untimely, unless it is from the contracting officer or SBA.

(f)

(1) The contracting officer ~~shall~~ [must](#) forward all protests to SBA. The protests are to be submitted to SBA's Director for Government Contracting by email at [wosbprotest@sba.gov](mailto:wosbprotest@sba.gov).

(2) The protest shall include a referral letter written by the contracting officer with information pertaining to the solicitation. The referral letter must include the following information to allow SBA to determine timeliness and standing:

(i) The solicitation number or electronic link to or a paper copy of the solicitation.

- (ii) The name, address, telephone number, email address, and facsimile number of the contracting officer.
  - (iii) Whether the protestor submitted an offer.
  - (iv) Whether the protested concern was the apparent successful offeror.
  - (v) When the protested concern submitted its offer.
  - (vi) Whether the acquisition was conducted using sealed bid or negotiated procedures.
  - (vii) The bid opening date, if applicable.
  - (viii) The date the contracting officer received the protest.
  - (ix) The date the protestor received notification about the apparent successful offeror, if applicable.
  - (x) Whether a contract has been awarded.
- (g) SBA will notify the protester and the contracting officer of the date SBA received the protest.
- (h) *Before SBA decision.*
- (1) After receiving a protest involving the apparent successful offeror's status as an EDWOSB or WOSB concern eligible under the WOSB Program, the contracting officer ~~shall~~must either—
    - (i) Withhold award of the contract until SBA determines the status of the protested concern; or
    - (ii) Award the contract after receipt of the protest but before SBA issues its decision if the contracting officer determines in writing that an award must be made to protect the public interest.
  - (2) SBA will determine the merits of the status protest within 15 business days after receipt of a protest, or within any extension of that time granted by the contracting officer.
  - (3) If SBA does not issue its determination within 15 business days, or within any extension of time granted, the contracting officer may award the contract after determining in writing that there is an immediate need to award the contract and that waiting until SBA makes its determination will be disadvantageous to the Government. This determination ~~shall~~must be provided to the SBA Director for Government Contracting and a copy ~~shall~~must be included in the contract file.



(i) *After SBA decision.* SBA will notify the contracting officer, the protester, and the protested concern of its determination. The determination is effective immediately and is final unless overturned on appeal by OHA pursuant to ~~13 CFR part 134~~ [13 CFR part 134](#).

(1) If the contracting officer has withheld contract award and SBA has denied or dismissed the protest, the contracting officer may award the contract to the protested concern. If OHA subsequently overturns the SBA Director for Government Contracting's determination or dismissal, the contracting officer may apply the OHA decision to the procurement in question.

(2) If the contracting officer has withheld contract award, SBA has sustained the protest and determined that the concern is not eligible under the WOSB Program, and no OHA appeal has been filed, then the contracting officer ~~shall~~[must](#) not award the contract to the protested concern.

(3) If the contracting officer has made a written determination in accordance with (h)(1)(ii) or (h)(3) of this section, awarded the contract, and SBA's ruling is received after award, and no OHA appeal has been filed, then—

(i) The contracting officer ~~shall~~[must](#) terminate the contract, unless the contracting officer has made a written determination that termination is not in the best interests of the Government. However, the contracting officer ~~shall~~[must](#) not exercise any options or award further task or delivery orders;

(ii) The contracting officer ~~shall~~[must](#) update the FPDS to reflect the final SBA decision; and

(iii) SBA will remove the concern's designation in the ~~Dynamic~~ Small Business Search (~~DSBS~~[SBS](#)) as an EDWOSB or WOSB concern eligible under the WOSB Program. The concern shall not submit an offer as an EDWOSB concern or WOSB concern eligible under the WOSB Program, until SBA issues a decision that the ineligibility is resolved.

(4) If the contracting officer has made a written determination in accordance with (h)(1)(ii) or (h)(3) of this section, contract award has occurred, SBA has sustained the protest and determined that the concern is not eligible under the WOSB Program, and a timely OHA appeal has been filed, then the contracting officer ~~shall~~[must](#) consider whether performance can be suspended until an OHA decision is rendered.

(5) If OHA affirms the SBA Director for Government Contracting's determination finding the protested concern is ineligible, then—

(i) The contracting officer ~~shall~~[must](#) terminate the contract, unless the contracting officer has made a written determination that termination is not in the best interests of the Government. However, the contracting officer ~~shall~~[must](#) not exercise any options or award further task or delivery orders;

(ii) The contracting officer ~~shall~~must update the FPDS to reflect OHA's decision; and

(iii) SBA will remove the concern's designation in ~~DSBS~~SBS as an EDWOSB or WOSB concern eligible under the WOSB Program. The concern shall not submit an offer as an EDWOSB concern or WOSB concern eligible under the WOSB Program, until SBA issues a decision that the ineligibility is resolved or OHA finds the concern is eligible on appeal.

*(j) Appeals of EDWOSB or WOSB concerns eligible under the WOSB Program status determinations.*

(1) The protested EDWOSB concern or WOSB concern eligible under the WOSB program, the protester, or the contracting officer may file an appeal of a WOSB or EDWOSB status protest determination with OHA.

(2) OHA must receive the appeal no later than 10 business days after the date of receipt of the protest determination. SBA will dismiss an untimely appeal.

(3) See subpart G “Rules of Practice for Appeals From Women-Owned Small Business Concerns (WOSB) and Economically Disadvantaged WOSB Concern (EDWOSB) Protests” at ~~13 CFR 134.701~~13 CFR 134.701 through ~~134.715~~134.715 for SBA's appeals regulations.

*(k) The appeal must be in writing.* The appeal must identify the protest determination being appealed and must set forth a full and specific statement as to why the EDWOSB concern or WOSB concern eligible under the WOSB program protest determination is alleged to be based on a clear error of fact or law, together with an argument supporting such allegation.

*(l) The party appealing the decision must provide notice of the appeal to—*

(1) The contracting officer;

(2) Director, Office of Government Contracting, U.S. Small Business Administration, by email at [wosbprotest@sba.gov](mailto:wosbprotest@sba.gov)<sup>2</sup>;

(3) The protested EDWOSB concern or WOSB concern eligible under the WOSB program, or the original protester, as appropriate; and

(4) SBA's Office of General Counsel, Associate General Counsel for Procurement Law, U.S. Small Business Administration, 409 Third Street SW., Washington, DC 20416, or email at [OPLService@sba.gov](mailto:OPLService@sba.gov).

*(m)* OHA will make its decision within 15 business days of the receipt of the appeal, if practicable. SBA will provide a copy of the decision to the contracting officer, the protester, and the protested EDWOSB concern or WOSB concern eligible under the WOSB program. The OHA decision is the final agency decision and is binding on the parties.

### 19.201-7 Protesting an 8(a) participant's eligibility or size status.

(a) The eligibility of an 8(a) participant for a sole source or competitive 8(a) requirement may not be challenged by another 8(a) participant or any other party, either to SBA or any administrative forum as part of a bid or other contract protest (see 13 CFR 124.517).

~~[79 FR 43587, July 25, 2014, as amended at 80 FR 81891, Dec. 31, 2015; 83 FR 48697, Sept. 26, 2018; 87 FR 58240, Sept. 23, 2022; 88 FR 9737, Feb. 14, 2023; 89 FR 13957, Feb. 23, 2024; 89 FR 61337, July 30, 2024]~~

## ~~19.309 Solicitation provisions and contract clauses.~~

~~(a)~~

~~(1) Insert the provision at 52.219-1, Small Business Program Representations, in solicitations exceeding the micro-purchase threshold when the contract is for supplies to be delivered or services to be performed in the United States or its outlying areas, or when the contracting officer has applied this part in accordance with 19.000(b)(1)(ii).~~

~~(2) Use the provision with its Alternate I in solicitations issued by DoD, NASA, or the Coast Guard.~~

~~(3) Use the provision with its Alternate II in solicitations that will result in a multiple-award contract with more than one NAICS code assigned. This is authorized for solicitations issued after October 1, 2028 (see 19.102(b)).~~

~~(b) When contracting by sealed bidding, insert the provision at 52.219-2, Equal Low Bids, in solicitations when the contract is for supplies to be delivered or services to be performed in the United States or its outlying areas, or when the contracting officer has applied this part in accordance with 19.000(b)(1)(ii).~~ The size status of an 8(a) participant nominated for an 8(a) sole source contract may not be protested by another 8(a) participant or any other party.

(c) The size status of the apparent successful offeror for competitive 8(a) awards may be protested. The filing of a size status protest is limited to—

(1) Any offeror whom the contracting officer has not eliminated for reasons unrelated to size;

~~(e2)~~ The contracting officer; or

(3) The SBA District Director in either the district office serving the geographical area in which the contracting activity is located or the district office that services the apparent successful offeror, or the Associate Administrator for Business Development.

(d) Protests of competitive 8(a) awards shall follow the procedures at 19.201-2. For additional information, refer to 13 CFR 121.1001.

(e) If the size status of an 8(a) participant nominated for award of an 8(a) sole source contract is called into question, a request for a formal size determination may be submitted to SBA pursuant to 13 CFR 121.1001(b)(2)(ii) by—

(1) The 8(a) participant nominated for award of the particular sole source contract;

(2) The contracting officer who has been delegated SBA's 8(a) contract execution functions, where applicable, or the SBA program official with authority to execute the 8(a) contract;

(3) The SBA District Director in the district office that services the 8(a) participant or the Associate Administrator for Business Development; or

(4) The SBA Inspector General.

(f) SBA's Government Contracting Area Director will issue a formal size determination within 15 business days, if possible, after SBA receives the request for a formal size determination.

(g) An appeal of an SBA size determination shall follow the procedures at 19.201-2.

#### **19.202 Encouraging small business responses.**

Contracting officers must provide to any small business concern, upon its request—

(a) A copy of solicitations with respect to any contract to be awarded;

(b) The name and telephone number of an agency contact to answer questions related to the prospective contract; and

(c) Adequate citations to each major Federal law or agency rule with which the business concern must comply in performing the contract, other than laws or agency rules with which the small business must comply even when doing business with entities other than the Government.

#### **19.203 Equal low bids.**

(a) In the event of equal low bids (see 14.408-6), make awards first to small business concerns that are also labor surplus area concerns, and second to small business concerns that are not also labor surplus area concerns.

(b) Insert the provision at 52.219-2, Equal Low Bids, in solicitations when contracting by sealed bidding and—

(1) ~~Insert the clause at 52.219-28, Postaward Small Business Program Rerepresentation, in solicitations and contracts exceeding the micro-purchase threshold when the~~The contract is for supplies to be delivered or services to be performed in the United States or its outlying areas, ~~or when the contracting officer has applied this part in accordance with 19.000(b)(1)(ii); or~~

(2) ~~Use the clause with its Alternate I in solicitations and the resulting multiple-award contracts with more than one NAICS code. This is authorized for solicitations issued after October 1, 2028 (see 19.102(b)).~~

~~[64 FR 51832, Sept. 24, 1999, as amended at 67 FR 13066, Mar. 20, 2002; 68 FR 28081, May 22, 2003. Redesignated at 69 FR 25277, May 5, 2004, as amended at 72 FR 36855, July 5, 2007. Redesignated at 76 FR 18309, Apr. 1, 2011; 79 FR 61750, Oct. 14, 2014; 85 FR 11760, Feb. 27, 2020; 87 FR 24843, Apr. 26, 2022; 87 FR 58244, Sept. 23, 2022; 89 FR 70298, Aug. 29, 2024; 90 FR 522, Jan. 3, 2025]~~

## **~~Subpart 19.4—Cooperation With the Small Business Administration~~**

### **~~19.401 General.~~**

(a) ~~The Small Business Act is the authority under which the Small Business Administration (SBA) and agencies consult and cooperate with each other in formulating policies to ensure that small business interests will be recognized and protected.~~

(b) ~~The Director of the Office of Small and Disadvantaged Business Utilization serves as the agency focal point for interfacing with SBA. The Director of the Office of Small Business Programs is the agency focal point for the Department of Defense.~~

~~[48 FR 42240, Sept. 19, 1983, as amended at 60 FR 48261, Sept. 18, 1995; 85 FR 11760, Feb. 27, 2020]~~

### **~~19.402 Small Business Administration procurement center representatives.~~**

(a)

(1) ~~The SBA may assign one or more procurement center representatives (PCRs) to any contracting activity or contract administration office to carry out SBA policies and programs. Assigned SBA PCRs are required to comply with the contracting agency's directives governing the conduct of contracting personnel and the release of contract information. The SBA must obtain for its PCRs security clearances required by the contracting agency.~~

~~(2) If an SBA PCR is not assigned to the procuring activity or contract administration office, contact the SBA Office of Government Contracting Area Office serving the area in which the procuring activity is located for assistance in carrying out SBA policies and programs. See <https://www.sba.gov/federal-contracting/counseling-help/procurement-center-representative-directory> for the location of the SBA office servicing the activity.~~

~~(b) Upon their request and subject to applicable acquisition and security regulations, contracting officers shall give SBA PCRs (or, if a PCR is not assigned, see paragraph (a) of this section) access to all reasonably obtainable contract information that is directly pertinent to their official duties.~~

~~(c) The duties assigned by SBA to its PCR are set forth at 13 CFR 125.2(b) and include but are not limited to the following:~~

~~(1) Reviewing proposed acquisitions to recommend —~~

~~(i) The set-aside or sole-source award to a small business of selected acquisitions;~~

~~(ii) New qualified small business sources, including veteran-owned small, service-disabled veteran-owned small, HUBZone small, small disadvantaged, economically disadvantaged women-owned small, and women-owned small eligible under the Women-Owned Small Business Program;~~

~~(iii) Breakout of discrete components, items, and requirements for competitive acquisitions; and~~

~~(iv) Ways to improve competition.~~

~~(2) Reviewing proposed acquisition packages provided in accordance with 19.202-1(e). If the SBA procurement center representative (or, if a procurement center representative is not assigned, see paragraph (a) of this section) believes that the acquisition, as proposed, makes it unlikely that small businesses can compete for the prime contract, the representative shall recommend any alternate contracting method that the representative reasonably believes will increase small business prime contracting opportunities. The recommendation shall be made to the contracting officer within 15 days after receipt of the package.~~

~~(3) Recommending concerns for inclusion on a list of concerns to be solicited in a specific acquisition.~~

~~(4) Appealing to the chief of the contracting office any contracting officer's determination not to solicit a concern recommended by the SBA for a particular acquisition, when not doing so results in no small business being solicited.~~

~~(5) Conducting periodic reviews of the contracting activity to which assigned to ascertain whether it is complying with the small business policies in this regulation.~~

~~(6) Sponsoring and participating in conferences and training designed to increase small business participation in the contracting activities of the office.~~

~~(7) Appealing a contracting officer's rejection of PCR's recommendation. Such appeal must be in writing and shall be filed and processed in accordance with the appeal procedures set out in 19.502-8.~~

~~[48 FR 42240, Sept. 19, 1983, as amended at 51 FR 19715, May 30, 1986; 56 FR 67132, Dec. 27, 1991; 60 FR 48261, Sept. 18, 1995; 63 FR 70269, Dec. 18, 1998; 65 FR 60545, Oct. 11, 2000; 68 FR 43856, July 24, 2003; 71 FR 36925, June 28, 2006; 76 FR 18310, Apr. 1, 2011; 77 FR 204, Jan. 3, 2012; 79 FR 43588, July 25, 2014; 85 FR 11760, Feb. 27, 2020; 86 FR 44248, Aug. 11, 2021]~~

## **~~19.403 [Reserved]~~**

# **~~Subpart 19.5—Small Business Total Set Asides, Partial Set Asides, and Reserves~~**

## **~~19.501 General.~~**

~~(a)~~

~~(1) The purpose of small business set-asides is to award certain acquisitions exclusively to small business concerns. A “set aside for small business” is the limiting of an acquisition exclusively for participation by small business concerns. A small business set-aside may be open to any of the small business concerns identified at 19.000(a)(3). A small business set-aside of a single acquisition or a class of acquisitions may be total or partial.~~

~~(2) The purpose of small business reserves is to award one or more multiple-award contracts to any of the small business concerns identified at 19.000(a)(3), under a full and open competition. A small business reserve shall not be used when the acquisition can be set aside, in total or in part.~~

~~(b) The contracting officer makes the determination to make a small business set-aside, in total or in part, or a reserve. The Small Business Administration (SBA) procurement center representative (PCR) (or, if a PCR is not assigned, see 19.402(a)) may make a recommendation to the contracting officer.~~

~~(c) The contracting officer shall review acquisitions to determine if they can be set aside, in total or in part, or reserved for small business, giving consideration to the recommendations of agency personnel in the Office of Small and Disadvantaged Business Utilization, or for the Department of Defense, in the Office of Small Business Programs. Agencies may establish threshold levels for this review depending upon their needs.~~

~~(d) At the request of an SBA PCR (or, if a PCR is not assigned, see 19.402(a)), the contracting officer shall make available for review at the contracting office (to the extent of the SBA representative's security clearance) any proposed acquisition in excess of the micro-purchase threshold.~~

~~(e) All solicitations involving set-asides, in total or in part, or reserves shall specify the NAICS code(s) and corresponding size standard(s) (see 19.102).~~

~~(f) Except as authorized by law, a contract may not be awarded as a result of a small business set-aside if the cost to the awarding agency exceeds the fair market price.~~

~~(g) For the applicability of the limitations on subcontracting and the nonmanufacturer rule, see 19.505.~~

~~[85 FR 11760, Feb. 27, 2020, as amended at 86 FR 44248, Aug. 11, 2021]~~

## ~~19.502 Setting aside acquisitions.~~

### ~~19.502-1 Requirements for setting aside acquisitions.~~

~~(a) The contracting officer shall set aside an individual acquisition or class of acquisitions for competition among small businesses when—~~

~~(1) It is determined to be in the interest of maintaining or mobilizing the Nation's full productive capacity, war or national defense programs; or~~

~~(2) Assuring that a fair proportion of Government contracts in each industry is placed with small business concerns; and the circumstances described in 19.502-2 or 19.502-3(a) exist.~~

~~(b) The requirement in paragraph (a) of this section does not apply to purchases at or below the micro-purchase threshold, or purchases from required sources under part 8 (e.g., Committee for Purchase From People Who are Blind or Severely Disabled).~~

~~[63 FR 70270, Dec. 18, 1998, as amended at 67 FR 56121, Aug. 30, 2002; 68 FR 4050, Jan. 27, 2003; 69 FR 8314, Feb. 23, 2004; 69 FR 16150, Mar. 26, 2004; 71 FR 57367, Sept. 28, 2006; 80 FR 38298, July 2, 2015; 85 FR 11761, Feb. 27, 2020; 85 FR 27090, May 6, 2020]~~

### ~~19.502-2 Total small business set-asides.~~

~~(a) Before setting aside an acquisition under this paragraph, refer to 19.203(b). Each acquisition of supplies or services that has an anticipated dollar value above the micro-purchase threshold, but not over the simplified acquisition threshold, shall be set aside for small business unless the contracting officer determines there is not a reasonable expectation of~~



~~obtaining offers from two or more responsible small business concerns that are competitive in terms of fair market prices, quality, and delivery. If the contracting officer receives only one acceptable offer from a responsible small business concern in response to a set aside, the contracting officer should make an award to that firm. If the contracting officer receives no acceptable offers from responsible small business concerns, the set aside shall be withdrawn and the requirement, if still valid, shall be resolicited on an unrestricted basis. The small business set aside does not preclude the award of a contract as described in 19.203.~~

~~(b) Before setting aside an acquisition under this paragraph, refer to 19.203(e). The contracting officer shall set aside any acquisition over the simplified acquisition threshold for small business participation when there is a reasonable expectation that—~~

~~(1) Offers will be obtained from at least two responsible small business concerns; and~~

~~(2) Award will be made at fair market prices. Total small business set-asides shall not be made unless such a reasonable expectation exists (see 19.502-3 for partial set-asides). Although past acquisition history and market research of an item or similar items are always important, these are not the only factors to be considered in determining whether a reasonable expectation exists. In making research and development small business set-asides, there must also be a reasonable expectation of obtaining from small businesses the best scientific and technological sources consistent with the demands of the proposed acquisition for the best mix of cost, performances, and schedules.~~

~~[60 FR 34757, July 3, 1995]~~

#### **Editorial Note**

**Editorial Note:** For Federal Register citations affecting section 19.502-2, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at [www.govinfo.gov](http://www.govinfo.gov).

### **~~19.502-3 Partial set-asides of contracts other than multiple-award contracts.~~**

~~(a) The contracting officer shall set aside a portion or portions of an acquisition, except for construction, for exclusive small business participation when—~~

~~(1) Market research indicates that a total set aside is not appropriate (see 19.502-2);~~

~~(2) The requirement can be divided into distinct portions;~~

~~(3) The acquisition is not subject to simplified acquisition procedures;~~

~~(4) Two or more responsible small business concerns are reasonably expected to submit offers on the set-aside portion or portions of the acquisition that are competitive in terms of fair market prices, quality, and delivery;~~

~~(5) The specific program eligibility requirements identified in this part apply; and~~

~~(6) The solicitation will result in a contract other than a multiple-award contract (see 2.101 for definition of multiple-award contract).~~

~~(b) When the contracting officer determines that a requirement is to be partially set aside, the solicitation shall identify which portion or portions are set aside and not set aside.~~

~~(c) The contracting officer shall specify in the solicitation how offers shall be submitted with regard to the set-aside and non-set-aside portions.~~

~~(d) Offers received from concerns that do not qualify as small business concerns shall be considered nonresponsive and shall be rejected on the set-aside portion of partial set-asides. However, before rejecting an offer otherwise eligible for award because of questions concerning the size representation, an SBA determination must be obtained (see subpart 19.3).~~

[85 FR 11761, Feb. 27, 2020]

## **~~19.502-4 Partial set-asides of multiple-award contracts.~~**

~~(a) In accordance with section 1331 of the Small Business Jobs Act of 2010 (15 U.S.C. 644(r)(1)), contracting officers may, at their discretion, set aside a portion or portions of a multiple-award contract, except for construction, for any of the small business concerns identified at 19.000(a)(3) when—~~

~~(1) Market research indicates that a total set-aside is not appropriate (see 19.502-2);~~

~~(2) The requirement can be divided into distinct portions;~~

~~(3) The acquisition is not subject to simplified acquisition procedures;~~

~~(4) Two or more responsible small business concerns are reasonably expected to submit an offer on the set-aside portion or portions of the acquisition that are competitive in terms of fair market prices, quality, and delivery; and~~

~~(5) The specific program eligibility requirements identified in this part apply.~~

~~(b) When the contracting officer determines that a requirement is to be partially set aside, the solicitation shall identify which portion or portions are set aside and not set aside.~~

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

~~(c) The contracting officer shall specify in the solicitation how offers shall be submitted with regard to the set aside and non-set aside portions.~~

~~(d) Offers received from concerns that do not qualify as small business concerns shall be considered nonresponsive and shall be rejected on the set aside portion of partial set-asides. However, before rejecting an offer otherwise eligible for award because of questions concerning the size representation, an SBA determination must be obtained (see subpart 19.3).~~

[85 FR 11761, Feb. 27, 2020]

## **~~19.502-5 Insufficient reasons for not setting aside an acquisition.~~**

~~None of the following is, in itself, sufficient cause for not setting aside an acquisition:~~

~~(a) A large percentage of previous contracts for the required item(s) has been placed with small business concerns.~~

~~(b) The item is on an established planning list under the Industrial Readiness Planning Program. However, a total small business set aside shall not be made when the list contains a large business Planned Emergency Producer of the item(s) who has conveyed a desire to supply some or all of the required items.~~

~~(c) The item is on a Qualified Products List. However, a total small business set aside shall not be made if the list contains the products of large business unless none of the large businesses desires to participate in the acquisition.~~

~~(d) A period of less than 30 days is available for receipt of offers.~~

~~(e) The acquisition is classified.~~

~~(f) Small business concerns are already receiving a fair proportion of the agency's contracts for supplies and services.~~

~~(g) A class small business set aside of the item or service has been made by another contracting activity.~~

~~(h) A "brand name or equal" product description will be used in the solicitation.~~

~~[48 FR 42240, Sept. 19, 1989, as amended at 63 FR 70270, 70292, Dec. 18, 1998. Redesignated at 76 FR 68035, Nov. 2, 2011. Redesignated and amended at 85 FR 11762, Feb. 27, 2020]~~

## **~~19.502-6 Setting aside a class of acquisitions for small business.~~**

~~(a) A class of acquisitions of selected products or services, or a portion of the acquisitions, may be set aside for exclusive participation by small business concerns if individual acquisitions in the class will meet the criteria in 19.502-1, 19.502-2, or 19.502-3(a). The determination to make a class small business set aside shall not depend on the existence of a current acquisition if future acquisitions can be clearly foreseen.~~

~~(b) The determination to set aside a class of acquisitions for small business may be either unilateral or joint.~~

~~(c) Each class small business set aside determination shall be in writing and must—~~

~~(1) Specifically identify the product(s) and service(s) it covers;~~

~~(2) Provide that the set aside does not apply to any acquisition automatically under 19.502-2(a).~~

~~(3) Provide that the set aside applies only to the (named) contracting office(s) making the determination; and~~

~~(4) Provide that the set aside does not apply to any individual acquisition if the requirement is not severable into two or more economic production runs or reasonable lots, in the case of a partial class set aside.~~

~~(d) The contracting officer shall review each individual acquisition arising under a class small business set aside to identify any changes in the magnitude of requirements, specifications, delivery requirements, or competitive market conditions that have occurred since the initial approval of the class small business set aside. If there are any changes of such a material nature as to result in probable payment of more than a fair market price by the Government or in a change in the capability of small business concerns to satisfy the requirements, the contracting officer may withdraw or modify (see 19.502-9(a)) the unilateral or joint set aside by giving written notice to the SBA PCR (or, if a PCR is not assigned, see 19.402(a)) stating the reasons.~~

~~[48 FR 42240, Sept. 19, 1989, as amended at 53 FR 43390, Oct. 26, 1988; 60 FR 34757, July 3, 1995; 63 FR 70270, Dec. 18, 1998; 71 FR 36926, June 28, 2006. Redesignated and amended at 85 FR 11762, Feb. 27, 2020]~~

## **~~19.502-7 Inclusion of Federal Prison Industries, Inc.~~**

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

~~When using competitive procedures in accordance with 8.602(a)(4), agencies shall include Federal Prison Industries, Inc. (FPI), in the solicitation process and consider a timely offer from FPI.~~

~~[69 FR 16150, Mar. 26, 2004, as amended at 71 FR 223, Jan. 3, 2006. Redesignated at 85 FR 11762, Feb. 27, 2020]~~

## **~~19.502-8 Rejecting Small Business Administration recommendations.~~**

~~(a) If the contracting officer rejects a recommendation of the SBA, written notice shall be furnished to the appropriate SBA representative within 5 working days of the contracting officer's receipt of the recommendation.~~

~~(b) The SBA PCR (or, if a PCR is not assigned, see 19.402(a)) may appeal the contracting officer's rejection to the head of the contracting activity within 2 working days after receiving the notice (except see 19.1305(d), 19.1405(e), and 19.1505(i)). The head of the contracting activity shall render a decision in writing, and provide it to the SBA representative within 7 working days. Pending issuance of a decision to the SBA representative, the contracting officer shall suspend action on the acquisition.~~

~~(c) If the head of the contracting activity agrees that the contracting officer's rejection was appropriate—~~

~~(1) Within 2 working days, the SBA procurement center representative (or, if a procurement center representative is not assigned, see 19.402(a)) may request the contracting officer to suspend action on the acquisition until the SBA Administrator appeals to the agency head (see paragraph (f) of this section); and~~

~~(2) The SBA must be allowed 15 working days after making such a written request, within which the Administrator of SBA—~~

~~(i) May appeal to the Secretary of the Department concerned; and~~

~~(ii) Must notify the contracting officer whether the further appeal has, in fact, been taken. If notification is not received by the contracting officer within the 15-day period, it is deemed that the SBA request to suspend the contract action has been withdrawn and that an appeal to the Secretary was not taken.~~

~~(d) When the contracting officer has been notified within the 15-day period that the SBA has appealed to the agency head, the head of the contracting activity (or designee) shall forward justification for its decision to the agency head. The contracting officer shall suspend contract action until notification is received that the SBA appeal has been settled.~~

~~(e) The agency head shall reply to the SBA within 30 working days after receiving the appeal. The decision of the agency head shall be final.~~

~~(f) A request to suspend action on an acquisition need not be honored if the contracting officer determines that proceeding to contract award and performance is in the public interest. The contracting officer shall include in the contract file a statement of the facts justifying the determination, and shall promptly notify the SBA representative of the determination and provide a copy of the justification.~~

~~[60 FR 48261, Sept. 18, 1995, as amended at 67 FR 13054, Mar. 20, 2002; 71 FR 36926, June 28, 2006. Redesignated and amended at 85 FR 11762, Feb. 27, 2020; 86 FR 44248, Aug. 11, 2021; 87 FR 58241, Sept. 23, 2022; 89 FR 13957, Feb. 23, 2024]~~

## **~~19.502-9 Withdrawing or modifying small business set-asides.~~**

~~(a) If, before award of a contract involving a total or partial small business set-aside, the contracting officer considers that award would be detrimental to the public interest (e.g., payment of more than a fair market price), the contracting officer may withdraw the small business set-aside, whether it was unilateral or joint. The contracting officer shall initiate a withdrawal of an individual total or partial small business set-aside, by giving written notice to the agency small business specialist and the SBA PCR (or, if a PCR is not assigned, see 19.402(a)) stating the reasons. In a similar manner, the contracting officer may modify a unilateral or joint class small business set-aside to withdraw one or more individual acquisitions.~~

~~(b) If the agency small business specialist does not agree to a withdrawal or modification, the case shall be promptly referred to the SBA PCR (or, if a PCR is not assigned, see 19.402(a)) for review.~~

~~(c) The contracting officer shall prepare a written statement supporting any withdrawal or modification of a small business set-aside and include it in the contract file.~~

~~[60 FR 48262, Sept. 18, 1995, as amended at 63 FR 70270, Dec. 18, 1998; 71 FR 36926, June 28, 2006. Redesignated and amended at 85 FR 11762, Feb. 27, 2020]~~

## **~~19.502-10 Automatic dissolution of a small business set-aside.~~**

~~(a) If a small business set-aside acquisition or portion of an acquisition is not awarded, the unilateral or joint determination to set the acquisition aside is automatically dissolved for the unawarded portion of the set-aside. The required supplies and/or services for which no award was made may be acquired by sealed bidding or negotiation, as appropriate.~~

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

~~(b) Before issuing a solicitation for the items called for in a small business set aside that was dissolved, the contracting officer shall ensure that the delivery schedule is realistic in the light of all relevant factors, including the capabilities of small business concerns.~~

~~[48 FR 42240, Sept. 19, 1983, as amended at 50 FR 1743, Jan. 11, 1985; 50 FR 52429, Dec. 23, 1985; 63 FR 70270, Dec. 18, 1998. Redesignated at 85 FR 11762, Feb. 27, 2020]~~

## ~~19.502-11 Solicitation notice regarding administration of change orders for construction.~~

~~See 36.211 for the requirement to provide a notice to offerors regarding definitization of equitable adjustments for change orders under construction contracts.~~

~~[87 FR 58231, Sept. 23, 2022]~~

## ~~19.503 Reserves.~~

~~(a) In accordance with section 1331 of the Small Business Jobs Act of 2010 (15 U.S.C. 644(r)(3)) and 13 CFR 125.2(e)(4), contracting officers may, at their discretion when conducting multiple award procurements using full and open competition, reserve one or more contract awards for any of the small business concerns identified in 19.000(a)(3), when market research indicates—~~

~~(1) A total set aside is not feasible because there is no reasonable expectation of receiving offers that are competitive in terms of fair market prices, quality, and delivery from at least two responsible small business concerns identified in 19.000(a)(3), that can perform the entire requirement; and~~

~~(2) A partial set aside is not feasible because—~~

~~(i) The contracting officer is unable to divide the requirement into distinct portions; or~~

~~(ii) There is no reasonable expectation that at least two responsible small business concerns identified in 19.000(a)(3) can perform any portion of the requirement competitively in terms of fair market price, quality, and delivery.~~

~~(b) A reserve will result in one of the following:~~

~~(1) One or more contract awards to any one or more types of small business concerns identified in 19.000(a)(3).~~

~~(2) In the case of a solicitation of a bundled requirement that will result in a multiple-award contract, an award to one or more small businesses with a Small Business Teaming Arrangement.~~

~~(c) The specific program eligibility requirements identified in this part apply.~~

~~(d) The limitations on subcontracting and the nonmanufacturer rule (see 19.505) do not apply to reserves at the contract level, but shall apply to orders that are set aside or issued directly to one small business concern under 19.504(c)(1)(ii).~~

~~[85 FR 11762, Feb. 27, 2020]~~

## ~~19.504 Orders under multiple-award contracts.~~

~~(a) **General.** In accordance with section 1331 of the Small Business Jobs Act of 2010 (15 U.S.C. 644(r)(2)), contracting officers may, at their discretion, set aside orders placed under multiple-award contracts for any of the small business concerns identified in 19.000(a)(3).~~

~~(1) The contracting officer shall state in the solicitation and resulting contract whether order set-asides will be discretionary or mandatory when the conditions in 19.502-2 are met at the time of order set aside, and the specific program eligibility requirements, as applicable, are also then met.~~

~~(2) When setting aside an order at or below the simplified acquisition threshold, the contracting officer may set aside the order for any of the small business concerns identified in 19.000(a)(3).~~

~~(3) When setting aside an order above the simplified acquisition threshold, the contracting officer shall first consider setting aside the order for the small business socioeconomic contracting programs (*i.e.*, 8(a), HUBZone, service-disabled veteran-owned small business, and women-owned small business) before considering a small business set aside.~~

~~(4) The contracting officer shall comply with the specific program eligibility requirements identified in this part in addition to the ordering procedures for a multiple-award contract (for orders placed under the Federal Supply Schedules Program, see 8.405-5; for orders placed under all other multiple-award contracts, see 16.505).~~

### ~~(b) **Orders under set-aside contracts.**~~

~~(1) **Orders under total set-aside contracts.** Under a total small business set aside, contracting officers may at their discretion set aside orders for any of the small business socioeconomic concerns identified in 19.000(a)(3) provided that the requirements at paragraph (a) of this section, 19.502-2(b), and the specific program eligibility requirements are met.~~



~~(2) **Orders under partial set aside contracts.**~~

~~(i) Only small business concerns awarded contracts for the portion(s) that were set aside under the solicitation for the multiple award contract may compete for orders issued under those portion(s).~~

~~(ii) Small business awardees may compete against other than small business awardees for an order issued under the portion of the multiple award contract that was not set aside, if the small business received a contract award for the non set aside portion.~~

~~(c) **Orders under reserves.**~~

~~(1) The contracting officer may—~~

~~(i) Set aside orders for any of the small business concerns identified in 19.000(a)(3) when there are two or more contract awards for that type of small business concern; or~~

~~(ii) Issue orders directly to one small business concern for work that it can perform when there is only one contract award to any one type of small business concern identified in 19.000(a)(3).~~

~~(2) Small business awardees may compete against other than small business awardees for an order that is not set aside if the small business received a contract award for the supplies or services being ordered.~~

[85 FR 11762, Feb. 27, 2020, as amended 88 FR 9738, Feb. 14, 2023]

## ~~**19.505 Limitations on subcontracting and nonmanufacturer rule.**~~

~~(a) **Applicability.**~~

~~(1) This section applies to small business set asides above the simplified acquisition threshold and orders issued directly to a small business in accordance with 19.504(e)(1)(ii) above the simplified acquisition threshold.~~

~~(2) This section applies, regardless of dollar value, to the following awards under subparts 19.8, 19.13, 19.14, and 19.15:~~

~~(i) Contracts that are set aside.~~

~~(ii) Contracts that are awarded on a sole source basis.~~

~~(iii) Orders that are set aside as described in 8.405-5 and 16.505(b)(2)(i)(F).~~

~~(iv2) Orders that are issued directly~~The contracting officer has applied this part in accordance with ~~19.504~~19.000(~~eb~~)(1)(ii).

~~(v) Contracts that use the HUBZone price evaluation preference to award to a HUBZone small business concern unless the concern waived the evaluation preference.~~

~~(b)~~

~~(1) **Limitations on subcontracting.** A small business concern subject to the limitations on subcontracting is required to comply with the following:~~

~~(i) For a contract or order assigned a North American Industry Classification System (NAICS) code for services (except construction), the concern will not pay more than 50 percent of the amount paid by the Government for contract performance to subcontractors that are not similarly situated entities. Any work that a similarly situated entity further subcontracts will count towards the concern's 50 percent subcontract amount that cannot be exceeded. When a contract includes both services and supplies, the 50 percent limitation shall apply only to the service portion of the contract.~~

~~(ii) For a contract or order assigned a NAICS code for supplies or products (other than a procurement from a nonmanufacturer of such supplies or products), the concern will not pay more than 50 percent of the amount paid by the Government for contract performance, excluding the cost of materials, to subcontractors that are not similarly situated entities. Any work that a similarly situated entity further subcontracts will count towards the concern's 50 percent subcontract amount that cannot be exceeded. When a contract includes both supplies and services, the 50 percent limitation shall apply only to the supply portion of the contract.~~

~~(iii) For a contract or order assigned a NAICS code for general construction, the concern will not pay more than 85 percent of the amount paid by the Government for contract performance, excluding the cost of materials, to subcontractors that are not similarly situated entities. Any work that a similarly situated entity further subcontracts will count towards the concern's 85 percent subcontract amount that cannot be exceeded.~~

~~(iv) For a contract or order assigned a NAICS code for construction by special trade contractors, the concern will not pay more than 75 percent of the amount paid by the Government for contract performance, excluding the cost of materials, to subcontractors that are not similarly situated entities. Any work that a similarly situated entity further subcontracts will count towards the concern's 75 percent subcontract amount that cannot be exceeded.~~

~~(2) **Compliance period.** A small business contractor subject to the limitations on subcontracting is required to comply with the limitations on subcontracting—~~

~~(i) For a contract that has been set aside, either by the end of the base term and then by the end of each subsequent option period, or by the end of the performance period for each order issued under the contract, at the contracting officer's discretion; and~~

~~(ii) For an order set aside under a contract as described in 19.504(a), (b), or (c)(1)(i) or an order issued in accordance with 19.504(c)(1)(ii), by the end of the performance period for the order.~~

~~(c) **Nonmanufacturer rule.** The nonmanufacturer rule applies to nonmanufacturers in accordance with paragraph (c)(1) of this section and to kit assemblers who are nonmanufacturers in accordance with paragraph (c)(2) of this section.~~

~~(1) **Nonmanufacturers.** Any concern, including a supplier, that is awarded a contract or order subject to the nonmanufacturer rule, other than a construction or service acquisition, but proposes to furnish an end item that it did not itself manufacture, process, or produce (*i.e.*, a “nonmanufacturer”), is required to—~~

~~(i) Provide an end item that a small business has manufactured, processed, or produced in the United States or its outlying areas (see paragraph (c)(3) of this section for determining the manufacturer of an end item);~~

~~(ii) Not exceed 500 employees, or 150 employees for information technology value-added resellers under NAICS code 541519;~~

~~(iii) Be primarily engaged in the retail or wholesale trade and normally sell the type of item being supplied; and~~

~~(iv) Take ownership or possession of the item(s) with its personnel, equipment, or facilities in a manner consistent with industry practice; for example, providing storage, transportation, or delivery.~~

~~(2) **Kit assemblers.** When the end item being acquired is a kit of supplies—~~

~~(i) The offeror may not exceed 500 employees, or 150 employees for information technology value-added resellers under NAICS code 541519; and~~

~~(ii) At least 50 percent of the total cost of the components of the kit shall be manufactured, processed, or produced in the United States or its outlying areas by business concerns that are small under the size standards for the NAICS codes of the components of the kit.~~

~~(3) **Identification of manufacturers.** For the purposes of applying the nonmanufacturer rule, the manufacturer, processor, or producer is the concern that manufactures, processes, or produces an end item with its own facilities (*i.e.*, transforms raw materials, miscellaneous parts, or components into the end item being acquired). See 13 CFR 121.406(b)(2).~~

~~(4) **Waiver of nonmanufacturer rule.**~~

~~(i) The SBA may grant an individual or a class waiver to the nonmanufacturer rule to allow a nonmanufacturer to provide an end item of an other than small business without regard to the place of manufacture, processing, or production.~~

~~(A) **Class waiver.** An agency may request that SBA waive the requirement at paragraph (c)(1)(i) or (c)(2)(ii) of this section for a specific product or class of products. See 13 CFR 121.1202 for an explanation of when SBA will issue a class waiver.~~

~~(B) **Individual waiver.** The contracting officer may also request a waiver of the requirements at paragraph (c)(1)(i) or (c)(2)(ii) of this section for an individual acquisition once the contracting officer determines through market research that no known small business manufacturers, processors, or producers in the United States or its outlying areas can reasonably be expected to offer an end item meeting the requirements of the solicitation. This type of waiver is known as an individual waiver and would apply only to a specific acquisition.~~

~~(ii) **Waiver requests.** Requests for waivers shall include the content specified at 13 CFR 121.1204 and shall be sent via email to [nmrwaivers@sba.gov](mailto:nmrwaivers@sba.gov) or by mail to the Director, Office of Government Contracting, Small Business Administration, 409 Third Street SW, Washington, DC 20416.~~

~~(iii) **List of class waivers.** For the most current listing of class waivers, contact the SBA Office of Government Contracting or go to <https://www.sba.gov/document/support-non-manufacturer-rule-class-waiver-list>.~~

~~(iv) **Notification of waiver.** The contracting officer shall provide potential offerors with written notification of any class or individual waiver in the solicitation. If providing the notification after solicitation issuance, the contracting officer shall provide potential offerors a reasonable amount of additional time to respond to the solicitation.~~

~~(5) **Multiple-item acquisitions.**~~

~~(i) If at least 50 percent of the estimated contract value is composed of items that are manufactured, processed, or produced by small business concerns, then a waiver of the nonmanufacturer rule is not required. There is no requirement that each item acquired in a multiple-item acquisition be manufactured, processed, or produced by a small business in the United States or its outlying areas.~~

~~(ii) If more than 50 percent of the estimated acquisition cost is composed of items manufactured, processed, or produced by other than small business concerns, then a waiver is required. SBA may grant an individual waiver for one or more items in an acquisition in order to ensure that at least 50 percent of the cost of the items to be supplied by the~~

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

~~nonmanufacturer comes from small business manufacturers, processors, and producers in the United States or its outlying areas or are subject to a waiver.~~

~~(iii) If a small business offeror is both a manufacturer of item(s) and a nonmanufacturer of other item(s) for an acquisition, the contracting officer shall apply the manufacturer size standard.~~

~~[86 FR 44241, Aug. 11, 2021, as amended at 88 FR 9738, Feb. 14, 2023]~~

## ~~19.506 Documentation requirements.~~

~~(a)~~

~~(1) The contracting officer shall document the rationale when a contract is not totally set aside for small business in accordance with 19.502-2.~~

~~(2) The contracting officer shall document the rationale when a multiple-award contract is not partially set aside, not reserved, and does not allow for setting aside of orders, when these authorities could have been used.~~

~~(b) If applicable, the documentation shall include the rationale for not accepting the recommendations made by the agency Director of the Office of Small and Disadvantaged Business Utilization, or, for the Department of Defense, the Director of the Office of Small Business Programs, or the Director's designee, as to whether a particular acquisition should be awarded under subparts 19.5, 19.8, 19.13, 19.14, or 19.15.~~

~~(c) Documentation is not required if a contract award is anticipated to a small business under subpart 19.5, 19.8, 19.13, 19.14, or 19.15.~~

~~[85 FR 11763, Feb. 27, 2020]~~

## ~~19.507 Solicitation provisions and contract clauses.~~

~~(a)-(b) [Reserved]~~

~~(c) The contracting officer shall insert the clause at 52.219-6, Notice of Total Small Business Set Aside, in solicitations and contracts involving total small business set asides. This includes multiple-award contracts when orders may be set aside for any of the small business concerns identified in 19.000(a)(3), as described in 8.405-5 and 16.505(b)(2)(i)(F). Use the clause at 52.219-6 with its Alternate I when including FPI in the competition in accordance with 19.502-7.~~

~~(d) The contracting officer shall insert the clause at 52.219-7, Notice of Partial Small Business Set Aside, in solicitations and contracts involving partial small business set asides. This~~

~~includes part or parts of multiple award contracts, including those described in 38.101. Use the clause at 52.219-7 with its Alternate I when including FPI in the competition in accordance with 19.502-7.~~

~~(e) The contracting officer shall insert the clause at 52.219-14, Limitations on Subcontracting, in solicitations and contracts—~~

~~(1) For supplies, services, and construction, if any portion of the requirement is to be set aside for small business and the contract amount is expected to exceed the simplified acquisition threshold, and in any solicitations and contracts that are set aside or awarded on a sole source basis in accordance with subparts 19.8, 19.13, 19.14, or 19.15, regardless of dollar value. This includes multiple award contracts when orders may be set aside for small business concerns, as described in 8.405-5 and 16.505(b)(2)(i)(F), and when orders may be issued directly to a small business concern as described in 19.504(c)(1)(ii). For contracts that are set aside, the contracting officer shall indicate in paragraph (f) of the clause whether compliance with the limitations on subcontracting is required at the contract or order level;~~

~~(2) **Using the HUBZone price evaluation preference.** However, if the prospective contractor waived the use of the price evaluation preference, or is an other than small business, do not insert the clause in the resultant contract.~~

~~(f)~~

~~(1) The contracting officer shall insert the clause at 52.219-13, Notice of Set-Aside of Orders, in all solicitations for multiple award contracts under which orders may be set aside for any of the small business concerns identified in 19.000(a)(3), and all contracts awarded from such solicitations.~~

~~(2) The contracting officer shall insert the clause at 52.219-13 with its Alternate I in all full and open solicitations and contracts for multiple award contracts under which orders will be set aside for any of the small business concerns identified in 19.000(a)(3) if the conditions in 19.502-2 are met at the time of order set aside, and the specific program eligibility requirements, as applicable, are also then met.~~

~~(g)~~

~~(1) The contracting officer shall insert the provision at 52.219-31, Notice of Small Business Reserve, in solicitations for multiple award contracts that have reserves.~~

~~(2) The contracting officer shall insert the clause at 52.219-32 Orders Issued Directly Under Small Business Reserves, in solicitations and the resulting multiple award contracts that have reserves.~~

~~(h)~~

~~(1) The contracting officer shall insert the clause at 52.219-33, Nonmanufacturer Rule, in solicitations and contracts, including multiple-award contracts, when orders may be set aside for small business concerns as described in 8.405-5 and 16.505(b)(2)(i)(F), and when orders may be issued directly to a small business concern as described in 19.504(e)(1)(ii), when—~~

~~(i) the item being acquired has been assigned a manufacturing or supply NAICS code, and—~~

~~(ii)~~

~~(A) Any portion of the requirement is to be—~~

~~(1) Set aside for small business and is expected to exceed the simplified acquisition threshold; or~~

~~(2) Set aside or awarded on a sole source basis in accordance with subparts 19.8, 19.13, 19.14, or 19.15, regardless of dollar value; or~~

~~(B) *Using the HUBZone price evaluation preference.* However, if the prospective contractor waived the use of the price evaluation preference, or is an other than small business, do not insert the clause in the resultant contract.~~

~~(2) The contracting officer shall not insert the clause at 52.219-33 when the Small Business Administration has waived the nonmanufacturer rule (see 19.505(e)(4)).~~

[48 FR 42240, June 9, 1987. Redesignated and amended at 85 FR 11764, Feb. 27, 2020; 85 FR 27090, May 6, 2020; 86 FR 44243, Aug. 11, 2021; 89 FR 30254, Apr. 22, 2024]

## **Subpart 19.6—Certificates**[19.204 Certificate](#) **of Competency and Determinations of Responsibility.**

### **19.601 General.**

~~(a)~~ A Certificate of Competency (COC) is the certificate ~~issued by the Small Business Administration (SBA)~~ issues stating that, for the purpose of receiving and performing a specific Government contract, the holder is responsible ~~(with respect to all elements of responsibility, including, but not limited to, capability, competency, capacity, credit, integrity, perseverance, tenacity, and limitations on subcontracting)~~ ~~for the purpose of receiving and performing a specific Government contract.~~

~~(ba)~~ The COC program empowers ~~the~~ SBA to certify to Government contracting officers ~~as to~~ regarding all elements of responsibility of any small business concern to receive and perform a specific Government contract. The COC program does not extend to questions concerning

regulatory requirements ~~imposed and enforced by that~~ other Federal agencies impose and enforce.

(~~eb~~) The COC program ~~is applicable~~ applies to all Government acquisitions except for 8(a) sole-source awards. ~~A~~ If a contracting officer ~~shall, upon determining~~ determines an apparent successful small business offeror to be nonresponsible, the contracting officer must refer that small business to ~~the~~ SBA for a possible COC, even if the next acceptable offer is from a small business. Contracting officers, including those located overseas, must comply with this section for U.S. small business concerns.

(~~dc~~) When a solicitation requires a small business to ~~adhere to~~ comply with the limitations on subcontracting, a contracting officer's finding that a small business cannot comply with the limitation ~~shall~~ must be treated as an element of responsibility and ~~shall~~ must be subject to the COC process. ~~When a solicitation requires a small business to adhere to the definition of a nonmanufacturer, a contracting officer's determination that the small business does not comply shall be processed in accordance with subpart 19.3.~~

~~(e) Contracting officers, including those located overseas, are required to comply with this subpart for U.S. small business concerns.~~

~~(f) For the purpose of receiving a COC on an unrestricted acquisition, a small business nonmanufacturer may furnish any end item produced or manufactured in the United States or its outlying areas.~~

~~[48 FR 42240, Sept. 19, 1983, as amended at 51 FR 2664, Jan. 17, 1986; 54 FR 34754, Aug. 21, 1989; 59 FR 67036, Dec. 28, 1994; 61 FR 67410, Dec. 20, 1996; 62 FR 44820, Aug. 22, 1997; 85 FR 11764, Feb. 27, 2020; 88 FR 69524, Oct. 5, 2023]~~

## ~~19.602 Procedures.~~

### ~~19.602-1 Referral.~~

~~(a) Upon determining and documenting~~ (d) When a contracting officer determines and documents that an apparent successful small business offeror lacks ~~certain one or more~~ elements of responsibility ~~(including, but not limited to, capability, competency, capacity, credit, integrity, perseverance, tenacity, and limitations on subcontracting but listed in the~~ introductory text of this section (for sureties see 28.101-3(f) and 28.203-1(e)), the contracting officer ~~shall~~ must—

(1) Withhold contract award ~~(see 19.602-3)~~; and

(2) Refer the matter to the ~~cognizant~~ appropriate SBA Government Contracting Area Office (Area Office) serving the area ~~in which~~ where the offeror's headquarters ~~of the offeror~~ is located, in accordance with agency procedures, ~~except that referral is not necessary if the small business concern—~~.



~~(i) Is determined to be unqualified and ineligible because it does not meet the standard in 9.104-1(g); *provided*, that the determination is approved by the chief of the contracting office; or~~

~~(ii) Is suspended or debarred under Executive Order 11246 or subpart 9.4.~~

~~(b) If a partial set-aside is involved, the contracting officer shall refer to the SBA the entire quantity to which the concern may be entitled, if responsible.~~

(~~ee~~) The referral ~~shall~~must include—

(1) A notice that a small business concern has been determined to be nonresponsible, specifying the ~~elements~~element(s) of responsibility the contracting officer found lacking; and

(2) If applicable, a copy of the following:

(i) Solicitation.

(ii) Final offer submitted by the ~~concern~~apparent successful offeror whose responsibility is at issue ~~for the procurement~~.

~~(iii) Abstract of bids or the contracting officer's price negotiation memorandum.~~

~~(iv) Preaward survey.~~

~~(v) Technical data package (including drawings, specifications and statement of work).~~

~~(vi) Any other justification and documentation used to arrive at the nonresponsibility determination.~~

~~(d) For any single acquisition, the contracting officer shall make only one referral at a time regarding a determination of nonresponsibility.~~

(~~ef~~) ~~Contract award shall be withheld by the~~The contracting officer must withhold award for a period of 15 business days ~~(or longer if agreed to by the SBA and the contracting officer)~~ following receipt by the appropriate SBA Area Office of a referral that includes all required documentation.

~~[48 FR 42240, Sept. 19, 1983, as amended at 51 FR 27489, July 31, 1986; 62 FR 44820, Aug. 22, 1997; 70 FR 57461, Sept. 30, 2005; 86 FR 3684, Jan. 14, 2021]~~

## ~~19.602-2 Issuing or denying a Certificate of Competency (COC).~~

~~Within 15 business days (or a longer period agreed to by the SBA and the contracting agency) after receiving a notice that a small business concern lacks certain elements of responsibility, the SBA Area Office will take the following actions:~~

~~(a) Inform the small business concern of the contracting officer's determination and offer it an opportunity to apply to the SBA for a COC. (A concern wishing to apply for a COC should notify the SBA Area Office serving the geographical area in which the headquarters of the offeror is located.)~~

~~(b) Upon timely receipt of a complete and acceptable application, elect to visit the applicant's facility to review its responsibility.~~

~~(1) The COC review process is not limited to the areas of nonresponsibility cited by the contracting officer.~~

~~(2) The SBA may, at its discretion, independently evaluate the COC applicant for all elements of responsibility, but may presume responsibility exists as to elements other than those cited as deficient.~~

~~(c) Consider denying a COC for reasons of nonresponsibility not originally cited by the contracting officer.~~

~~(d) When the Area Director determines that a COC is warranted (for contracts valued at \$25,000,000 or less), notify the contracting officer and provide the following options:~~

~~(1) Accept the Area Director's decision to issue a COC and award the contract to the concern. The COC issuance letter will then be sent, including as an attachment a detailed rationale for the decision; or~~

~~(2) Ask the Area Director to suspend the case for one or more of the following purposes:~~

~~(i) To permit the SBA to forward a detailed rationale for the decision to the contracting officer for review within a specified period of time.~~

~~(ii) To afford the contracting officer the opportunity to meet with the Area Office to review all documentation contained in the case file and to attempt to resolve any issues.~~

~~(iii) To submit any information to the SBA Area Office that the contracting officer believes the SBA did not consider (at which time the SBA Area Office will establish a new suspense date mutually agreeable to the contracting officer and the SBA).~~

~~(iv) To permit resolution of an appeal by the contracting agency to SBA Headquarters under 19.602-3. However, there is no contracting officer's appeal when the Area Office proposes to issue a COC valued at \$100,000 or less.~~

~~[https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19#FAR\\_19\\_104](https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19#FAR_19_104)~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

(eg) In order to determine whether to issue or deny a COC, SBA conducts a review in accordance with 13 CFR 125.5. At the completion of the COC review process, SBA will notify the concern and the contracting officer that the COC is denied or is being issued.

~~(f) Refer recommendations for issuing a COC on contracts greater than \$25,000,000 to SBA Headquarters.~~

~~[62 FR 44820, Aug. 22, 1997]~~

## **~~19.602-3 Resolving differences between the agency and the Small Business Administration.~~**

~~(a) *COCs valued between \$100,000 and \$25,000,000.*~~

~~(1) When disagreements arise about a concern's ability to perform, the contracting officer and the SBA shall make every effort to reach a resolution before the SBA takes final action on a COC. This shall be done through the complete exchange of information and in accordance with agency procedures. If agreement cannot be reached between the contracting officer and the SBA Area Office, the contracting officer shall request that the Area Office suspend action and refer the matter to SBA Headquarters for review. The SBA Area Office shall honor the request for a review if the contracting officer agrees to withhold award until the review process is concluded. Without an agreement to withhold award, the SBA Area Office will issue the COC in accordance with applicable SBA regulations.~~

~~(2) SBA Headquarters will furnish written notice to the procuring agency's Director of the Office of Small and Disadvantaged Business Utilization (OSDBU) or, for the Department of Defense, the Director of the Office of Small Business Programs, or other designated official (with a copy to the contracting officer) that the case file has been received and that an appeal decision may be requested by an authorized official.~~

~~(3) If the contracting agency decides to file an appeal, it must notify SBA Headquarters through its procuring agency's Director, OSDBU, or other designated official, within 10 business days (or a time period agreed upon by both agencies) that it intends to appeal the issuance of the COC.~~

~~(4) The appeal and any supporting documentation shall be filed by the procuring agency's Director, OSDBU, or other designated official, within 10 business days (or a period agreed upon by both agencies) after SBA Headquarters receives the agency's notification in accordance with paragraph (a)(3) of this subsection.~~

~~(5) The SBA Associate Administrator for Government Contracting will make a final determination, in writing, to issue or to deny the COC.~~

~~(b) *SBA Headquarters' decisions on COCs valued over \$25,000,000.*~~

~~(1) Prior to taking final action, SBA Headquarters will contact the contracting agency and offer it the following options:~~

~~(i) To request that the SBA suspend case processing to allow the agency to meet with SBA Headquarters personnel and review all documentation contained in the case file; or~~

~~(ii) To submit to SBA Headquarters for evaluation any information that the contracting agency believes has not been considered.~~

~~(2) After reviewing all available information, the SBA will make a final decision to either issue or deny the COC.~~

~~(c) *Reconsideration of a COC after issuance.*~~

~~(1) The SBA reserves the right to reconsider its issuance of a COC, prior to contract award, if—~~

~~(i) The COC applicant submitted false information or omitted materially adverse information; or~~

~~(ii) The COC has been issued for more than 60 days (in which case the SBA may investigate the firm's current circumstances).~~

~~(2) When the SBA reconsiders and reaffirms the COC, the procedures in subsection 19.602-2 do not apply.~~

~~(3) Denial of a COC by the SBA does not preclude a contracting officer from awarding a contract to the referred concern, nor does it prevent the concern from making an offer on any other procurement.~~

[62 FR 44821, Aug. 22, 1997, as amended at 85 FR 11764, Feb. 27, 2020]

## ~~19.602-4 Awarding the contract.~~

~~(a<sup>h</sup>) If new information causes the contracting officer to determine that the concern referred to the SBA is actually responsible to perform the contract, and award has not already been made under paragraph (e<sup>j</sup>) below of this section, the contracting officer ~~shall reverse the determination of nonresponsibility, notify the SBA of this action, withdraw the referral, and proceed must—~~~~

~~(1) Reverse the determination of nonresponsibility;~~

~~(2) Notify the SBA of this action;~~

~~(3) Withdraw the referral; and~~

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

(4) Proceed to award the contract.

~~(b) The contracting officer shall award the contract to the concern in question if the SBA issues a COC after receiving the referral. An SBA-certified concern shall not be required to meet any other requirements of responsibility. SBA COC's are conclusive with respect to all elements of responsibility of prospective small business contractors. Where SBA issues a COC, the contracting officer may decide not to award to that offeror for reasons unrelated to responsibility.~~

(i) SBA COCs are final with respect to all elements of responsibility of prospective small business contractors. An SBA-certified concern must not be required to meet any other requirements of responsibility. Where SBA issues a COC, the contracting officer may decide not to award to that offeror for reasons unrelated to responsibility.

~~(e)~~ (j) The contracting officer ~~shall proceed with the acquisition and~~ must award the contract to another appropriately selected and responsible offeror if ~~the~~ SBA has not issued a COC within 15 business days ~~(or a longer period of time agreed to with the SBA)~~ after receiving the referral.

~~[48 FR 42240, Sept. 19, 1983, as amended at 85 FR 11764, Feb. 27, 2020]~~

## ~~Subpart 19.7—The Small Business Subcontracting Program~~

### ~~19.701 Definitions~~ 19.205 Evaluating and awarding set-asides.

(a) If the contracting officer receives only one acceptable offer from a responsible small business concern in response to a set-aside, the contracting officer should make an award to that firm.

(b) If the contracting officer receives no acceptable offers from responsible small business concerns for a small business set-aside under 19.104, the set-aside must be withdrawn and the requirement, if still valid, must be resolicited on an unrestricted basis.

~~As used in this subpart—~~

~~*Alaska Native Corporation (ANC)* means any Regional Corporation, Village Corporation, Urban Corporation, or Group Corporation organized under the laws of the State of Alaska in accordance with the Alaska Native Claims Settlement Act, as amended (43 U.S.C.A. 1601, *et seq.*) and which is considered a minority and economically disadvantaged concern under the criteria at 43 U.S.C. 1626(e)(1). This definition also includes ANC direct and indirect subsidiary corporations, joint ventures, and partnerships that meet the requirements of 43 U.S.C. 1626(e)(2).~~

*Commercial plan* means a subcontracting plan (including goals) that covers the offeror's fiscal year and that applies to the entire production of commercial products and performance of commercial services sold by either the entire company or a portion thereof (e.g., division, plant, or product line).

*Electronic Subcontracting Reporting System (eSRS)* means the Governmentwide, electronic, web-based system for small business subcontracting program reporting.

*Failure to make a good faith effort to comply with the subcontracting plan* means willful or intentional failure to perform in accordance with the requirements of the subcontracting plan, or willful or intentional action to frustrate the plan.

*Indian tribe* means any Indian tribe, band, group, pueblo, or community, including native villages and native groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act (43 U.S.C.A. 1601 *et seq.*), that is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs in accordance with 25 U.S.C. 1452(e). This definition also includes Indian-owned economic enterprises that meet the requirements of 25 U.S.C. 1452(e).

*Individual subcontracting plan* means a subcontracting plan that covers the entire contract period (including option periods), applies to a specific contract, and has goals that are based on the offeror's planned subcontracting in support of the specific contract, except that indirect costs incurred for common or joint purposes may be allocated on a prorated basis to the contract.

*Master subcontracting plan* means a subcontracting plan that contains all the required elements of an individual subcontracting plan, except goals, and may be incorporated into individual subcontracting plans, provided the master subcontracting plan has been approved.

*Reduced Payment* means a payment that is for less than the amount agreed upon in a subcontract in accordance with its terms and conditions, for supplies and services for which the Government has paid the prime contractor.

*Subcontract* means any agreement (other than one involving an employer-employee relationship) entered into by a Government prime contractor or subcontractor calling for supplies and/or services required for performance of the contract, contract modification, or subcontract.

*Total contract dollars* means the final anticipated dollar value, including the dollar value of all options.

*Untimely Payment* means a payment to a subcontractor that is more than 90 days past due under the terms and conditions of a subcontract for supplies and services for which the Government has paid the prime contractor.

~~[https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19#FAR\\_19\\_104](https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19#FAR_19_104)~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

[63 FR 34064, June 22, 1998, as amended at 66 FR 2130, Jan. 10, 2001; 72 FR 46348, Aug. 17, 2007; 73 FR 21781, Apr. 22, 2008; 81 FR 45843, July 14, 2016; 81 FR 93485, Dec. 20, 2016; 86 FR 61028, Nov. 4, 2021]

## **~~19.702 Statutory requirements.~~**

### ~~Cross-Reference~~

~~Link to an amendment published at 90 FR 41878, Aug. 27, 2025.~~

~~Any contractor receiving a contract with a value greater than the simplified acquisition threshold must agree in the contract that small business, veteran-owned small business (VOSB), service-disabled veteran-owned small business (SDVOSB), HUBZone small business, small disadvantaged business (SDB), and women-owned small business (WOSB) concerns will have the maximum practicable opportunity to participate in contract performance consistent with its efficient performance. It is further the policy of the United States that its prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of their subcontracts with small business, VOSB concerns, SDVOSB concerns, HUBZone small business concerns, SDB concerns, and WOSB concerns.~~

~~(a)~~

~~(1) Except as stated in paragraph (b) of this section, section 8(d) of the Small Business Act (15 U.S.C. 637(d)) imposes the following requirements regarding subcontracting with small businesses and small business subcontracting plans:~~

~~(i) In negotiated acquisitions, each solicitation of offers to perform a contract that is expected to exceed \$750,000 (\$1.5 million for construction) and that has subcontracting possibilities, shall require the apparently successful offeror to submit an acceptable subcontracting plan. If the apparently successful offeror fails to negotiate a subcontracting plan acceptable to the contracting officer within the time limit prescribed by the contracting officer, the offeror will be ineligible for award. For a multiple award contract with more than one North American Industry Classification System (NAICS) code, see paragraph (a)(2)(i) of this section.~~

~~(ii) In sealed bidding acquisitions, each invitation for bids to perform a contract that is expected to exceed \$750,000 (\$1.5 million for construction) and that has subcontracting possibilities, shall require the bidder selected for award to submit a subcontracting plan. If the selected bidder fails to submit a plan within the time limit prescribed by the contracting officer, the bidder will be ineligible for award. For a multiple award contract with more than one NAICS code, see paragraph (a)(2)(i) of this section.~~

~~(iii) Each contract modification that causes the value of a contract without a subcontracting plan to exceed \$750,000 (\$1.5 million for construction), shall require the contractor to submit a subcontracting plan for the contract, if the contracting officer determines that~~

~~subcontracting opportunities exist. For a multiple award contract with more than one NAICS code, see paragraph (a)(2)(ii) of this section.~~

~~(2)~~

~~(i) For a multiple award contract with more than one NAICS code, the solicitation referenced in paragraphs (a)(1)(i) and (ii) of this section shall require the apparently successful offeror to submit an acceptable subcontracting plan for either the distinct portion(s) or category(ies) of their proposal for which the offeror is other than small or for the entirety of their proposal, at the offeror's discretion. When determining the need for a subcontracting plan, the contracting officer shall consider the cumulative dollar value of the portion(s) or category(ies) of the offeror's proposal for which the offeror is other than small.~~

~~(ii) For a multiple award contract with more than one NAICS code, the modification referenced in paragraph (a)(1)(iii) of this section shall require the contractor to submit an acceptable subcontracting plan for either the distinct portion(s) or category(ies) of the contract for which the contractor is other than small or for the entirety of their contract, at the contractor's discretion. When determining the need for a subcontracting plan, the contracting officer shall consider the cumulative dollar value of the portion(s) or category(ies) of the contract for which the contractor is other than small.~~

~~(b) Subcontracting plans (see paragraphs (a)(1) and (2) of this section) are not required—~~

~~(1) From small business concerns;~~

~~(2) For personal services contracts;~~

~~(3) For contracts or contract modifications that will be performed entirely outside of the United States and its outlying areas; or~~

~~(4) For modifications that are within the scope of the contract and the contract does not contain the clause at 52.219-8, Utilization of Small Business Concerns.~~

~~(c) As stated in 15 U.S.C. 637(d)(9), any contractor or subcontractor failing to comply in good faith with the requirements of the subcontracting plan is in material breach of its contract. Further, 15 U.S.C. 637(d)(4)(F) directs that a contractor's failure to make a good faith effort to comply with the requirements of the subcontracting plan shall result in the imposition of liquidated damages. Except as authorized by law, do not award a contract as a small business or socioeconomic status category set-aside if the cost to the awarding agency exceeds the fair market price. The fair market price is the price achieved in accordance with the reasonable price guidelines in 15.404-1(b).~~

~~(d) As authorized by 15 U.S.C. 637(d)(12), certain costs incurred by a mentor firm in providing developmental assistance to a protégé firm under the Department of Defense Mentor-Protégé~~



~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

~~Program, may be credited as if they were subcontract awards to a protégé firm for the purpose of determining whether the mentor firm attains the applicable goals under any subcontracting plan entered into with any executive agency. However, the mentor-protégé agreement must have been approved by the Director, Small Business Programs of the cognizant DoD military department or defense agency, before developmental assistance costs may be credited against subcontract goals. A list of approved agreements may be obtained at <https://business.defense.gov/Programs/Mentor-Protége-Program/>~~

~~(e) In accordance with 15 U.S.C. 657r(a), a mentor with an SBA-approved mentor-protégé agreement (see 13 CFR 125.9) that provides a subcontract to its protégé may apply the costs incurred for training it provides to its protégé toward its subcontracting plan goals, provided that protégé is a covered territory business or that protégé has its principal office located in the Commonwealth of Puerto Rico.~~

[48 FR 42240, Sept. 19, 1983]

#### Editorial Note

**Editorial Note:** For Federal Register citations affecting section 19.702, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at [www.govinfo.gov](http://www.govinfo.gov).

## **19.703 Eligibility requirements for participating in the program.**

~~(a) Except as provided in paragraph (c) of this section, to be eligible as a subcontractor under the program, a concern must represent itself as a small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, or women-owned small business concern.~~

~~(1) To represent itself as a small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, or women-owned small business concern, a concern must meet the appropriate definition (see 2.101 and 19.001). For subcontracting purposes, a concern is small if it does not exceed the size standard for the NAICS code that the prime contractor determines best describes the product or service being acquired by the subcontract.~~

(2d)

(1) If, before award of a contract involving a small business set-aside, the contracting officer considers that award would be detrimental to the public interest (e.g., payment of more than a fair market price), the contracting officer may withdraw the small business set-aside.

(2) The contracting officer must prepare a written statement supporting any withdrawal or modification of a small business set-aside and include it in the contract file.

(3) If a small business set-aside acquisition is not awarded, the determination to set the acquisition aside is automatically dissolved. The required supplies and/or services for which no award was made may be acquired by using other methods, as appropriate.

#### **19.206 Evaluating small business subcontracting plans.**

~~(i) Unless the prime contractor has reason to question the representation, it may accept a subcontractor's written representations of its size and socioeconomic status as a small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, or a women-owned small business, if the subcontractor represents that the size and socioeconomic status representation with its offer are current, accurate, and complete as of the date of the offer for the subcontracts; or~~

~~(ii) Unless the prime contractor has reason to question the representation, it may accept a subcontractor's representation of its size and socioeconomic status as a small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, or a women-owned small business in the System for Award Management (SAM) if—~~

~~(A) The subcontractor is registered in SAM; and~~

~~(B) The subcontractor represents that the size and socioeconomic status representations made in SAM are current, accurate and complete as of the date of the offer for the subcontract.~~

~~(iii) The prime contractor may not require the use of SAM for the purposes of representing size or socioeconomic status in connection with a subcontract.~~

~~(iv) In accordance with 13 CFR 121.411, 126.900, 127.700, and 128.600, a prime contractor acting in good faith is not liable for misrepresentations made by its subcontractors regarding the subcontractor's size or socioeconomic status.~~

~~(b) The contractor, the contracting officer, or any other interested party can challenge a subcontractor's size status representation by filing a protest, in accordance with 13 CFR 121.1001 through 121.1008.~~

~~(c)~~

~~(1) In accordance with 43 U.S.C. 1626, the following procedures apply:~~

~~(i) Subcontracts awarded to an ANC or Indian tribe shall be counted towards the subcontracting goals for small business and small disadvantaged business (SDB) concerns, regardless of the size or Small Business Administration certification status of the ANC or Indian tribe.~~

~~(ii) Where one or more subcontractors are in the subcontract tier between the prime contractor and the ANC or Indian tribe, the ANC or Indian tribe shall designate the appropriate contractor(s) to count the subcontract towards its small business and small disadvantaged business subcontracting goals.~~

~~(A) In most cases, the appropriate contractor is the contractor that awarded the subcontract to the ANC or Indian tribe.~~

~~(B) If the ANC or Indian tribe designates more than one contractor to count the subcontract toward its goals, the ANC or Indian tribe shall designate only a portion of the total subcontract award to each contractor. The sum of the amounts designated to various contractors cannot exceed the total value of the subcontract.~~

~~(C) The ANC or Indian tribe shall give a copy of the written designation to the contracting officer, the prime contractor, and the subcontractors in between the prime contractor and the ANC or Indian tribe within 30 days of the date of the subcontract award.~~

~~(D) If the contracting officer does not receive a copy of the ANC's or the Indian tribe's written designation within 30 days of the subcontract award, the contractor that awarded the subcontract to the ANC or Indian tribe will be considered the designated contractor.~~

~~(2) A contractor acting in good faith may rely on the written representation of an ANC or an Indian tribe as to the status of the ANC or Indian tribe unless an interested party challenges its status or the contracting officer has independent reason to question its status. In the event of a challenge of a representation of an ANC or Indian tribe, the interested parties shall follow the procedures at 26.103(b) through (e).~~

~~(d) Protests challenging the socioeconomic status of a HUBZone small business concern must be filed in accordance with 13 CFR 126.801.~~

~~[48 FR 42240, Sept. 19, 1983]~~

**Editorial Note**

**Editorial Note:** For Federal Register citations affecting section 19.703, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at [www.govinfo.gov](http://www.govinfo.gov).

**19.704 Subcontracting plan requirements** [19.206-1 Types of subcontracting plans.](#)

Cross-Reference

~~Link to an amendment published at 90 FR 41878, Aug. 27, 2025.~~

~~(a) Each subcontracting plan required under 19.301-2(e) and 19.702(a)(1)(i), (ii), and (iii) shall include—~~

~~(1) Separate percentage goals for using small business (including ANCs and Indian tribes), veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small-disadvantaged business (including ANCs and Indian tribes) and women-owned small business concerns as subcontractors;~~

~~(2) A statement of the total dollars planned to be subcontracted and a statement of the total dollars planned to be subcontracted to small business (including ANCs and Indian tribes), veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small-disadvantaged business (including ANCs and Indian tribes) and women-owned small business concerns, as a percentage of total subcontract dollars. For individual subcontracting plans only, a contracting officer may require the goals referenced in paragraph (a)(1) of this section to be calculated as a percentage of total contract dollars, in addition to the goals established as a percentage of total subcontract dollars;~~

~~(3) A description of the principal types of supplies and services to be subcontracted and an identification of types of supplies or services planned for subcontracting to small business (including ANCs and Indian tribes), veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small-disadvantaged business (including ANCs and Indian tribes), and women-owned small business concerns;~~

~~(4) A description of the method used to develop the subcontracting goals;~~

~~(5) A description of the method used to identify potential sources for solicitation purposes;~~

~~(6) A statement as to whether or not the offeror included indirect costs in establishing subcontracting goals (for commercial plans, see paragraph (d) of this section), and a description of the method used to determine the proportionate share of indirect costs to be incurred with small business (including ANCs and Indian tribes), veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small-disadvantaged business (including ANCs and Indian tribes), and women-owned small business concerns;~~

~~(7) The name of an individual employed by the offeror who will administer the offeror's subcontracting program, and a description of the duties of the individual;~~

~~(8) A description of the efforts the offeror will make to ensure that small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small~~

~~business, small disadvantaged business, and women-owned small business concerns have an equitable opportunity to compete for subcontracts;~~

~~(9) Assurances that the offeror will include the clause at 52.219-8, Utilization of Small Business Concerns (see 19.708(a)), in all subcontracts that offer further subcontracting opportunities, and that the offeror will require all subcontractors (except small business concerns, including entities that are treated as small business concerns by statute for certain purposes (e.g., ANCs, see 13 CFR 125.3(b)(2))) that receive subcontracts in excess of \$750,000 (\$1.5 million for construction) to adopt a plan that complies with the requirements of the clause at 52.219-9, Small Business Subcontracting Plan (see 19.708(b));~~

~~(10) Assurances that the offeror will—~~

~~(i) Cooperate in any studies or surveys as may be required;~~

~~(ii) Submit periodic reports so that the Government can determine the extent of compliance by the offeror with the subcontracting plan;~~

~~(iii) After November 30, 2017, include subcontracting data for each order when reporting subcontracting achievements for indefinite-delivery, indefinite-quantity contracts with individual subcontracting plans where the contract is intended for use by multiple agencies;~~

~~(iv) Submit the Individual Subcontract Report (ISR), and the Summary Subcontract Report (SSR) using the Electronic Subcontracting Reporting System (eSRS) (<http://www.esrs.gov>), following the instructions in the eSRS.~~

~~(A) The ISR shall be submitted semi-annually during contract performance for the periods ending March 31 and September 30. A report is also required for each contract within 30 days of contract completion. Reports are due 30 days after the close of each reporting period, unless otherwise directed by the contracting officer. Reports are required when due, regardless of whether there has been any subcontracting activity since the inception of the contract or the previous reporting period. When a contracting officer rejects an ISR, the contractor is required to submit a revised ISR within 30 days of receiving the notice of the ISR rejection.~~

~~(B) The SSR shall be submitted annually by October 30 for the twelve-month period ending September 30. When an SSR is rejected, the contractor is required to submit a revised SSR within 30 days of receiving the notice of SSR rejection;~~

~~(v) Ensure that its subcontractors with subcontracting plans agree to submit the ISR and/or the SSR using the eSRS;~~

~~(vi) Provide its prime contract number, its unique entity identifier, and the e-mail address of the offeror's official responsible for acknowledging receipt of or rejecting the ISRs to all~~

~~first tier subcontractors with subcontracting plans so they can enter this information into the eSRS when submitting their ISRs; and~~

~~(vii) Require that each subcontractor with a subcontracting plan provide the prime contract number, its own unique entity identifier, and the e-mail address of the subcontractor's official responsible for acknowledging receipt of or rejecting the ISRs, to its subcontractors with subcontracting plans;~~

~~(11) A description of the types of records that will be maintained concerning procedures adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the offeror's efforts to locate small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns and to award subcontracts to them;~~

~~(12) Assurances that the offeror will make a good faith effort to acquire articles, equipment, supplies, services, or materials, or obtain the performance of construction work from the small business concerns that the offeror used in preparing the bid or proposal, in the same or greater scope, amount, and quality used in preparing and submitting the bid or proposal. Responding to a request for a quote does not constitute use in preparing a bid or proposal. An offeror used a small business concern in preparing the bid or proposal if—~~

~~(i) The offeror identifies the small business concern as a subcontractor in the bid or proposal or associated small business subcontracting plan, to furnish certain supplies or perform a portion of the contract; or~~

~~(ii) The offeror used the small business concern's pricing or cost information or technical expertise in preparing the bid or proposal, where there is written evidence of an intent or understanding that the small business concern will be awarded a subcontract for the related work if the offeror is awarded the contract;~~

~~(13) Assurances that the contractor will provide the contracting officer with a written explanation if the contractor fails to acquire articles, equipment, supplies, services or materials or obtain the performance of construction work as described in (a)(12) of this section. This written explanation will be submitted to the contracting officer within 30 days of contract completion;~~

~~(14) Assurances that the contractor will not prohibit a subcontractor from discussing with the contracting officer any material matter pertaining to payment to or utilization of a subcontractor; and~~

~~(15) Assurances that the offeror will pay its small business subcontractors on time and in accordance with the terms and conditions of the subcontract, and notify the contracting officer if the offeror pays a reduced or an untimely payment to a small business subcontractor (see 52.242-5).~~

(~~ba~~) Contractors may establish, on a plant or division-wide basis, a master ~~subcontracting plan~~ subcontracting plan (see ~~19.701~~ 19.001) that contains all the elements required by the clause at 52.219-9, Small Business Subcontracting Plan, except goals. Master subcontracting plans shall be effective for a 3-year period after approval by the contracting officer; however, it is incumbent upon contractors to maintain and update master subcontracting plans. Changes required to update master subcontracting plans are not effective until approved by the contracting officer. A master subcontracting plan, when incorporated in an individual plan, shall apply to that contract throughout the life of the contract.

~~(c) For multiyear contracts or contracts containing options, the cumulative value of the basic contract and all options is considered in determining whether a subcontracting plan is necessary. If a subcontracting plan is necessary and the offeror is submitting an individual subcontracting plan, the individual subcontracting plan shall contain all the elements required by paragraph (a) of this section and shall contain separate statements and goals based on total subcontract dollars for the basic contract and for each option.~~

(b) An individual subcontracting plan contains all the elements required by the clause at 52.219-9, Small Business Subcontracting Plan, and separate statements and goals based on total subcontract dollars for the basic contract and for each option.

(~~dc~~) A commercial subcontracting plan (~~as defined in 19.701~~) is the preferred type of subcontracting plan for contractors furnishing commercial products and commercial services. The subcontracting goals established for a commercial plan shall include all indirect costs with the exception of those such as the following: Employee salaries and benefits; payments for petty cash; depreciation; interest; income taxes; property taxes; lease payments; bank fees; fines, claims, and dues; original equipment manufacturer relationships during warranty periods (negotiated up front with the product); utilities and other services purchased from a municipality or an entity solely authorized by the municipality to provide those services in a particular geographical region; and philanthropic contributions. Once a contractor's commercial plan has been approved, the Government ~~shall~~ must not require another subcontracting plan from the same contractor while the plan remains in effect, as long as the product or service being provided by the contractor continues to meet the definition of a commercial product or commercial service. The contractor shall—

(1) Submit the commercial plan to either the first contracting officer awarding a contract subject to the plan during the contractor's fiscal year, or, if the contractor has ongoing contracts with commercial plans, to the contracting officer responsible for the contract with the latest completion date. The contracting officer ~~shall~~ must negotiate the commercial plan for the Government. The approved commercial plan shall remain in effect during the contractor's fiscal year for all Government contracts in effect during that period;

(2) Submit a new commercial plan, 30 working days before the end of the Contractor's fiscal year, to the contracting officer responsible for the uncompleted Government contract with the latest completion date. The contractor must provide to each contracting

officer responsible for an ongoing contract subject to the plan, the identity of the contracting officer that will be negotiating the new plan;

(3) When the new commercial plan is approved, provide a copy of the approved plan to each contracting officer responsible for an ongoing contract that is subject to the plan; and

(4) Comply with the reporting requirements stated in ~~paragraph (a)(10) of this section~~~~the clause at 52.219-9, Small Business Subcontracting Plan,~~ by submitting one SSR that includes all indirect costs, except as described in ~~paragraph (d)~~~~paragraph (d)~~ of this section, in eSRS, for all contracts covered by its commercial plan. This report will be acknowledged or rejected in eSRS by the contracting officer who approved the plan. The report shall be submitted within 30 days after the end of the Government's fiscal year.

~~[48 FR 42240, Sept. 19, 1983]~~

#### ~~Editorial Note~~

~~**Editorial Note:** For Federal Register citations affecting section 19.704, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at [www.gpo.gov](http://www.gpo.gov).~~

## ~~19.705 Responsibilities of the contracting officer under the subcontracting assistance program.~~

### ~~19.705-1 General.~~

~~(a) The contracting officer may encourage the development of increased subcontracting opportunities in negotiated acquisition by providing monetary incentives such as payments based on actual subcontracting achievement or award-fee contracting (see the clause at 52.219-10, Incentive Subcontracting Program, and 19.708(e)). When using any contractual incentive provision based upon rewarding the contractor monetarily for exceeding goals in the subcontracting plan, the contracting officer must ensure that (a) the goals are realistic and (b) any rewards for exceeding the goals are commensurate with the efforts the contractor would not have otherwise expended. Incentive provisions should normally be negotiated after reaching final agreement with the contractor on the subcontracting plan.~~

~~(b)~~

~~(1) Except where a contractor has a commercial plan, the contracting officer shall require a subcontracting plan for each indefinite-delivery, indefinite-quantity contract (including task or delivery order contracts, FSS, GWACs, and MACs), when the estimated value of the contract meets the subcontracting plan thresholds at 19.702(a) and small business subcontracting opportunities exist.~~



~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

~~(2) Contracting officers placing orders may establish small business subcontracting goals for each order. Establishing goals shall not be in the form of a new subcontracting plan as a contract may not have more than one plan (19.705-2(e)).~~

~~[48 FR 42240, Sept. 19, 1983, as amended at 60 FR 48262, Sept. 18, 1995; 63 FR 34065, June 22, 1998; 63 FR 36123, July 1, 1998; 79 FR 61750, Oct. 14, 2014; 81 FR 45845, July 14, 2016; 85 FR 11765, Feb. 27, 2020]~~

## **~~19.705-2 Determining the need for a~~19.206-2 Elements of the subcontracting plan.**

~~(a) Each subcontracting plan required under 19.109(a) must include the elements listed in paragraph (d) of the clause at 52.219-9, Small Business Subcontracting Plan.~~

~~(b) According to 15 U.S.C. 657r(a), a mentor with an SBA-approved mentor-protégé agreement (see 13 CFR 125.9) that awards a subcontract to its protégé may apply the costs incurred for training it provides to its protégé toward its subcontracting plan goals, if the protégé is a covered territory business or the protégé's principal office is located in the Commonwealth of Puerto Rico.~~

~~The contracting officer shall take the following actions to determine whether a proposed contractual action requires a subcontracting plan:~~

~~(a)~~

~~(1) Determine whether the proposed total contract dollars will exceed the subcontracting plan threshold in 19.702(a).~~

~~(2) Determine whether a proposed modification will cause the total contract dollars to exceed the subcontracting plan threshold (see 19.702(a)).~~

~~(b) Determine whether subcontracting possibilities exist by considering relevant factors such as—~~

~~(1) Whether firms engaged in the business of furnishing the types of items to be acquired customarily contract for performance of part of the work or maintain sufficient in-house capability to perform the work;~~

~~(2) Whether there are likely to be product prequalification requirements; and~~

~~(3) Whether the firm can acquire any portion of the work with minimal or no disruption to performance (with consideration given to the time remaining until contract completion), and at fair market value, when a determination is made in accordance with paragraph (a)(2).~~

~~(c) If it is determined that there are no subcontracting possibilities, the determination shall include a detailed rationale, be approved at a level above the contracting officer, and placed in the contract file.~~

~~(d) In solicitations for negotiated acquisitions, the contracting officer may require the submission of subcontracting plans with initial offers, or at any other time prior to award. In determining when subcontracting plans should be required, as well as when and with whom plans should be negotiated, the contracting officer must consider the integrity of the competitive process, the goal of affording maximum practicable opportunity for small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns to participate, and the burden placed on offerors.~~

~~(e) A contract may not have more than one subcontracting plan. However, a contracting officer may establish separate subcontracting goals for each order under an indefinite delivery, indefinite quantity contract (19.705-1(b)(2)). When a contract modification exceeds the subcontracting plan threshold (see 19.702(a)) or an option is exercised, the goals of an existing subcontracting plan shall be amended to reflect any new subcontracting opportunities not envisioned at the time of contract award. These goal changes do not apply retroactively.~~

~~(f) If a subcontracting plan has been added to the contract due to a modification (see 19.702(a)(1)(iii)) or a size rerepresentation (see 19.301-2(e)), the subcontracting goals apply from the date of incorporation of the subcontracting plan into the contract and the contractor's achievements must be reported on the ISR (or the SF-294, if applicable) on a cumulative basis from the date of incorporation of the subcontracting plan into the contract.~~

~~[48 FR 42240, Sept. 19, 1983, as amended at 51 FR 2664, Jan. 17, 1986; 51 FR 19716, May 30, 1986; 60 FR 48262, Sept. 18, 1995; 61 FR 2638, Jan. 26, 1996; 63 FR 70271, Dec. 18, 1998; 65 FR 60545, Oct. 11, 2000; 66 FR 53493, Oct. 22, 2001; 73 FR 21781, Apr. 22, 2008; 81 FR 45845, July 14, 2016; 85 FR 11765, Feb. 27, 2020]~~

## ~~19.705-3 Preparing the solicitation.~~

~~The contracting officer shall provide the Small Business Administration's (SBA's) procurement center representative (or, if a procurement center representative is not assigned, see 19.402(a)) a reasonable period of time to review any solicitation requiring submission of a subcontracting plan and to submit advisory findings before the solicitation is issued.~~

~~[71 FR 36926, June 28, 2006]~~

## ~~19.705-4~~19.206-3 Reviewing the subcontracting plan.

The contracting officer ~~shall~~must review the subcontracting plan for adequacy, ensuring that it includes the required information, goals, and assurances ~~are included~~ (see ~~19.704~~paragraph (d) of the clause at 52.219-9).

(a) No detailed standards apply to every subcontracting plan. Instead, the contracting officer ~~shall~~must consider each plan in terms of the circumstances of the particular acquisition, including—

- (1) Previous involvement of small business concerns as prime contractors or subcontractors in similar acquisitions;
- (2) Proven methods of involving small business concerns as subcontractors in similar acquisitions; and
- (3) The relative success of methods the contractor intends to use to meet the goals and requirements of the plan, as evidenced by records maintained by contractors.

(b) If, under a sealed bid solicitation, a bidder submits a plan that does not cover each of the ~~15~~ required elements (see ~~19.704~~paragraph (d) of the clause at 52.219-9), the contracting officer ~~shall~~must advise the bidder of the deficiency and request submission of a revised plan by a specific date. If the bidder does not submit a plan that ~~incorporates~~includes the required elements ~~within~~by the ~~time allotted~~deadline, the bidder ~~shall be~~is ineligible for award. If the plan, although responsive, ~~evidences~~indicates the bidder's intention not to comply with its obligations under the clause at 52.219-8, Utilization of Small Business Concerns, the contracting officer may find the bidder nonresponsive.

(c) In negotiated acquisitions, the contracting officer ~~shall~~must determine whether the plan is acceptable based on the negotiation of each of the ~~15~~required elements of the plan (see ~~19.704~~paragraph (d) of the clause at 52.219-9). Subcontracting goals should be set at a level that the parties reasonably expect can result from the ~~offeror expending~~offeror's good faith efforts to use small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business subcontractors ~~to the maximum practicable extent~~as much as possible. The contracting officer ~~shall~~must take particular care to ensure that the offeror has not submitted unreasonably low goals to minimize exposure to liquidated damages and to avoid the administrative burden of ~~substantiating~~demonstrating good faith efforts. ~~Additionally, particular attention should be paid to the identification of~~Also, the contracting officer should pay close attention to identifying steps that, if taken, would be considered a good faith effort (see ~~19.705-7~~). ~~No goal should be negotiated upward if it is apparent that~~19.302-2(b) and (c)). Do not negotiate increased goals if a higher goal will significantly increase the Government's cost or ~~seriously impede the attainment of~~make it hard to meet acquisition objectives. An incentive subcontracting clause (see 52.219-10, Incentive Subcontracting Program), may be used when additional and unique contract effort, such as providing technical assistance, could significantly increase subcontract awards to small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, or women-owned small business concerns.

(d) ~~In determining the acceptability of~~To determine whether a proposed subcontracting plan is acceptable, the contracting officer should ~~take the following actions~~:

(1) ~~Obtain~~Find information ~~available from the cognizant contract administration office, as provided for in 19.706(a)~~about, and evaluate, the offeror's past performance in awarding subcontracts for the same or similar products or services to small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns. If information is not available on a specific type of product or service, evaluate the offeror's overall past performance and consider the performance of other contractors on similar efforts.

(2) ~~In accordance with 15 U.S.C. 637(d)(4)(F)(iii)~~According to 15 U.S.C. 637(d)(4)(F)(iii), ensure that the goals offered are attainable in relation to—

(i) The subcontracting opportunities available to the contractor, commensurate with the efficient and economical performance of the contract;

(ii) The pool of eligible subcontractors available to fulfill the subcontracting opportunities; and

(iii) The actual performance of such contractor in fulfilling the subcontracting goals specified in prior plans.

(3) Ensure that the subcontracting goals are consistent with the offeror's certified cost or pricing data or data other than certified cost or pricing data.

(4) Evaluate the offeror's make-or-buy policy or program to ensure that it does not conflict with the offeror's proposed subcontracting plan and is in the Government's interest. If the contract involves products or services that are particularly specialized or not generally available in the commercial market, consider the offeror's current capacity to perform the work and the possibility of reduced subcontracting opportunities.

(5) Evaluate subcontracting potential, considering the offeror's make-or-buy policies or programs, the nature of the supplies or services to be subcontracted, the known availability of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns in the geographical area where the work will be performed, and the potential contractor's long-standing contractual relationship with its suppliers.

(6) Advise the offeror of available sources of information on potential small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business subcontractors, as well as any specific concerns known to be potential subcontractors. If

the offerors proposed goals are questionable, the contracting officer must emphasize that the information should be used to develop realistic and acceptable goals.

(7) Obtain advice and recommendations from the SBA procurement center representative (or, if a procurement center representative is not assigned, see ~~19.402~~[19.102](#)(~~a~~[b](#))) and the agency small business specialist.

~~[48 FR 42240, Sept. 19, 1983]~~

**Editorial Note**

**Editorial Note:** For Federal Register citations affecting section 19.705-4, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at [www.gpo.gov](http://www.gpo.gov).

## ~~19.705-5 Awards involving subcontracting plans.~~

(~~a~~[e](#)) In making an award that requires a subcontracting plan, the contracting officer ~~shall be responsible for the following~~[must](#):

- (1) Consider the contractor's compliance with the subcontracting plans submitted on previous contracts as a factor ~~in determining~~[to determine](#) contractor responsibility.
- (2) Assure that a subcontracting plan was submitted when required.
- (3) Notify the SBA procurement center representative (or, if a procurement center representative is not assigned, see ~~19.402~~[19.102](#)(~~a~~[b](#))) of the opportunity to review the proposed contract (including the plan and supporting documentation). The notice ~~shall~~[must](#) be issued in sufficient time to provide the representative a reasonable time to review the material and submit advisory recommendations to the contracting officer. Failure of the representative to respond in a reasonable period of time shall not delay contract award.
- (4) Determine any fee that may be payable if an incentive is used in conjunction with the subcontracting plan.
- (5) Ensure that an acceptable plan is incorporated into and made a material part of the contract.

(~~b~~[f](#)) Letter contracts and similar undefinitized ~~instruments~~[contracts](#), which would otherwise meet the requirements of ~~19.702(a)(1)(i) and (ii), shall~~[19.109\(a\), must](#) contain at least a preliminary basic plan addressing the requirements of ~~19.704~~[paragraph \(d\) of the clause at 52.219-9](#) and in such cases require the negotiation of the final plan within 90 days after award or before definitization, whichever occurs first.

### [19.207 Evaluating offers using the HUBZone price evaluation preference.](#)

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

~~The contracting officer must give offers from HUBZone small business concerns a price evaluation preference by adding a factor of 10 percent to all offers, except—~~

~~[48 FR 42240, Sept. 19, 1983, as amended at 50 FR 1743, Jan. 11, 1985; 50 FR 52429, Dec. 23, 1985; 71 FR 36926, June 28, 2006; 85 FR 11765, Feb. 27, 2020]~~

## ~~19.705-6 Postaward responsibilities of the contracting officer.~~

~~After a contract or contract modification containing a subcontracting plan is awarded or an existing subcontracting plan is amended, the contracting officer shall do the following:~~

~~(a) Notify the SBA of the award by sending a copy of the award document to the Area Director, Office of Government Contracting, in the SBA area office where the contract will be performed.~~

~~(b) Forward a copy of each commercial plan and any associated approvals to the Area Director, Office of Government Contracting, in the SBA area office where the contractor's headquarters is located.~~

~~(c) Give to the SBA procurement center representative (or, if a procurement center representative is not assigned, see 19.402(a)) a copy of—~~

~~(1) Any subcontracting plan submitted in response to a sealed bid solicitation; and~~

~~(2) The final negotiated subcontracting plan that was incorporated into a negotiated contract or contract modification.~~

~~(d) Notify the SBA procurement center representative (or, if a procurement center representative is not assigned, see 19.402(a)) of the opportunity to review subcontracting plans in connection with contract modifications.~~

~~(e) Forward a copy of each plan, or a determination that there is no requirement for a subcontracting plan, to the cognizant contract administration office.~~

~~(f) Monitor the prime contractor's compliance with its subcontracting plan, to include the following:~~

~~(1) Ensure that subcontracting reports are submitted into the eSRS within 30 days after the report ending date (e.g., by October 30th for the fiscal year ended September 30th).~~

~~(2) Review ISRs, and where applicable, SSRs, in eSRS within 60 days of the report ending date (e.g., by November 30th for a report submitted for the fiscal year ended September 30th).~~

~~(3) Either acknowledge receipt of or reject the reports in accordance with subpart 19.7, 52.219-9, Small Business Subcontracting Plan, and the eSRS instructions ([www.esrs.gov](http://www.esrs.gov)).~~

~~(i) The authority to acknowledge or reject SSRs for commercial plans resides with the contracting officer who approved the commercial plan.~~

~~(ii) If a report is rejected, the contracting officer must provide an explanation for the rejection to allow the prime contractor the opportunity to respond specifically to identified deficiencies.~~

~~(g) Evaluate the prime contractor's compliance with its subcontracting plan, to include the following:~~

~~(1) Assess whether the prime contractor made a good faith effort to comply with its small business subcontracting plan. See 19.705-7(b) for more information on the determination of good faith effort.~~

~~(2) Assess the prime contractor's written explanation concerning the prime contractor's failure to use a small business concern in the performance of the contract in the same scope, amount, and quality used in preparing and submitting the bid or proposal, if applicable.~~

~~(h) Initiate action to assess liquidated damages in accordance with 19.705-7 upon a recommendation by the administrative contracting officer, if one is assigned, or receipt of other reliable evidence to indicate that assessing liquidated damages is warranted.~~

~~(i) Take action to enforce the terms of the contract upon receipt of a notice from the contract administration office under 19.706(f).~~

~~(j) Acknowledge receipt of or reject the ISR and the SSR in the eSRS. Acknowledging receipt does not mean acceptance or approval of the report. The report shall be rejected if it is not adequately completed, for instance, if there are errors, omissions, or incomplete data. Failure to meet the goals of the subcontracting plan is not a valid reason for rejecting the report.~~

~~[48 FR 42240, Sept. 19, 1983, as amended at 52 FR 19803, May 27, 1987; 53 FR 27464, July 20, 1988; 53 FR 34228, Sept. 2, 1988; 54 FR 30709, July 21, 1989; 55 FR 52792, Dec. 21, 1990; 63 FR 34066, June 22, 1998; 63 FR 70271, Dec. 18, 1998; 71 FR 36926, June 28, 2006; 73 FR 21781, Apr. 22, 2008; 75 FR 34264, June 16, 2010; 81 FR 45845, July 14, 2016; 86 FR 44253, Aug. 11, 2021]~~

## ~~19.705-7 Compliance with the subcontracting plan.~~

~~(a) **General.** Maximum practicable utilization of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns as subcontractors in Government~~

~~contracts is a matter of national interest with both social and economic benefits. When a contractor fails to make a good faith effort to comply with a subcontracting plan, these objectives are not achieved, and 15 U.S.C. 637(d)(4)(F) directs that liquidated damages shall be paid by the contractor.~~

~~(b) *Determination of good faith effort.*~~

~~(1) In determining whether a contractor failed to make a good faith effort to comply with its subcontracting plan, a contracting officer must look to the totality of the contractor's actions, consistent with the information and assurances provided in its plan. The fact that the contractor failed to meet its subcontracting goals does not, in and of itself, constitute a failure to make a good faith effort (see 19.701). For example, notwithstanding a contractor's diligent effort to identify and solicit offers from any of the small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns, factors such as unavailability of anticipated sources or unreasonable prices may frustrate achievement of the contractor's subcontracting goals. The contracting officer may consider any of the following, though not all inclusive, to be indicators of a good faith effort:~~

~~(i) Breaking out work to be subcontracted into economically feasible units, as appropriate, to facilitate small business participation.~~

~~(ii) Conducting market research to identify potential small business subcontractors through all reasonable means, such as searching SAM, posting notices or solicitations on SBA's SUBNet, participating in business matchmaking events, and attending preproposal conferences.~~

~~(iii) Soliciting small business concerns as early in the acquisition process as practicable to allow them sufficient time to submit a timely offer for the subcontract.~~

~~(iv) Providing interested small businesses with adequate and timely information about plans, specifications, and requirements for performance of the prime contract to assist them in submitting a timely offer for the subcontract.~~

~~(v) Negotiating in good faith with interested small businesses.~~

~~(vi) Directing small businesses that need additional assistance to SBA.~~

~~(vii) Assisting interested small businesses in obtaining bonding, lines of credit, required insurance, necessary equipment, supplies, materials, or services.~~

~~(viii) Utilizing the available services of small business associations; local, state, and Federal small business assistance offices; and other organizations.~~



~~(ix) Participating in a formal mentor-protégé program with one or more small business protégés that results in developmental assistance to the protégés.~~

~~(x) Although failing to meet the subcontracting goal in one socioeconomic category, exceeding the goal by an equal or greater amount in one or more of the other categories.~~

~~(xi) Fulfilling all of the requirements of the subcontracting plan.~~

~~(2) When considered in the context of the contractor's total effort in accordance with its plan, the contracting officer may consider any of the following, though not all inclusive, to be indicators of a failure to make a good faith effort:~~

~~(i) Failure to attempt through market research to identify, contact, solicit, or consider for contract award small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, or women-owned small business concerns, through all reasonable means including outreach, industry days, or the use of Federal systems such as SBA's Dynamic Small Business Search or SUBNet systems.~~

~~(ii) Failure to designate and maintain a company official to administer the subcontracting program and monitor and enforce compliance with the plan.~~

~~(iii) Failure to submit an acceptable ISR, or the SSR, using the eSRS, or as provided in agency regulations, by the report due dates specified in 52.219-9, Small Business Subcontracting Plan.~~

~~(iv) Failure to maintain records or otherwise demonstrate procedures adopted to comply with the plan including subcontracting flowdown requirements.~~

~~(v) Adoption of company policies or documented procedures that have as their objectives the frustration of the objectives of the plan.~~

~~(vi)a) Failure to pay Offers from HUBZone small business subcontractors in accordance with the terms of the contract with the prime contractor. concerns that have not waived the evaluation preference; or~~

~~(vii) Failure to correct substantiated findings from Federal subcontracting compliance reviews or participate in subcontracting plan management training offered by the Government.~~

~~(viii) Failure to provide the contracting officer with a written explanation if the contractor fails to acquire articles, equipment, supplies, services, or materials or obtain the performance of construction work as described in 19.704(a)(12).~~

~~(ixb) Falsifying records of subcontract awards to~~ Otherwise successful offers from small business concerns.

~~(c) **Documentation of good faith effort.** If, at completion of the basic contract or any option, or in the case of a commercial plan, at the close of the fiscal year for which the plan is applicable, a contractor has failed to comply with the requirements of its subcontracting plan, which includes meeting its subcontracting goals, the contracting officer shall review all available information for an indication that the contractor has not made a good faith effort to comply with the plan. If no such indication is found, the contracting officer shall document the file accordingly.~~

~~(d) **Notice of failure to make a good faith effort.** If the contracting officer decides in accordance with paragraph (b) of this section that the contractor failed to make a good faith effort to comply with its subcontracting plan, the contracting officer shall give the contractor written notice in accordance with 52.219-16, Liquidated Damages—Subcontracting Plan, specifying the material breach, which may be included in the contractor's past performance information, advising the contractor of the possibility that the contractor may have to pay to the Government liquidated damages, and providing a period of 15 working days (or longer period as necessary) within which to respond. The notice shall give the contractor an opportunity to demonstrate what good faith efforts have been made before the contracting officer issues the final decision and shall further state that failure of the contractor to respond may be taken as an admission that no valid explanation exists.~~

~~(e) **Payment of liquidated damages.**~~

~~(1) If, after consideration of all the pertinent data, the contracting officer finds that the contractor failed to make a good faith effort to comply with its subcontracting plan, the contracting officer shall issue a final decision to the contractor to that effect and require the payment of liquidated damages in an amount stated. The contracting officer's final decision shall state that the contractor has the right to appeal under the clause in the contract entitled Disputes. Calculations and procedures shall be in accordance with 52.219-16, Liquidated Damages—Subcontracting Plan.~~

~~(2) The amount of damages attributable to the contractor's failure to comply shall be an amount equal to the actual dollar amount by which the contractor failed to achieve each subcontracting goal. For calculations for commercial plans see paragraph (f) of this section.~~

~~(3) Liquidated damages shall be in addition to any other remedies that the Government may have.~~

~~(f) **Commercial plans.** With respect to commercial plans approved under the clause at 52.219-9, Small Business Subcontracting Plan, the contracting officer that approved the plan shall—~~

~~(1) Perform the functions of the contracting officer under this subsection on behalf of all agencies with contracts covered by the commercial plan;~~

~~(2) Determine whether or not the goals in the commercial plan were achieved and, if they were not achieved, review all available information for an indication that the contractor has not made a good faith effort to comply with the plan, and document the results of the review;~~

~~(3) If a determination is made to assess liquidated damages, in order to calculate and assess the amount of damages, the contracting officer shall ask the contractor to provide—~~

~~(i) Contract numbers for the Government contracts subject to the plan;~~

~~(ii) The total Government sales during the contractor's fiscal year; and~~

~~(iii) The amount of payments made under the Government contracts subject to that plan that contributed to the contractor's total sales during the contractor's fiscal year; and~~

~~(4) When appropriate, assess liquidated damages on the Government's behalf, based on the pro rata share of subcontracting attributable to the Government contracts. For example: The contractor's total actual sales were \$50 million and its actual subcontracting was \$20 million. The Government's total payments under contracts subject to the plan contributing to the contractor's total sales were \$5 million, which accounted for 10 percent of the contractor's total sales. Therefore, the pro rata share of subcontracting attributable to the Government contracts would be 10 percent of \$20 million, or \$2 million. To continue the example, if the contractor failed to achieve its small business goal by 1 percent, the liquidated damages would be calculated as 1 percent of \$2 million, or \$20,000. The contracting officer shall make similar calculations for each category of small business where the contractor failed to achieve its goal and the sum of the dollars for all of the categories equals the amount of the liquidated damages to be assessed. A copy of the contracting officer's final decision assessing liquidated damages shall be provided to other contracting officers with contracts subject to the commercial plan.~~

~~(5) Every contracting officer with a contract that is subject to a commercial plan shall include in the contract file a copy of the approved plan and a copy of the final decision assessing liquidating damages, if applicable.~~

~~[54 FR 30709, July 21, 1989, as amended at 60 FR 48263, Sept. 18, 1995; 63 FR 34066, June 22, 1998; 63 FR 70272, Dec. 18, 1998; 65 FR 60545, Oct. 11, 2000; 66 FR 53493, Oct. 22, 2001; 73 FR 21781, Apr. 22, 2008; 86 FR 44253, Aug. 11, 2021]~~

## **~~19.706 Responsibilities of the cognizant administrative contracting officer.~~**

~~The administrative contracting officer is responsible for assisting in evaluating subcontracting plans, and for monitoring, evaluating, and documenting contractor performance under the clause prescribed in 19.708(b) and any subcontracting plan included in the contract. The contract~~

~~administration office shall provide the necessary information and advice to support the contracting officer, as appropriate, by furnishing—~~

- ~~(a) Documentation on the contractor's performance and compliance with subcontracting plans under previous contracts;~~
- ~~(b) Information on the extent to which the contractor is meeting the plan's goals for subcontracting with eligible small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns;~~
- ~~(c) Information on whether the contractor's efforts to ensure the participation of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns are in accordance with its subcontracting plan;~~
- ~~(d) Information on whether the contractor is requiring its subcontractors to adopt similar subcontracting plans;~~
- ~~(e) Immediate notice if, during performance, the contractor is failing to meet its commitments under the clause prescribed in 19.708(b) or the subcontracting plan;~~
- ~~(f) Immediate notice and rationale if, during performance, the contractor is failing to comply in good faith with the subcontracting plan (see 19.705-7(b) for more information on the determination of good faith effort); and~~
- ~~(g) Immediate notice that performance under a contract is complete, that the goals were or were not met, and, if not met, whether there is any indication of a lack of a good faith effort to comply with the subcontracting plan.~~

~~[48 FR 42240, Sept. 19, 1983, as amended at 54 FR 30710, July 21, 1989; 60 FR 48263, Sept. 18, 1995; 63 FR 34067, June 22, 1998; 63 FR 70272, Dec. 18, 1998; 65 FR 60545, Oct. 11, 2000; 66 FR 53493, Oct. 22, 2001; 86 FR 44254, Aug. 11, 2021]~~

## ~~**19.707 The Small Business Administration's role in carrying out the program.**~~

- ~~(a) Under the program, the SBA may—~~
  - ~~(1) Assist both Government agencies and contractors in carrying out their responsibilities with regard to subcontracting plans;~~
  - ~~(2) Review (within 5 working days) any solicitation that meets the dollar threshold in 19.702(a)(1)(i) or (ii) before the solicitation is issued;~~

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

~~(3) Review (within 5 working days) before execution any negotiated contractual document requiring a subcontracting plan, including the plan itself, and submit recommendations to the contracting officer, which shall be advisory in nature; and~~

~~(4) Evaluate compliance with subcontracting plans, either on a contract by contract basis, or, in the case of contractors having multiple contracts, on an aggregate basis.~~

~~(b) The SBA is not authorized to~~

~~(1) prescribe the extent to which any contractor or subcontractor shall subcontract;~~

~~(2) specify concerns to which subcontracts will be awarded, or~~

~~(3) exercise any authority regarding the administration of individual prime contracts or subcontracts.~~

~~[48 FR 42240, Sept. 19, 1983, as amended at 51 FR 2664, Jan. 17, 1986; 85 FR 11765, Feb. 27, 2020]~~

## ~~19.708 Contract clauses.~~

### ~~Cross Reference~~

~~Link to an amendment published at 90 FR 41878, Aug. 27, 2025.~~

~~(a) Insert the clause at 52.219-8, Utilization of Small Business Concerns, in solicitations and contracts when the contract amount is expected to exceed the simplified acquisition threshold unless—~~

~~(1) A personal services contract is contemplated (see 37.104); or~~

~~(2) The contract, together with all of its subcontracts, will be performed entirely outside of the United States and its outlying areas.~~

~~(b)~~

~~(1) Insert the clause at 52.219-9, Small Business Subcontracting Plan, in solicitations and contracts that offer subcontracting possibilities, are expected to exceed \$750,000 (\$1.5 million for construction of any public facility), and are required to include the clause at 52.219-8, Utilization of Small Business Concerns, unless the acquisition is set aside or is to be accomplished under the 8(a) program. When—~~

~~(i) Contracting by sealed bidding rather than by negotiation, the contracting officer shall use the clause with its Alternate I;~~

~~(ii) Contracting by negotiation, and subcontracting plans are required with initial proposals as provided for in 19.705-2(d), the contracting officer shall use the clause with its Alternate II;~~

~~(iii) The contract action will not be reported in the Federal Procurement Data System pursuant to 4.606(e)(5) or (e)(6), the contracting officer shall use the clause with its Alternate III; or~~

~~(iv) Incorporating a subcontracting plan due to a modification as provided for in 19.702(a)(1)(iii), the contracting officer shall use the clause with its Alternate IV.~~

~~(2) Insert the clause at 52.219-16, Liquidated Damages—Subcontracting Plan, in all solicitations and contracts containing the clause at 52.219-9, Small Business Subcontracting Plan, or the clause with its Alternate I, II, III, or IV.~~

~~(e)~~

~~(1) The contracting officer may, when contracting by negotiation, insert in solicitations and contracts a clause substantially the same as the clause at 52.219-10, Incentive Subcontracting Program, when a subcontracting plan is required (see 19.702), and inclusion of a monetary incentive is, in the judgment of the contracting officer, necessary to increase subcontracting opportunities for small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns, and is commensurate with the efficient and economical performance of the contract; unless the conditions in paragraph (e)(3) of this section are applicable. The contracting officer may vary the terms of the clause as specified in paragraph (e)(2) of this section.~~

~~(2) Various approaches may be used in the development of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns' subcontracting incentives. They can take many forms, from a fully quantified schedule of payments based on actual subcontract achievement to an award-fee approach employing subjective evaluation criteria (see paragraph (e)(3) of this section). The incentive should not reward the contractor for results other than those that are attributable to the contractor's efforts under the incentive subcontracting program.~~

~~(3) As specified in paragraph (e)(2) of this section, the contracting officer may include small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business subcontracting as one of the factors to be considered in determining the award fee in a cost-plus-award-fee contract; in such cases, however, the contracting officer shall not use the clause at 52.219-10, Incentive Subcontracting Program.~~

~~[48 FR 42240, Sept. 19, 1983]~~

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

#### ~~Editorial Note~~

~~**Editorial Note:** For Federal Register citations affecting section 19.708, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at [www.govinfo.gov](http://www.govinfo.gov).~~

## ~~Subpart 19.8—Contracting With the Small Business Administration (the 8(a) Program)~~

~~Source: 54 FR 46005, Oct. 31, 1989, unless otherwise noted.~~

### ~~19.800 General.~~

~~(a) Section 8(a) of the Small Business Act (15 U.S.C. 637(a)) established a program that authorizes the Small Business Administration (SBA) to enter into all types of contracts with other agencies and award subcontracts for performing those contracts to firms eligible for program participation. This program is the “8(a) Business Development Program,” commonly referred to as the “8(a) program.” A small business that is accepted into the 8(a) program is known as a “participant.” SBA's subcontractors are referred to as “8(a) contractors.” As used in this subpart, an 8(a) contractor is an 8(a) participant that is currently performing on a Federal contract or order that was set aside for 8(a) participants.~~

~~(b) Contracts may be awarded to the SBA for performance by eligible 8(a) participants on either a sole source or competitive basis.~~

~~(c) Acting under the authority of the program, the SBA certifies to an agency that SBA is competent and responsible to perform a specific contract. The contracting officer has the discretion to award the contract to the SBA based upon mutually agreeable terms and conditions.~~

~~(d) The contracting officer shall comply with 19.203 before deciding to offer an acquisition to a small business concern under the 8(a) program. For acquisitions above the simplified acquisition threshold, the contracting officer shall consider 8(a) set-asides or sole source awards before considering small business set-asides.~~

~~(e) When SBA has delegated its 8(a) program contract execution authority to an agency, the contracting officer must refer to its agency supplement or other policy directives for appropriate guidance.~~

~~[82 FR 4726, Jan. 13, 2017]~~

### ~~19.801 [Reserved]~~

## ~~19.802 Determining eligibility for the 8(a) program.~~

~~Determining the eligibility of a small business to be a participant in the 8(a) program is the responsibility of the SBA. SBA's regulations on eligibility requirements for participation in the 8(a) program are found at 13 CFR 124.101 through 124.112. SBA designates the concern as an 8(a) participant in the Dynamic Small Business Search (DSBS) at [https://web.sba.gov/pro-net/search/dsp\\_dsbs.cfm](https://web.sba.gov/pro-net/search/dsp_dsbs.cfm). SBA's designation also appears in the System for Award Management (SAM).~~

~~[82 FR 4727, Jan. 13, 2017, as amended at 88 FR 9738, Feb. 14, 2023]~~

## ~~19.803 Selecting acquisitions for the 8(a) program.~~

~~Through their cooperative efforts, the SBA and an agency match the agency's requirements with the capabilities of 8(a) participants to establish a basis for the agency to contract with the SBA under the program. Selection is initiated in one of three ways:~~

~~(a) The SBA advises the contracting activity of an 8(a) participant's capabilities through a search letter and requests the contracting activity to identify acquisitions to support the participant's business plans. In these instances, the SBA will provide at a minimum the following information in order to enable the contracting activity to match an acquisition to the participant's capabilities:~~

~~(1) Identification of the participant and its owners.~~

~~(2) Background information on the participant, including any and all information pertaining to the participant's technical ability and capacity to perform.~~

~~(3) The participant's present production capacity and related facilities.~~

~~(4) The extent to which contracting assistance is needed in the present and the future, described in terms that will enable the agency to relate the participant's plans to present and future agency requirements.~~

~~(5) If construction is involved, the request shall also include the following:~~

~~(i) A participant's capabilities in and qualifications for accomplishing various categories of construction work typically found in North American Industrial Category System subsector 236 (construction of buildings), subsector 237 (heavy and civil engineering construction), or subsector 238 (specialty trade contractors).~~

~~(ii) The participant's capacity in each construction category in terms of estimated dollar value (e.g., electrical, up to \$100,000).~~



~~(b) The SBA identifies a specific requirement for one or more 8(a) participant(s) and sends a requirements letter to the agency's Office of Small and Disadvantaged Business Utilization, or for the Department of Defense, Office of Small Business Programs, requesting the contracting office offer the acquisition to the 8(a) program. In these instances, in addition to the information in paragraph (a) of this section, the SBA will provide—~~

- ~~(1) A clear identification of the acquisition sought; e.g., project name or number;~~
- ~~(2) A statement as to how the required equipment and real property will be provided in order to ensure that the participant will be fully capable of satisfying the agency's requirements;~~
- ~~(3) If construction, information as to the bonding capability of the participant(s); and~~
- ~~(4) Either—~~
  - ~~(i) If a sole source request—~~
    - ~~(A) The reasons why the participant is considered suitable for this particular acquisition; e.g., previous contracts for the same or similar supply or service; and~~
    - ~~(B) A statement that the participant is eligible in terms of its small business size status relative to the assigned NAICS code, business support levels, and business activity targets; or~~
  - ~~(ii) If competitive, a statement that at least two 8(a) participants are considered capable of satisfying the agency's requirements and a statement that the participants are also eligible in terms of their small business size status relative to the assigned NAICS code, business support levels, and business activity targets. If requested by the contracting office, SBA will identify at least two such participants and provide information concerning the participants' capabilities.~~

~~(c) Agencies may also review other proposed acquisitions for the purpose of identifying requirements which may be offered to the SBA. Where agencies independently, or through the self marketing efforts of an 8(a) participant, identify a requirement for the 8(a) program, they may offer on behalf of a specific 8(a) participant, for the 8(a) program in general, or for 8(a) competition.~~

[82 FR 4727, Jan. 13, 2017]

## ~~19.804 Evaluation, offering, and acceptance.~~

### ~~19.804-1 Agency evaluation.~~

~~In determining the extent to which a requirement should be offered in support of the 8(a) program, the agency should evaluate —~~

~~(a) Current and future plans to acquire the specific items or work that 8(a) participants are seeking to provide, identified in terms of —~~

~~(1) Estimated quantities of the supplies or services required or the estimated number of construction projects planned;~~

~~(2) Length of contract, including option periods (see 19.812(d)); and~~

~~(3) Performance or delivery requirements, including —~~

~~(i) Required monthly production rates, when applicable; and~~

~~(ii) For construction, the geographical location where work is to be performed;~~

~~(b) The impact of any delay in delivery;~~

~~(c) Whether the items or work have previously been acquired using small business set-asides, and the date the items or work were acquired;~~

~~(d) Problems encountered in previous acquisitions of the items or work from the 8(a) participants or other contractors; and~~

~~(e) Any other pertinent information about known 8(a) participants, the items, or the work. This includes any information concerning the participants' products or capabilities. When necessary, the contracting agency shall make an independent review of the factors in 19.803(a) and other aspects of the participants' capabilities which would ensure the satisfactory performance of the requirement being considered for commitment to the 8(a) program.~~

~~[82 FR 4727, Jan. 13, 2017, as amended at 88 FR 9738, Feb. 14, 2023]~~

## ~~19.804-2 Agency offering.~~

~~(a) After completing its evaluation, the contracting office shall notify the SBA of the extent of its plans to place 8(a) contracts with the SBA for specific quantities of items or work, including 8(a) contracts that are reserved in accordance with 19.503. The notification, referred to as an offering letter, shall identify the time frames within which resulting 8(a) awards must be completed in order for the agency to meet its responsibilities. The offering letter shall also contain the following information applicable to each prospective contract:~~

~~(1) A description of the work to be performed or items to be delivered, and a copy of the statement of work, if available.~~

- ~~(2) The estimated period of performance.~~
- ~~(3) The NAICS code that applies to the principal nature of the acquisition.~~
- ~~(4) The anticipated dollar value of the requirement, including options, if any.~~
- ~~(5) Any special restrictions or geographical limitations on the requirement (for construction, include the location of the work to be performed).~~
- ~~(6) Any special capabilities or disciplines needed for contract performance.~~
- ~~(7) The type of contract anticipated.~~
- ~~(8) The acquisition history, if any, of the requirement, including the names and addresses of any small business contractors that have performed this requirement during the previous 24 months.~~
- ~~(9) A statement that prior to the offering no solicitation for the specific acquisition has been issued as a small business, HUBZone, service-disabled veteran-owned small business set-aside, or a set-aside under the Women-Owned Small Business (WOSB) Program, and that no other public communication (such as a notice through the Governmentwide point of entry (GPE)) has been made showing the contracting agency's clear intention to set aside the acquisition for small business, HUBZone small business, service-disabled veteran-owned small business concerns, or a set-aside under the WOSB Program.~~
- ~~(10) Identification of any particular 8(a) participant designated for consideration, including a brief justification, such as —~~
  - ~~(i) The 8(a) participant, through its own efforts, marketed the requirement and caused it to be reserved for the 8(a) program; or~~
  - ~~(ii) The acquisition is a follow-on or renewal contract and the nominated 8(a) participant is the incumbent.~~
- ~~(11) Bonding requirements, if applicable.~~
- ~~(12) Identification of all 8(a) participants which have expressed an interest in being considered for the acquisition.~~
- ~~(13) Identification of all SBA field offices that have asked for the acquisition for the 8(a) program.~~
- ~~(14) A request, if appropriate, that a requirement with an estimated contract value under the applicable competitive threshold be awarded as an 8(a) competitive contract (see 19.805-1(d)).~~

~~(15) A request, if appropriate, that a requirement with a contract value over the applicable competitive threshold be awarded as a sole source contract (see 19.805-1(b)).~~

~~(16) Any other pertinent and reasonably available data.~~

~~(b)~~

~~(1) An agency offering a construction requirement for which no specific offeror is nominated should submit it to the SBA District Office for the geographical area where the work is to be performed.~~

~~(2) An agency offering a construction requirement on behalf of a specific offeror should submit it to the SBA District Office servicing that concern.~~

~~(3) Sole source requirements, other than construction, should be forwarded directly to the district office that services the nominated 8(a) participant. If the contracting officer is not nominating a specific 8(a) participant, the offering letter should be forwarded to the district office servicing the geographical area in which the contracting office is located.~~

~~(c) All requirements for 8(a) competition, other than construction, should be forwarded to the district office servicing the geographical area in which the contracting office is located. All requirements for 8(a) construction competition should be forwarded to the district office servicing the geographical area in which all or the major portion of the construction is to be performed. All requirements, including construction, must be synopsisized through the GPE. For construction, the synopsis must include the geographical area of the competition set forth in the SBA's acceptance letter.~~

~~[54 FR 46005, Oct. 31, 1989, as amended at 61 FR 67421, Dec. 20, 1996; 62 FR 44823, Aug. 22, 1997; 64 FR 32744, June 17, 1999; 65 FR 46057, July 26, 2000; 66 FR 27413, May 16, 2001; 69 FR 25278, May 5, 2004; 75 FR 60264, Sept. 29, 2010; 76 FR 14568, Mar. 16, 2011; 76 FR 18311, Apr. 1, 2011; 82 FR 4727, Jan. 13, 2017; 85 FR 11765, Feb. 27, 2020]~~

## ~~19.804-3 SBA acceptance.~~

~~(a) Upon receipt of the contracting office's offering letter, SBA will determine whether to accept the requirement for the 8(a) program. SBA's decision whether to accept the requirement will be transmitted to the contracting office in writing within 10 working days of receipt of the offer if the contract is likely to exceed the simplified acquisition threshold and within two working days of receipt if the contract is at or below the simplified acquisition threshold. The contracting office may grant an extension of these time periods, if requested by SBA.~~

~~(1) For acquisitions exceeding the simplified acquisition threshold, if SBA does not respond to an offering letter within ten working days, the contracting office may seek SBA's acceptance through the Associate Administrator for Business Development. The contracting~~

~~office may assume that SBA has accepted the requirement into the 8(a) program if it does not receive a reply from the Associate Administrator for Business Development within five calendar days of receipt of the contracting officer's request.~~

~~(2) For acquisitions not exceeding the simplified acquisition threshold, when the contracting office makes an offer to the 8(a) program on behalf of a specific 8(a) participant and does not receive a reply to its offering letter within two working days, the contracting office may assume the offer is accepted and proceed with award of an 8(a) contract.~~

~~(b) As part of the acceptance process, SBA will review the appropriateness of the NAICS code designation assigned to the requirement by the contracting officer.~~

~~(1) SBA will not challenge the NAICS code assigned to the requirement by the contracting officer if it is reasonable, even though other NAICS codes may also be reasonable.~~

~~(2) If SBA and the contracting officer are unable to agree on a NAICS code designation for the requirement, SBA may refuse to accept the requirement for the 8(a) program, appeal the contracting officer's determination to the head of the agency pursuant to 19.810, or appeal the NAICS code designation to the SBA Office of Hearings and Appeals under subpart C of 13 CFR part 134.~~

~~(c) **Sole source 8(a) awards.** If an appropriate match exists, SBA will advise the contracting officer whether it will participate in contract negotiations or whether SBA will authorize the contracting officer to negotiate directly with the identified 8(a) participant. Where SBA has delegated its contract execution functions to a contracting agency, SBA will also identify that delegation in its acceptance letter. For a joint venture, SBA will determine eligibility as part of its acceptance of a sole source requirement and will approve the joint venture agreement prior to award in accordance with 13 CFR 124.513(e).~~

~~(1) **Sole source award where the contracting officer nominates a specific 8(a) participant.** SBA will determine whether an appropriate match exists where the contracting officer identifies a particular participant for a sole source award.~~

~~(i) Once SBA determines that a procurement is suitable to be accepted as an 8(a) sole source contract, SBA will normally accept it on behalf of the 8(a) participant recommended by the contracting officer, provided that the 8(a) participant complies with the requirements of 13 CFR 124.503(e)(1).~~

~~(ii) If an appropriate match does not exist, SBA will notify the 8(a) participant and the contracting officer, and may then nominate an alternate 8(a) participant.~~

~~(2) **Sole source award where the contracting officer does not nominate a specific 8(a) participant.** When a contracting officer does not nominate an 8(a) participant for performance of a sole source 8(a) contract, SBA will select an 8(a) participant for possible award from among two or more eligible and qualified 8(a) participants. The selection will be~~

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

~~based upon relevant factors, including business development needs, compliance with competitive business mix requirements (if applicable), financial condition, management ability, technical capability, and whether award will promote the equitable distribution of 8(a) contracts. (For construction requirements see 13 CFR 124.503(d)(1)).~~

~~[82 FR 4727, Jan. 13, 2017, as amended at 87 FR 58224, Sept. 23, 2022]~~

## ~~19.804-4 Repetitive acquisitions.~~

~~In order for repetitive acquisitions to be awarded through the 8(a) program, there must be separate offers and acceptances. This allows the SBA to determine —~~

~~(a) Whether the requirement should be a competitive 8(a) award;~~

~~(b) A nominated 8(a) participant's eligibility, and whether or not it is the same 8(a) participant that performed the previous contract;~~

~~(c) The effect that contract award would have on the equitable distribution of 8(a) contracts; and~~

~~(d) Whether the requirement should continue~~[19.208 Evaluating and awarding](#) ~~under the 8(a) program~~[Program](#).

~~[64 FR 32744, June 17, 1999, as amended at 82 FR 4728, Jan. 13, 2017]~~

## ~~19.804-5 Basic ordering agreements and blanket purchase agreements.~~

~~(a) The contracting office shall submit an offering letter for, and SBA must accept, each order under a basic ordering agreement (BOA) or a blanket purchase agreement (BPA) issued under part 13 (see 13.303), in addition to the agency offering and SBA accepting the BOA or BPA itself.~~

~~(b) SBA will not accept for award on a sole source basis any order that would cause the total dollar amount of orders issued under a specific BOA or BPA to exceed the competitive threshold amount in 19.805-1.~~

~~(c) Once an 8(a) participant's program term expires, the participant otherwise exits the 8(a) program, or becomes other than small for the NAICS code assigned under the BOA or the BPA, SBA will not accept new orders under the BOA or BPA for the participant.~~

~~[88 FR 69525, Oct. 5, 2023]~~

## **19.804-6 Indefinite-delivery contracts.**

### **Cross-Reference**

~~Link to an amendment published at 90 FR 41879, Aug. 27, 2025.~~

~~(a) Separate offers and acceptances are not required for individual orders under multiple-award contracts (including the Federal Supply Schedules managed by GSA, multi-agency contracts or Governmentwide acquisition contracts, or indefinite-delivery, indefinite-quantity (IDIQ) contracts) that have been set aside for exclusive competition among 8(a) contractors, and the individual order is to be competed among all 8(a) contract holders. SBA's acceptance of the original contract is valid for the term of the contract. Offers and acceptances are required for individual orders under multiple-award contracts that have not been set aside for exclusive competition among 8(a) contractors.~~

~~(b) The contracting officer may issue an order on a sole-source basis when—~~

~~(1) The multiple-award contract was set aside for exclusive competition among 8(a) participants;~~

~~(2) The order has an estimated value less than or equal to the dollar thresholds set forth at 19.805-1(a)(2); and~~

~~(3) The offering and acceptance procedures at 19.804-2 and 19.804-3 are followed.~~

~~(c) The contracting officer may issue an order directly to one 8(a) contractor in accordance with 19.504(c)(1)(ii) when—~~

~~(1) The multiple-award contract was reserved for 8(a) participants;~~

~~(2) The order has an estimated value less than or equal to \$7 million for acquisitions assigned manufacturing NAICS codes and \$4.5 million for all other acquisitions; and~~

~~(3) The offering and acceptance procedures at 19.804-2 and 19.804-3 are followed.~~

~~(d) An 8(a) contractor may continue to accept new orders under the contract, even if it exits the 8(a) program, or becomes other than small for the NAICS code(s) assigned to the contract.~~

~~(e) Agencies may continue to take credit toward their prime contracting small-disadvantaged business or small-business goals for orders awarded to 8(a) contractors, even after the contractor's 8(a) program term expires, the contractor otherwise exits the 8(a) program, or the contractor becomes other than small for the NAICS code(s) assigned under the 8(a) contract. However, if an 8(a) contractor rerepresents that it is other than small for the NAICS code(s) assigned under the contract in accordance with 19.301-2 or, where ownership or control of the 8(a) contractor has changed and SBA has granted a waiver to allow the contractor to continue~~

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

~~performance (see 13 CFR 124.515), the agency may not credit any subsequent orders awarded to the contractor towards its small disadvantaged business or small business goals.~~

~~[85 FR 11765, Feb. 27, 2020, as amended at 85 FR 62489, Oct. 2, 2020; 86 FR 61041, Nov. 4, 2021]~~

## ~~19.805-Competitive~~ 19.208-1 Procedures for competitive 8(a).

### ~~19.805-1 General.~~

#### ~~Cross Reference~~

~~Link to an amendment published at 90 FR 41879, Aug. 27, 2025.~~

~~(a) Except as provided in paragraph (b) of this section, an acquisition offered to the SBA under the 8(a) program shall be awarded on the basis of competition limited to eligible 8(a) participants when—~~

~~(1) There is a reasonable expectation that at least two eligible and responsible 8(a) participants will submit offers and that award can be made at a fair market price; and~~

~~(2) The anticipated total value of the contract, including options, will exceed \$7 million for acquisitions assigned manufacturing North American Industry Classification System (NAICS) codes and \$4.5 million for all other acquisitions.~~

~~(b) Where an acquisition exceeds the competitive threshold (see paragraph (a)(2) of this section), the SBA may accept the requirement for a sole source 8(a) award if—~~

~~(1) There is not a reasonable expectation that at least two eligible and responsible 8(a) participants will submit offers at a fair market price; or~~

~~(2) SBA accepts the requirement on behalf of a concern owned by an Indian tribe or an Alaska Native Corporation.~~

~~(c) A proposed 8(a) requirement with an estimated value exceeding the applicable competitive threshold amount shall not be divided into several requirements for lesser amounts in order to use 8(a) sole source procedures for award to a single firm.~~

~~(d) The SBA Associate Administrator for Business Development may approve a contracting office's request for a competitive 8(a) award below the competitive thresholds. Such requests will be approved only on a limited basis and will be primarily granted where technical competitions are appropriate or where a large number of responsible 8(a) participants are available for competition. In determining whether a request to compete below the threshold will be approved, the SBA Associate Administrator for Business Development will, in part,~~



~~consider the extent to which the contracting activity is supporting the 8(a) program on a noncompetitive basis. The agency may include recommendations for competition below the threshold in the offering letter or by separate correspondence to the SBA Associate Administrator for Business Development.~~

~~[54 FR 46005, Oct. 31, 1989, as amended at 61 FR 67421, Dec. 20, 1996; 64 FR 32744, June 17, 1999; 65 FR 46056, July 26, 2000; 68 FR 4051, Jan. 27, 2003; 69 FR 8314, Feb. 23, 2004; 71 FR 57367, Sept. 28, 2006; 75 FR 53133, Aug. 30, 2010; 75 FR 77730, Dec. 13, 2010; 80 FR 38298, July 2, 2015; 82 FR 4729, Jan. 13, 2017; 85 FR 62489, Oct. 2, 2020; 86 FR 61041, Nov. 4, 2021]~~

## **~~19.805-2 Procedures.~~**

(a) Offers ~~shall~~must be solicited from those sources identified in accordance with ~~19.804-3~~19.108-4(c).

(b) The SBA will determine the eligibility of the apparent successful offeror. Eligibility is based on section 8(a) program criteria (see ~~13 CFR 124.501(g) and 19.816(e)~~). ~~For a two-step design-build procurement, an 8(a) participant must be eligible for award under the 8(a) program on the initial date for receipt of phase one offers specified in the solicitation (see 13 CFR 124.507(d)(3)).~~13 CFR 124.501(g) and 19.208-6(c).

(1) In either negotiated or sealed bid competitive 8(a) acquisitions SBA will determine the eligibility of the apparent successful offeror and advise the contracting office within 5 working days after receipt of the contracting office's request for an eligibility determination.

(i) If SBA determines that the apparent successful offeror is ineligible, the contracting ~~office~~officer will then send to SBA the identity of the next highest evaluated offeror for an eligibility determination. The process is repeated until SBA determines that an identified offeror is eligible for award.

(ii) If the contracting officer believes that the apparent successful offeror (or the offeror SBA has determined eligible for award) is not responsible to perform the contract, the contracting officer must refer the matter to SBA for Certificate of Competency consideration under ~~subpart 19.6~~19.204.

(2) For a two-step design-build procurement, an 8(a) participant must be eligible for award under the 8(a) program on the initial date for receipt of phase one offers specified in the solicitation (see ~~13 CFR 124.507(d)(3)~~13 CFR 124.507(d)(3)).

(3) In any case in which an 8(a) participant is determined to be ineligible, SBA will notify the 8(a) participant of that determination.

~~<https://www.ecfr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

(c) Any party with information questioning the eligibility of an 8(a) participant to continue participation in the 8(a) program or for the purposes of a specific 8(a) award may submit such information to the SBA in accordance with ~~13 CFR 124.112(e)~~[13 CFR 124.112\(c\)](#).

(d)

(1) SBA does not certify joint ventures, as entities, into the 8(a) program.

(2) A contracting officer may consider a joint venture for contract award. SBA does not approve joint ventures for competitive awards (but see ~~13 CFR 124.501(g)~~[13 CFR 124.501\(g\)](#) for SBA's determination of participant eligibility).

~~[82 FR 4729, Jan. 13, 2017, as amended at 87 FR 58224, Sept. 23, 2022; 88 FR 69525, Oct. 5, 2023]~~

## 19.208-2 Contract negotiation.

### ~~19.806 Pricing the 8(a) contract~~[Sole source.](#)

~~(a) The contracting officer shall price the 8(a) contract in accordance with subpart 15.4. If required by subpart 15.4, the SBA shall obtain certified cost or pricing data from the 8(a) contractor. If the SBA requests audit assistance to determine the proposed price to be fair and reasonable in a sole source acquisition, the contracting activity shall furnish it to the extent it is available.~~

~~(b) An 8(a) contract, sole source or competitive, may not be awarded if the price of the contract results in a cost to the contracting agency which exceeds a fair market price.~~

~~(c) If requested by the SBA, the contracting officer shall make available the data used to estimate the fair market price within 10 working days.~~

~~(d) The negotiated contract price and the estimated fair market price are subject to the concurrence of the SBA. In the event of a disagreement between the contracting officer and the SBA, the SBA may appeal in accordance with 19.810.~~

~~[54 FR 46005, Oct. 31, 1989, as amended at 62 FR 51270, Sept. 30, 1997; 64 FR 32745, 32748, June 17, 1999; 75 FR 53149, Aug. 30, 2010]~~

### ~~19.807 Estimating the fair market price.~~

~~(a) The contracting officer shall estimate the fair market price of the work to be performed by the 8(a) contractor.~~

~~(b) In estimating the fair market price for an acquisition other than those covered in paragraph (c) of this section, the contracting officer shall use cost or price analysis and consider commercial prices for similar products and services, available in-house cost estimates, data (including certified cost or pricing data) submitted by the SBA or the 8(a) contractor, and data obtained from any other Government agency.~~

~~(c) In estimating a fair market price for a repeat purchase, the contracting officer shall consider recent award prices for the same items or work if there is comparability in quantities, conditions, terms, and performance times. The estimated price should be adjusted to reflect differences in specifications, plans, transportation costs, packaging and packing costs, and other circumstances. Price indices may be used as guides to determine the changes in labor and material costs. Comparison of commercial prices for similar items may also be used.~~

~~[54 FR 46005, Oct. 31, 1989, as amended at 75 FR 53149, Aug. 30, 2010]~~

## ~~19.808 Contract negotiation.~~

### ~~19.808-1 Sole source.~~

#### ~~Cross-Reference~~

~~Link to an amendment published at 90 FR 41879, Aug. 27, 2025.~~

~~(a)~~ (1) The SBA may not accept for negotiation a sole-source 8(a) contract that exceeds \$25 million unless the requesting agency has completed a justification in accordance with the requirements of ~~6.303~~ 6.104.

~~(b)~~ (2) The SBA is responsible for initiating negotiations with the agency within the time established by the agency. If the SBA does not initiate negotiations within the agreed time and the agency cannot allow additional time, the agency may, after notifying the SBA, proceed with the acquisition from other sources.

~~(c)~~ (3) The SBA should participate, whenever practicable, in negotiating the contracting terms. When mutually agreeable, the SBA may authorize the contracting officer to negotiate directly with the 8(a) participant. Whether or not direct negotiations take place, the SBA is responsible for approving the resulting contract before award.

~~(d)~~ (4) An 8(a) participant must represent that it is a small business in accordance with the size standard corresponding to the NAICS code assigned to the contract.

~~(e)~~ (5) A concern must be a current participant in the 8(a) program at the time of an 8(a) sole-source award.

~~(f)~~ (6) An 8(a) participant owned by an Alaska Native Corporation, Indian Tribe, Native Hawaiian Organization, or Community Development Corporation may not receive an 8(a) sole-source award that is a follow-on contract to an 8(a) contract, if the predecessor

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

contract was performed by another 8(a) participant (or former 8(a) participant) owned by the same Alaska Native Corporation, Indian Tribe, Native Hawaiian Organization, or Community Development Corporation. See ~~13 CFR 124.109~~ [13 CFR 124.109](#) through ~~124.111~~ [124.111](#).

~~[54 FR 46005, Oct. 31, 1989, as amended at 55 FR 3883, Feb. 5, 1990; 56 FR 55378, Oct. 25, 1991; 61 FR 67421, Dec. 20, 1996; 76 FR 14562, Mar. 16, 2011; 80 FR 38298, July 2, 2015; 82 FR 4729, Jan. 13, 2017; 85 FR 62489, Oct. 2, 2020; 88 FR 69525, Oct. 5, 2023]~~

## **~~19.808-2 Competitive.~~**

(b) *Competitive.* In competitive 8(a) acquisitions, including follow-on 8(a) acquisitions, subject to part 15, the contracting officer conducts negotiations directly with the competing 8(a) participants. Conducting competitive negotiations among eligible 8(a) participants prior to SBA's formal acceptance of the acquisition for the 8(a) program may be grounds for the SBA's not accepting the acquisition for the 8(a) program (see 19.108-4).

~~[88 FR 69525, Oct. 5, 2023]~~

## **~~19.809 Preaward considerations.~~**

### **19.208-3 Pricing the 8(a) contract.**

(a) The contracting officer must price the 8(a) contract in accordance with subpart 15.4. If required by subpart 15.4, the SBA shall obtain certified cost or pricing data from the 8(a) contractor. If the SBA requests audit assistance to determine the proposed price to be fair and reasonable in a sole source acquisition, the contracting activity must furnish it to the extent it is available.

(b) An 8(a) contract, sole source or competitive, may not be awarded if the price of the contract results in a cost to the contracting agency which exceeds a fair market price.

(c) If requested by the SBA, the contracting officer must make available the data used to estimate the fair market price within 10 working days.

(d) The negotiated contract price and the estimated fair market price are subject to the concurrence of the SBA. In the event of a disagreement between the contracting officer and the SBA, the SBA may appeal in accordance with 19.208-8.

### **19.208-4 Estimating the fair market price.**

(a) The contracting officer must estimate the fair market price of the work to be performed by the 8(a) contractor.

(b) In estimating the fair market price for an acquisition other than those covered in paragraph (c) of this section, the contracting officer must use cost or price analysis and consider commercial prices for similar products and services, available in-house cost estimates, data (including certified cost or pricing data) submitted by the SBA or the 8(a) contractor, and data obtained from any other Government agency.

(c) In estimating a fair market price for a repeat purchase, the contracting officer must consider prices for similar products and services, recent award prices for the same items or work if there is comparability in quantities, conditions, terms, and performance times. The estimated price should be adjusted to reflect differences in specifications, plans, transportation costs, packaging and packing costs, and other circumstances. Price indices may be used as guides to determine the changes in labor and material costs. Comparison of commercial prices for similar items may also be used.

## ~~19.809-1~~ 19.208-5 **Preaward survey.**

The contracting officer should request a preaward survey of the 8(a) participant whenever considered useful. If the results of the preaward survey or other information available to the contracting officer raise substantial doubt as to the participant's ability to perform, the contracting officer ~~shall~~ must refer the matter to SBA for Certificate of Competency consideration under ~~subpart 19.6~~ 19.204.

## 19.208-6 Effect of exiting the 8(a) program on eligibility for award.

(a) Except as provided in paragraph (c) of this section, when a contractor exits the 8(a) program, it is no longer eligible to receive new 8(a) contracts.

[85 FR 11765, Feb. 27, 2020]

## ~~19.809-2~~ **Limitations on subcontracting and nonmanufacturer rule.**

~~(a) **Limitations on subcontracting.** To be awarded a contract or order under the 8(a) program, the 8(a) participant is required to perform—~~

~~(1) For services (except construction), at least 50 percent of the cost incurred for personnel with its own employees;~~

~~(2) For supplies or products (other than a procurement from a nonmanufacturer of such supplies or products), at least 50 percent of the cost of manufacturing the supplies or products (not including the cost of materials);~~

~~(3) For general construction, at least 15 percent of the cost with its own employees (not including the cost of materials); and~~

~~(4) For construction by special trade contractors, at least 25 percent of the cost with its own employees (not including the cost of materials).~~

~~(b) **Compliance period.** An 8(a) contractor is required to comply with the limitations on subcontracting—~~

~~(1) For a contract under the 8(a) program, either by the end of the base term and then by the end of each subsequent option period or by the end of the performance period for each order issued under the contract, at the contracting officer's discretion; and~~

~~(2) For an order competed exclusively among contractors who are 8(a) participants or for an order issued directly to one 8(a) contractor in accordance with 19.504(e)(1)(ii), by the end of the performance period for the order.~~

~~(c) **Waiver.** The applicable SBA District Director may waive the provisions in paragraph (b)(1) requiring a participant to comply with the limitations on subcontracting for each period of performance or for each order. Instead, the SBA District Director may permit the participant to subcontract in excess of the limitations on subcontracting where the SBA District Director makes a written determination that larger amounts of subcontracting are essential during certain stages of performance.~~

~~(1) The 8(a) participant is required to provide the SBA District Director written assurance that the participant will ultimately comply with the requirements of this section prior to contract completion. The contracting officer shall review the written assurance and inform the 8(a) participant of their concurrence or nonconcurrence. The 8(a) participant can only submit the written assurance to the SBA District Director upon concurrence by the contracting officer.~~

~~(2) The contracting officer does not have the authority to waive the provisions of this section requiring an 8(a) participant to comply with the limitations on subcontracting for each period of performance or order, even if the agency has a Partnership Agreement with SBA.~~

~~(3**b**) Where the If an 8(a) participant does not ultimately comply with the limitations on subcontracting by the end of the contract, SBA will not grant future waivers for the 8(a) participant contractor is suspended from the program (see 13 CFR 124.305), it may not receive any new 8(a) contracts unless the head of the contracting agency makes a determination that it is in the best interest of the Government to issue the award and SBA adopts that determination.~~

~~(c) A contractor that has completed its term of participation in the 8(a) program may be awarded a competitive 8(a) contract if it was an 8(a) participant eligible for award of the contract on the initial date specified for receipt of offers contained in the solicitation, and if the contractor continues to meet all other applicable eligibility criteria (see 13 CFR 124.507(d)).~~

~~(d) **Nonmanufacturer rule.** See 19.505(e) for application of the nonmanufacturer rule, inclusive of waivers and exceptions to the nonmanufacturer rule.~~

[85 FR 11765, Feb. 27, 2020]

## **19.810 SBA appeals.**

(a) The SBA Administrator may submit the following matters for determination to the agency head if the SBA and the contracting officer fail to agree on them:

(1d) The decision not to make a particular acquisition available for award under SBA's regulations on exiting the 8(a) Program are found at 13 CFR 124.301 through 124.305, and 13 CFR 124.507(d).

(2) A contracting officer's decision to reject a specific 8(a) participant for award of an 8(a) contract after SBA's acceptance of the requirement for the 8(a) program.

(3) The terms and conditions of a proposed 8(a) contract, including the contracting officer's NAICS code designation and estimate of the fair market price.

(4) A contracting officer's decision that an acquisition previously procured under the 8(a) program is a new requirement not subject to the release requirements at 13 CFR 124.504(d)(1) (see 19.815(a) and (d)(1)).

(b)

(1) Notification by SBA of an intent to appeal to the agency head—

(i) Must be received by the contracting officer within 5 working days after SBA is formally notified of the contracting officer's decision; and

(ii) Must be provided to the contracting agency Director for the Office of Small and Disadvantaged Business Utilization or, for the Director of the Office of Defense, the Director of the Office of Small Business Programs.

(2) SBA must send the written appeal to the agency head within 15 working days of SBA's notification of intent to appeal or the appeal may be considered withdrawn. Pending issuance of a decision by the agency head, the contracting officer shall suspend action on the acquisition. The contracting officer need not suspend action on the acquisition if the contracting officer makes a written determination that urgent and compelling circumstances that significantly affect the interests of the United States will not permit waiting for a decision.

(c) If the SBA appeal is denied, the decision of the agency head shall specify the reasons for the denial, including the reasons why the selected participant was determined incapable of performance, if appropriate. The decision shall be made a part of the contract file.

[54 FR 46005, Oct. 31, 1989, as amended at 64 FR 32745, June 17, 1999; 65 FR 46057, July 26, 2000, as amended at 82 FR 4729, Jan. 13, 2017; 85 FR 11766, Feb. 27, 2020; 88 FR 69525, Oct. 5, 2023]

## ~~19.811-1~~ 19.208-7 Preparing the contracts.

### ~~19.811-1~~ (a) *Sole source.*

~~(a)~~ (1) The contract to be awarded by the agency to the SBA shall be prepared in accordance with agency procedures and in the same detail as would be required in a contract with a business concern. The contracting officer ~~shall~~ must use the Standard Form 26 as the award form, except for construction contracts, in which case the Standard Form 1442 ~~shall~~ must be used as required in 36.701(a).

~~(b)~~ (2) The contracting officer ~~shall~~ must prepare the contract that the SBA will award to the 8(a) participant in accordance with agency procedures, as if awarding the contract directly to the 8(a) participant, except for the following:

~~(4)~~ (i) The award form ~~shall~~ must cite ~~41 U.S.C. 3304(a)(5) or 10 U.S.C. 3204(a)(5)~~ 41 U.S.C. 3304(a)(5) or 10 U.S.C. 3204(a)(5) (as appropriate) as the authority for use of other than full and open competition.

~~(2)~~ (ii) Appropriate clauses ~~shall~~ must be included, as necessary, to reflect that the contract is between the SBA and the 8(a) contractor.

~~(3)~~ (iii) The following items shall be inserted by the SBA—

~~(i)~~ (A) The SBA contract number.

~~(ii)~~ (B) The effective date.

~~(iii)~~ (C) The typed name of the SBA's contracting officer.

~~(iv)~~ (D) The signature of the SBA's contracting officer.

~~(v)~~ (E) The date signed.

~~(4)~~ (iv) The SBA will obtain the signature of the 8(a) contractor prior to signing and returning the prime contract to the contracting officer for signature. The SBA will make every effort to obtain signatures and return the contract, and any subsequent bilateral modification, to the contracting officer within a maximum of 10 working days.

~~(e)~~ (3) Except in procurements where the SBA will make advance payments to its 8(a) contractor, the agency contracting officer may, as an alternative to the procedures in ~~paragraphs (a)~~ paragraphs (a) and ~~(b)~~ (b) of this subsection, use a single contract document



for both the prime contract between the agency and the SBA and its 8(a) contractor. The single contract document ~~shall~~must contain the information in ~~paragraphs (b) (1), (2), and (3)~~paragraphs (a)(2)(i), (ii), and (iii) of this subsection. Appropriate blocks on the Standard Form (SF) 26 or 1442 will be asterisked and a continuation sheet appended as a tripartite agreement which includes the following:

(~~1~~1) Agency acquisition office, prime contract number, name of agency contracting officer and lines for signature, date signed, and effective date.

(~~2~~2) The SBA office, the SBA contract number, name of the SBA contracting officer, and lines for signature and date signed.

(~~3~~3) Name and lines for the 8(a) contractor's signature and date signed.

(~~4~~4) For acquisitions not exceeding the simplified acquisition threshold, the contracting officer may use the alternative procedures in ~~paragraph (e)~~paragraph (a)(3) of this subsection with the appropriate simplified acquisition forms.

~~[54 FR 46005, Oct. 31, 1989, as amended at 55 FR 3883, Feb. 5, 1990; 61 FR 67421, Dec. 20, 1996; 62 FR 233, Jan. 2, 1997; 62 FR 64940, Dec. 9, 1997; 64 FR 32745, June 17, 1999; 69 FR 59699, Oct. 5, 2004; 79 FR 24202, Apr. 29, 2014; 82 FR 4729, Jan. 13, 2017; 87 FR 73898, Dec. 1, 2022]~~

## ~~19.811-2~~(b) *Competitive.*

(~~a~~1) The contract will be prepared in accordance with 14.408-1(d), except that appropriate blocks on the Standard Form 26 or 1442 will be asterisked and a continuation sheet appended as a tripartite agreement which includes the following:

(~~1~~1) The agency contracting activity, prime contract number, name of agency contracting officer, and lines for signature, date signed, and effective date.

(~~2~~2) The SBA office, the SBA subcontract number, name of the SBA contracting officer and lines for signature and date signed.

(~~b~~2) The process for obtaining signatures shall be as specified in ~~19.811-1~~paragraph (b)(4)(iv) of this section.

~~[54 FR 46005, Oct. 31, 1989, as amended at 60 FR 34739, July 3, 1995; 62 FR 233, Jan. 2, 1997; 64 FR 32745, June 17, 1999]~~

## ~~19.811-3 Contract clauses~~19.208-8 SBA appeals.

(a) The SBA Administrator may submit the following matters for determination to the agency head if the SBA and the contracting officer fail to agree on them:

(1) A contracting officer's decision to reject a specific 8(a) participant for award of an 8(a) contract after SBA's acceptance of the requirement for the 8(a) program.

(2) The terms and conditions of a proposed 8(a) contract, including the contracting officer's NAICS code designation and estimate of the fair market price.

(b) The procedures at 19.102(f) apply to this section if there is disagreement between the contracting officer and the SBA procurement center representative (or, if a procurement center representative is not assigned, see 19.102(b)) regarding the matters in paragraph (a).

(c) If the SBA appeal is denied, the decision of the agency head must specify the reasons for the denial, including the reasons why the selected participant was determined incapable of performance, if appropriate. The decision shall be made a part of the contract file.

### **Subpart 19.3 - Postaward**

#### **19.301 Representations and rerepresentations.**

(a) A contractor that represented itself as a small business concern before contract award must rerepresent its size status in accordance with the clause at 52.219-28, Postaward Small Business Program Rerepresentation, for the North American Industry Classification System (NAICS) code(s) in the contract upon the occurrence of any of the following:

(1) Within 30 days after execution of a novation agreement or within 30 days after modification of the contract to include the clause at 52.219-28, Post-Award Small Business Program Rerepresentation, if the novation agreement was executed prior to inclusion of this clause in the contract.

(2) Within 30 days after a merger or acquisition of the contractor that does not require novation or within 30 days after modification of the contract to include the clause at 52.219-28, Post-Award Small Business Program Rerepresentation, if the merger or acquisition occurred prior to inclusion of this clause in the contract.

(3) For long-term contracts—

(i) Within 60 to 120 days prior to the end of the fifth year of the contract; and

(ii) Within 60 to 120 days prior to the date specified in the contract for exercising any option thereafter.

(b) A contractor must rerepresent its size status in accordance with the size standard in effect at the time of its rerepresentation that corresponds to the NAICS code that was initially assigned to the contract. For multiple-award contracts where there is more than one NAICS code assigned, the contractor is required to rerepresent its size status for each NAICS code assigned to the contract.

(c) After a contractor rerepresents it is other than small in accordance with 52.219-28, the agency may no longer include the value of options exercised, modifications issued, orders issued, or purchases made under blanket purchase agreements on that contract in its small business prime contracting goal achievements. Agencies should issue a modification to the contract capturing the rerepresentation and report it to FPDS within 30 days after notification of the rerepresentation.

(d) A change in size status does not change the terms and conditions of the contract. However, the contracting officer may require a subcontracting plan for a contract containing 52.219-9, Small Business Subcontracting Plan, if a prime contractor's size status changes from small to other than small as a result of a size rerepresentation (see 19.109(c)(3)).

(e) A contractor that represented itself as other than small before contract award may, but is not required to, rerepresent its size status when—

(1) The conditions in paragraph (a) of this section apply; and

(2) The contractor qualifies as a small business concern under the applicable size standard in effect at the time of its rerepresentation.

### **19.302 Small business subcontracting plans.**

#### **19.302-1 Getting a plan after award.**

(a)

(1) The contracting officer must require the contractor to submit a subcontracting plan for the contract if—

(i) (i) A contract modification causes the value of a contract without a subcontracting plan to exceed the subcontracting plan threshold (see 19.109(a)); and

(ii) The contracting officer determines that subcontracting opportunities exist.

(2) For a multiple-award contract with more than one NAICS code, the modification referenced in paragraph (a)(1) of this section must require the contractor to submit an acceptable subcontracting plan for either the distinct portion(s) or category(ies) of the contract for which the contractor is other than small or for the entirety of their contract, at the contractor's discretion. When determining the need for a subcontracting plan, the contracting officer must consider the cumulative dollar value of the portion(s) or category(ies) of the contract for which the contractor is other than small.

(3) See 19.109 for guidance on which contracts are exempt and how to determine if subcontracting opportunities exist.

(b)

(1) If a subcontracting plan is required by paragraph (a) of this section or in accordance with 19.301(d), incorporate into the contract the clause at 52.219-9, Small Business Subcontracting Plan, with its Alternate IV.

(2) (2) Insert the clause at 52.219-16, Liquidated Damages—Subcontracting Plan, in contracts containing the clause at 52.219-9, Small Business Subcontracting Plan, with its Alternate IV.

(c) If the contracting officer adds a subcontracting plan to the contract due to a modification as required by paragraph (a) of this section or as a result of a size rerepresentation (see 19.301(d)), the subcontracting goals apply from the date of incorporation of the subcontracting plan into the contract. The contractor's achievements must be reported on a cumulative basis from the date of incorporation of the subcontracting plan into the contract.

(d) A contract may not have more than one subcontracting plan. However, a contracting officer may establish separate subcontracting goals for each order under an indefinite-delivery, indefinite-quantity contract. When a contract modification exceeds the subcontracting plan threshold (see 19.109(a)) or an option is exercised, the goals of an existing subcontracting plan shall be amended to reflect any new subcontracting opportunities not envisioned at the time of contract award. These goal changes do not apply retroactively.

#### **19.302-2 Compliance with the plan.**

(a) The contracting officer ~~shall insert the clause at 52.219-11, Special 8(a) Contract Conditions, in contracts between the SBA and the agency when the acquisition is accomplished using the procedures of 19.811-1(a) and (b).~~ must monitor the prime contractor's compliance with its subcontracting plan by ensuring that the contractor submits subcontracting reports in the Electronic Subcontracting Reporting System (eSRS) within 30 days after the report ending date (e.g., by October 30th for the fiscal year ended September 30th).

(1) In order to be eligible as a subcontractor under a subcontracting plan, a concern is required to represent itself as a small business or small disadvantaged business or be certified by SBA as a veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, or woman-owned small business.

(i) To represent itself as a small business or small disadvantaged business, a concern must meet the appropriate definition in 2.101.

(ii)

(A) Unless the prime contractor has reason to question the representations, it may accept a subcontractor's written representations of its size and socioeconomic status as a small business or small disadvantaged business, if the subcontractor represents that the representations with its offer are current, accurate, and complete as of the date of the offer for the subcontract; or

(B) Unless the prime contractor has reason to question the representation, it may accept a subcontractor's representations of its size and socioeconomic status as a small business or small disadvantaged business in the System for Award Management (SAM) if—

The subcontractor is registered in SAM; and

(2) The subcontractor represents that the size and socioeconomic status representations made in SAM are current, accurate, and complete as of the date of the offer for the subcontract.

(3) The prime contractor may not require that the subcontractor register in SAM for the purposes of representing size or socioeconomic status in connection with a subcontract.

(iii) A prime contractor acting in good faith is not liable for misrepresentations made by its subcontractors regarding the subcontractor's size or socioeconomic status.

(iv) The contractor, the contracting officer, or any other interested party can challenge a subcontractor's size status representation by filing a protest, in accordance with 13 CFR 121.1001 through 121.1008. Protests challenging the socioeconomic status of a HUBZone small business concern must be filed in accordance with 13 CFR 126.801.

(2)

(i) In accordance with 43 U.S.C. 1626, the following procedures apply:

(A) Subcontracts awarded to an ANC or Indian tribe count toward the subcontracting goals for small business and small disadvantaged business concerns, regardless of the size or SBA certification status of the ANC or Indian tribe.

(B) If one or more subcontractors are in the subcontract tier between the prime contractor and the ANC or Indian tribe, then the ANC or Indian tribe is required to designate the appropriate contractor(s) to receive credit for the subcontract toward its small business and small disadvantaged business subcontracting goals.

(1) In most cases, the appropriate contractor is the contractor that awarded the subcontract to the ANC or Indian tribe.

(2) If the ANC or Indian tribe designates more than one contractor to count the subcontract toward its goals, the ANC or Indian tribe is required to designate only a portion of the total subcontract award to each contractor. The sum of the amounts designated to

various contractors cannot exceed the total value of the subcontract.

(3) The ANC or Indian tribe is required to give a copy of the written designation to the contracting officer, the prime contractor, and the subcontractors in between the prime contractor and the ANC or Indian tribe within 30 days of the date of the subcontract award.

(4) If the contracting officer does not receive a copy of the ANC's or the Indian tribe's written designation within 30 days of the subcontract award, the contracting officer will consider the contractor that awarded the subcontract to the ANC or Indian tribe the designated contractor.

(ii) A contractor acting in good faith may rely on the written representation of an ANC or an Indian tribe as to the status of the ANC or Indian tribe unless an interested party challenges its status or the contracting officer has independent reason to question its status. In the event of a challenge of a representation of an ANC or Indian tribe, the interested parties shall follow the procedures in part 26.

(3) As authorized by 15 U.S.C. 637(d)(12), agencies may credit certain costs incurred by a mentor firm in providing developmental assistance to a protégé firm under the DoD Mentor-Protégé Program as if they were subcontract awards to a protégé firm for the purpose of determining whether the mentor firm meets the applicable goals under any subcontracting plan entered into with any executive agency. However, the mentor-protégé agreement must have been approved by the Director, Small Business Programs of the cognizant DoD military department or defense agency, before developmental assistance costs may be credited against subcontract goals. A list of approved agreements may be obtained at <https://business.defense.gov/Programs/Mentor-Protége-Program/>

(b) The contracting officer must assess whether the prime contractor made a good faith effort to comply with its small business subcontracting plan.

(1) If, at completion of the basic contract or any option, a contractor has failed to comply with the requirements of its subcontracting plan, which includes meeting its subcontracting goals, the contracting officer must review all available information for an indication that the contractor has not made a good faith effort to comply with the plan. If no such indication is found, the contracting officer must document the file accordingly.

(2) If the contracting officer decides, according to paragraph (b)(1) of this section, that the contractor failed to make a good faith effort to comply with its subcontracting plan, 15 U.S.C. 637(d)(9) states that the contractor is in material breach of its contract. Further, 15 U.S.C. 637(d)(4)(F) directs that the contractor must pay liquidated damages. Accordingly, the contracting officer must initiate action to assess liquidated damages.

(i) The contracting officer must give the contractor written notice under the clause at 52.219-16, Liquidated Damages—Subcontracting Plan. The notice must—

(A) Specify the material breach and indicate that it may be included in the contractor's past performance rating;

(B) Advise the contractor of the possibility that it may have to pay liquidated damages to the Government;

(C) Give the contractor an opportunity to respond to the notice (within 15 working days or longer, as necessary) to show the good faith efforts it made before the contracting officer issues the final decision; and

(D) Specify that the contractor's failure to respond may be taken as an admission that no valid explanation exists.

(ii) If, after consideration of all the pertinent data and the contractor's response to the notice in paragraph (b)(2)(i) of this section, the contracting officer finds that the contractor failed to make a good faith effort to comply with its subcontracting plan, the contracting officer must issue a final decision to the contractor to that effect, require the contractor to pay liquidated damages, and state the amount to pay. The contracting officer's final decision must state that the contractor has the right to appeal under the clause in the contract entitled Disputes. The contracting officer must follow procedures in the clause at 52.219-16, Liquidated Damages—Subcontracting Plan.

(iii) The amount of damages attributable to the contractor's failure to comply must be equal to the actual dollar amount by which the contractor failed to achieve each subcontracting goal.

(iv) Liquidated damages must be in addition to any other remedies that the Government may have.

(c)

(1) In determining whether a contractor failed to make a good faith effort to comply with its subcontracting plan, a contracting officer must look to the totality of the contractor's actions, consistent with the information and assurances provided in its plan. The fact that the contractor failed to meet its subcontracting goals does not, in and of itself, constitute a failure to make a good faith effort. The contracting officer may consider any of the following, though not all inclusive, to be indicators of a good faith effort:

(i) Breaking out work to be subcontracted into economically feasible units, as appropriate, to facilitate small business participation.

(ii) Conducting market research to identify potential small business subcontractors through all reasonable means, such as searching SAM, posting

notices or solicitations on SBA's SUBNet, participating in business matchmaking events, and attending preproposal conferences.

(iii) Soliciting small business concerns as early in the acquisition process as practicable to allow them sufficient time to submit a timely offer for the subcontract.

(iv) Providing interested small businesses with adequate and timely information about plans, specifications, and requirements for performance of the prime contract to assist them in submitting a timely offer for the subcontract.

(v) Negotiating in good faith with interested small businesses.

(vi) Directing small businesses that need additional assistance to SBA.

(vii) Assisting interested small businesses in obtaining bonding, lines of credit, required insurance, necessary equipment, supplies, materials, or services.

(viii) Utilizing the available services of small business associations; local, state, and Federal small business assistance offices; and other organizations.

(ix) Participating in a formal mentor-protégé program with one or more small business protégés that results in developmental assistance to the protégés.

(x) Although failing to meet the subcontracting goal in one socioeconomic category, exceeding the goal by an equal or greater amount in one or more of the other categories.

(xi) Fulfilling all of the requirements of the subcontracting plan.

(2) When considered in the context of the contractor's total effort in accordance with its plan, the contracting officer may consider any of the following, though not all inclusive, to be indicators of a failure to make a good faith effort:

(i) Failure to attempt through market research to identify, contact, solicit, or consider for contract award small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, or women-owned small business concerns, through all reasonable means including outreach, industry days, or the use of Federal systems such as SBA's Dynamic Small Business Search or SUBNet systems.

(ii) Failure to designate and maintain a company official to administer the subcontracting program and monitor and enforce compliance with the plan.

(iii) Failure to submit an acceptable ISR, or the SSR, using the eSRS, or as provided in agency regulations, by the report due dates specified in 52.219-9, Small Business Subcontracting Plan.



(iv) Failure to maintain records or otherwise demonstrate procedures adopted to comply with the plan including subcontracting flowdown requirements.

(v) Adoption of company policies or documented procedures that have as their objectives the frustration of the objectives of the plan.

(vi) Failure to pay small business subcontractors in accordance with the terms of the contract with the prime contractor.

(vii) Failure to correct substantiated findings from Federal subcontracting compliance reviews or participate in subcontracting plan management training offered by the Government.

(viii) Failure to provide the contracting officer with a written explanation if the contractor fails to acquire articles, equipment, supplies, services, or materials or obtain the performance of construction work.

(ix) Falsifying records of subcontract awards to small business concerns.

(d) With respect to commercial plans approved under the clause at 52.219-9, Small Business Subcontracting Plan, the contracting officer that approved the plan must—

(1) Perform the functions of the contracting officer under this subsection on behalf of all agencies with contracts covered by the commercial plan;

(2) Determine whether or not the goals in the commercial plan were achieved and, if they were not achieved, review all available information for an indication that the contractor has not made a good faith effort to comply with the plan, and document the results of the review;

(3) If a determination is made to assess liquidated damages, in order to calculate and assess the amount of damages, the contracting officer must ask the contractor to provide—

(i) Contract numbers for the Government contracts subject to the plan;

(ii) The total Government sales during the contractor's fiscal year; and

(iii) The amount of payments made under the Government contracts subject to that plan that contributed to the contractor's total sales during the contractor's fiscal year; and

(4) When appropriate, assess liquidated damages on the Government's behalf, based on the pro rata share of subcontracting attributable to the Government contracts. A copy of the contracting officer's final decision assessing liquidated damages must be provided to other contracting officers with contracts subject to the commercial plan.

~~(b5) The Every~~ contracting officer ~~shall insert the clause at 52.219-12, Special 8(a) Subcontract Conditions, in contracts between the SBA and its 8(a) contractor when the acquisition is accomplished using the procedures of 19.811-1(a) and (b).~~ with a contract that is subject to a commercial plan shall include in the contract file a copy of the approved plan and a copy of the final decision assessing liquidating damages, if applicable.

~~(ee) The contracting officer shall insert the clause at 52.219-17, Section 8(a) Award, in competitive solicitations and contracts when the acquisition is accomplished using the procedures of 19.805 and in sole source awards which utilize the alternative procedure in 19.811-1(e).~~ must assess the prime contractor's written explanation concerning its failure to use a small business concern in the performance of the contract in the same scope, amount, and quality used in preparing and submitting the bid or proposal, if applicable.

~~(d) The contracting officer shall insert the clause at 52.219-18, Notification of Competition Limited to Eligible 8(a) Participants, in competitive solicitations and contracts when the acquisition is accomplished using the procedures of 19.805. Use the clause at 52.219-18 with its Alternate I when competition is to be limited to 8(a) participants within one or more specific SBA districts pursuant to 19.804-2.~~

~~(e) For contracts or orders resulting from this subpart, see 19.507(e) for use of 52.219-14, Limitations on Subcontracting, and 19.507(h) for use of 52.219-33, Nonmanufacturer Rule.~~

~~[54 FR 46005, Oct. 31, 1989, as amended at 55 FR 3883, Feb. 5, 1990; 55 FR 25529, June 21, 1990; 60 FR 48263, Sept. 18, 1995; 61 FR 39209, July 26, 1996; 61 FR 67421, Dec. 20, 1996; 76 FR 68035, Nov. 2, 2011; 82 FR 4730, Jan. 13, 2017; 85 FR 11766, Feb. 27, 2020; 86 FR 44243, Aug. 11, 2021]~~

### 19.302-3 Other postaward responsibilities.

After a contract or contract modification containing a subcontracting plan is awarded or an existing subcontracting plan is amended, the contracting officer must do the following:

(a) Notify the SBA of the award by sending a copy of the award document to the Area Director, Office of Government Contracting, in the SBA area office where the contract will be performed.

(b) Forward a copy of each commercial plan and any associated approvals to the Area Director, Office of Government Contracting, in the SBA area office where the contractor's headquarters is located.

(c) Give to the SBA procurement center representative (or, if a procurement center representative is not assigned, see 19.102(b)) a copy of—

(1) Any subcontracting plan submitted in response to a sealed bid solicitation; and

(2) The final negotiated subcontracting plan that was incorporated into a negotiated contract or contract modification.

(d) Notify the SBA procurement center representative (or, if a procurement center representative is not assigned, see 19.102(b)) of the opportunity to review subcontracting plans in connection with contract modifications.

(e) Forward a copy of each plan, or a determination that there is no requirement for a subcontracting plan, to the cognizant contract administration office.

(f) As part of monitoring compliance with the subcontracting reporting requirements, review Individual Subcontract Reports (ISRs), and where applicable, Summary Subcontract Reports (SSRs), in eSRS within 60 days of the report ending date (e.g., by November 30th for a report submitted for the fiscal year ended September 30th).

(1) Either acknowledge receipt of or reject the reports in accordance with 52.219-9, Small Business Subcontracting Plan and the eSRS instructions ([www.esrs.gov](http://www.esrs.gov)). Acknowledging receipt does not mean acceptance or approval of the report. The report must be rejected if it is not adequately completed, for instance, if there are errors, omissions, or incomplete data. Failure to meet the goals of the subcontracting plan is not a valid reason for rejecting the report

(2) The authority to acknowledge or reject SSRs for commercial plans resides with the contracting officer who approved the commercial plan.

(3) If a report is rejected, the contracting officer must provide an explanation for the rejection to allow the prime contractor the opportunity to respond specifically to identified deficiencies.

### 19.303 8(a) Program contracts.

### ~~19.812~~ 19.303-1 Contract administration.

(a) The contracting officer ~~shall~~must assign contract administration functions, as required, based on the location of the 8(a) contractor (see Federal Directory of Contract Administration Services Components ~~4~~, available via the Internet at <https://piee.eb.mil/pcm/xhtml/unauth/index.xhtml>).

(b) The agency ~~shall~~must distribute copies of the contract(s) in accordance with part 4. All contracts and modifications, if any, ~~shall~~must be distributed to both the SBA and the 8(a) ~~contractor in accordance with the timeframes set forth in 4.201.~~

(c) To the extent consistent with the contracting activity's capability and resources, 8(a) contractors furnishing requirements shall be afforded production and technical assistance, including, when appropriate, identification of causes of deficiencies in their products and suggested corrective action to make such products acceptable.

(d) For 8(a) contracts exceeding 5 years including options, the contracting officer ~~shall~~must verify in ~~DSBS~~SBS or SAM that the concern is an SBA-certified 8(a) participant no more than 120 days prior to the end of the fifth year of the contract. If the concern is not an SBA-certified 8(a) participant, the contracting officer ~~shall~~must not exercise the option (see ~~13 CFR 124.521(e)(2)~~13 CFR 124.521(e)(2)).

(e) An 8(a) contract, whether in the base or an option year, must be terminated for convenience if the 8(a) contractor to which it was awarded transfers ownership or control of the firm or if the contract is transferred or novated for any reason to another firm, unless the Administrator of the SBA waives the requirement for contract termination (~~13 CFR 124.515~~13 CFR 124.515). The Administrator may waive the termination requirement only if certain conditions exist. Moreover, a waiver of the requirement for termination is permitted only if the 8(a) contractor's request for waiver is made to the SBA prior to the actual relinquishment of ownership or control, except in the case of death or incapacity where the waiver must be submitted within 60 calendar days after such an occurrence. The clauses in the contract entitled "Special 8(a) Contract Conditions" and "Special 8(a) Subcontract Conditions" require the SBA and the 8(a) subcontractor to notify the contracting officer when ownership of the firm is being transferred. When the contracting officer receives information that an 8(a) contractor is planning to transfer ownership or control to another firm, the contracting officer ~~shall~~must take action immediately to preserve the option of waiving the termination requirement. The contracting officer ~~shall~~must determine the timing of the proposed transfer and its effect on contract performance and mission support. If the contracting officer determines that the SBA does not intend to waive the termination requirement, and termination of the contract would severely impair attainment of the agency's program objectives or mission, the contracting officer ~~shall~~must immediately notify the SBA in writing that the agency is requesting a waiver. Within 15 business days thereafter, or such longer period as agreed to by the agency and the SBA, the agency head must either confirm or withdraw the request for waiver. Unless a waiver is approved by the SBA, the contracting officer must terminate the contract for convenience upon receipt of a written request by the SBA. This requirement for a convenience termination does not affect the Government's right to terminate for default if the cause for termination of an 8(a) contract is other than the transfer of ownership or control.

~~[54 FR 46005, Oct. 31, 1989, as amended at 56 FR 15151, Apr. 15, 1991; 64 FR 32745, June 17, 1999; 66 FR 2141, Jan. 10, 2001; 77 FR 12949, Mar. 2, 2012; 82 FR 4730, Jan. 13, 2017; 86 FR 31074, June 10, 2021; 88 FR 9738, Feb. 14, 2023]~~

## **~~19.813~~ ~~Protesting an 8(a) participant's eligibility or size status.~~**

~~(a) The eligibility of an 8(a) participant for a sole source or competitive 8(a) requirement may not be challenged by another 8(a) participant or any other party, either to SBA or any administrative forum as part of a bid or other contract protest (see 13 CFR 124.517).~~

~~(b) The size status of an 8(a) participant nominated for an 8(a) sole source contract may not be protested by another 8(a) participant or any other party.~~

~~(c) The size status of the apparent successful offeror for competitive 8(a) awards may be protested. The filing of a size status protest is limited to—~~

~~(1) Any offeror whom the contracting officer has not eliminated for reasons unrelated to size;~~

~~(2) The contracting officer; or~~

~~(3) The SBA District Director in either the district office serving the geographical area in which the contracting activity is located or the district office that services the apparent successful offeror, or the Associate Administrator for Business Development.~~

~~(d) Protests of competitive 8(a) awards shall follow the procedures at 19.302. For additional information, refer to 13 CFR 121.1001.~~

~~[82 FR 4730, Jan. 13, 2017]~~

## **~~19.814 Requesting a formal size determination (8(a) sole source requirements).~~**

~~(a) If the size status of an 8(a) participant nominated for award of an 8(a) sole source contract is called into question, a request for a formal size determination may be submitted to SBA pursuant to 13 CFR 121.1001(b)(2)(ii) by—~~

~~(1) The 8(a) participant nominated for award of the particular sole source contract;~~

~~(2) The contracting officer who has been delegated SBA's 8(a) contract execution functions, where applicable, or the SBA program official with authority to execute the 8(a) contract;~~

~~(3) The SBA District Director in the district office that services the 8(a) participant or the Associate Administrator for Business Development; or~~

~~(4) The SBA Inspector General.~~

~~(b) SBA's Government Contracting Area Director will issue a formal size determination within 15 business days, if possible, after SBA receives the request for a formal size determination.~~

~~(c) An appeal of an SBA size determination shall follow the procedures at 19.302.~~

~~[82 FR 4730, Jan. 13, 2017]~~

## **~~19.815 Release and notification requirements for non-8(a) procurement.~~**

~~(a) Once a requirement has been accepted by SBA into the 8(a) program, any follow-on requirements (see definition at 13 CFR 124.3) shall remain in the 8(a) program unless—~~

~~(1) SBA agrees to release the requirement from the 8(a) program for a follow-on, non-8(a) procurement in accordance with 13 CFR 124.504(d) (see paragraph (b) of this section); or~~

~~(2) There is a mandatory source (see 8.002 or 8.003; also see paragraph (f) of this section).~~

~~(b) To obtain release of a requirement for a follow-on, non-8(a) procurement, (other than a mandatory source listed at 8.002 or 8.003), the contracting officer shall make a written request to, and receive concurrence from, the SBA Associate Administrator for Business Development.~~

~~(c)~~

~~(1) The written request to the SBA Associate Administrator for Business Development shall indicate—~~

~~(i) Whether the agency has achieved its small disadvantaged business goal;~~

~~(ii) Whether the agency has achieved its HUBZone, SDVOSB, WOSB, or small business goal(s); and~~

~~(iii) Whether the requirement is critical to the business development of the 8(a) contractor that is currently performing the requirement.~~

~~(2) Generally, a requirement that was previously accepted into the 8(a) program will only be released for procurements outside the 8(a) program when the contracting activity agency agrees to set aside the requirement under the small business, HUBZone, SDVOSB, or WOSB programs.~~

~~(3) The requirement that a follow-on procurement must be released from the 8(a) program in order for it to be fulfilled outside the 8(a) program does not apply to task or delivery orders offered to and accepted into the 8(a) program, where the basic contract was not accepted into the 8(a) program.~~

~~(d)~~

~~(1) When a contracting officer decides that a requirement previously procured under the 8(a) program is a new requirement and not a follow-on requirement to an 8(a) contract(s), the contracting officer shall coordinate with and submit a written notice to the SBA District Office servicing the 8(a) incumbent firm and to the SBA procurement center representative~~

~~(or, if a procurement center representative is not assigned, see 19.402(a)) indicating that the agency intends to procure the requirement outside the 8(a) program (see 19.810(a)(4)).~~

~~(2) The written notice shall include a copy of the acquisition plan, if available; the performance work statement (PWS), statement of work (SOW), or statement of objectives (SOO) for the new contract requirement; and the values of the existing 8(a) contract(s) and the new contract requirement.~~

~~(e)~~

~~(1) When a contracting officer decides to procure a follow-on requirement to an 8(a) contract using an existing, limited competition contracting vehicle that is not available to all 8(a) participants, and the current or previous 8(a) contract was available to all 8(a) participants, the contracting officer shall coordinate with and submit a written notice to the SBA District Office servicing the 8(a) incumbent firm and to the SBA procurement center representative (or, if a procurement center representative is not assigned, see 19.402(a)) indicating the intent to do so.~~

~~(2) The written notice shall include a copy of the acquisition plan, if available; the PWS, SOW, or SOO for the new contract requirement; and the values of both contracts.~~

~~(f)~~

~~(1) When a mandatory source will be used for a follow-on requirement to an 8(a) contract, the contracting officer should submit a written notice to the SBA Associate Administrator for Business Development of the intent to do so at least 30 days prior to the end of the contract or order in accordance with 13 CFR 124.504(d)(4)(ii).~~

~~(2) The written notice should include a written determination that a mandatory source will be used to fulfill the requirement.~~

[82 FR 4730, Jan. 13, 2017, as amended at 88 FR 69525, Oct. 5, 2023]

## **19.816**~~19.303-2~~ Exiting the 8(a) program.

~~(a) Except as provided in paragraph (c) of this section, when~~When a contractor exits the 8(a) program, it ~~is no longer eligible to receive new 8(a) contracts. However, the contractor~~ remains under contractual obligation to complete existing contracts, and any priced options that may be exercised.

~~(b) If an 8(a) contractor is suspended from the program (see 13 CFR 124.305), it may not receive any new 8(a) contracts unless the head of the contracting agency makes a determination that it is in the best interest of the Government to issue the award and SBA adopts that determination.~~

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

~~(c) A contractor that has completed its term of participation in the 8(a) program may be awarded a competitive 8(a) contract if it was an 8(a) participant eligible for award of the contract on the initial date specified for receipt of offers contained in the solicitation, and if the contractor continues to meet all other applicable eligibility criteria (see 13 CFR 124.507(d)).~~

~~(d) SBA's regulations on exiting the 8(a) program are found at 13 CFR 124.301 through 124.305, and 13 CFR 124.507(d).~~

[82 FR 4730, Jan. 13, 2017, as amended at 88 FR 69525, Oct. 5, 2023]

## ~~Subparts 19.9-19.12 [Reserved]~~

## ~~Subpart 19.13—Historically Underutilized Business Zone (HUBZone) Program~~

~~Authority: 41 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).~~

~~Source: 63 FR 70272, Dec. 18, 1998, unless otherwise noted.~~

### ~~19.1301 General~~~~[19.303-3 Indefinite-delivery contracts.](#)~~

~~(a) Separate offers and acceptances are not required for individual orders under multiple-award contracts (including the Federal Supply Schedules managed by GSA, multi-agency contracts or Governmentwide acquisition contracts, or indefinite-delivery, indefinite-quantity (IDIQ) contracts) that have been set aside for exclusive competition among 8(a) contractors, and the individual order is to be competed among all 8(a) contract holders. SBA's acceptance of the original contract is valid for the term of the contract. Offers and acceptances are required for individual orders under multiple-award contracts that have not been set aside for exclusive competition among 8(a) contractors.~~

~~(b) The contracting officer may issue an order on a sole source basis when—~~

~~(1) The multiple-award contract was set aside for exclusive competition among 8(a) participants;~~

~~(a) The Historically Underutilized Business Zone (HUBZone) Act of 1997 (15 U.S.C. 631 note) created the HUBZone Program.~~

~~(b) The purpose of the HUBZone Program is to provide Federal contracting assistance for qualified small business concerns located in historically underutilized business zones, in an effort to increase employment opportunities, investment, and economic development in those areas.~~

[48 FR 42240, Sept. 19, 1983, as amended at 75 FR 77730, Dec. 13, 2010]



## ~~19.1302 [Reserved]~~

## ~~19.1303 Status as a HUBZone small business concern.~~

~~(a) Status as a HUBZone small business concern is determined by the Small Business Administration (SBA) in accordance with 13 CFR part 126.~~

~~(b) If SBA determines that a concern is a HUBZone small business, it will designate the concern as a HUBZone small business in the Dynamic Small Business Search (DSBS) at [https://web.sba.gov/pro-net/search/dsp\\_dsbs.cfm](https://web.sba.gov/pro-net/search/dsp_dsbs.cfm). SBA's designation also appears in SAM. Only firms designated in DSBS and SAM as HUBZone small business concerns are eligible for HUBZone preferences. HUBZone preferences are not contingent on the place of performance.~~

~~(c) A joint venture may be considered a HUBZone small business concern if—~~

~~(1) The joint venture qualifies as small under 19.301-4 order has an estimated value less than or equal to the dollar thresholds set forth at 19.108-7(a)(2)(i); and~~

~~(2) At least one party to the joint venture is a HUBZone small business concern; and~~

~~(3) The joint venture complies with 13 CFR 126.616(a) through (c).~~

~~(d) To be eligible for a HUBZone contract under this section, a HUBZone small business concern must be a HUBZone small business concern at the time of its initial offer.~~

~~[63 FR 70272, Dec. 18, 1998, as amended at 64 FR 51832, Sept. 24, 1999; 75 FR 77730, Dec. 13, 2010; 84 FR 47864, Sept. 10, 2019; 85 FR 11766, Feb. 27, 2020; 87 FR 58224, 58236, Sept. 23, 2022]~~

## ~~19.1304 Exclusions.~~

~~This subpart does not apply to—~~

~~(a) Requirements that can be satisfied through award to—~~

~~(1) Federal Prison Industries, Inc. (see subpart 8.6); or~~

~~(2) AbilityOne participating non-profit agencies for the blind or severely disabled (see subpart 8.7);~~

~~(b) Orders under indefinite delivery contracts (see subpart 16.5). (But see 16.505(b)(2)(i)(F) for discretionary set-asides of orders);~~

~~(c) Orders against Federal Supply Schedules (see subpart 8.4). (But see 8.405-5 for discretionary set-asides of orders);~~

~~(d) Requirements currently being performed by an 8(a) participant or requirements SBA has accepted for performance under the authority of the 8(a) program, unless SBA has consented to release the requirements from the 8(a) program; or~~

~~(e) Requirements for commissary or exchange resale items.~~

~~[63 FR 70272, Dec. 18, 1998, as amended at 76 FR 68035, Nov. 2, 2011; 79 FR 24202, Apr. 29, 2014; 82 FR 4731, Jan. 13, 2017; 87 FR 58236, Sept. 23, 2022]~~

## **~~19.1305 HUBZone set-aside procedures.~~**

~~(a) The contracting officer—~~

~~(1) Shall comply with 19.203 before deciding to set aside an acquisition under the HUBZone Program;~~

~~(2) May set aside acquisitions exceeding the micro-purchase threshold for competition restricted to HUBZone small business concerns when the requirements of paragraph (b) of this section can be satisfied; and~~

~~(3) Shall consider HUBZone set-asides before considering HUBZone sole-source awards (see 19.1306) or small-business set-asides (see subpart 19.5).~~

~~(b) To set aside an acquisition for competition restricted to HUBZone small business concerns, the contracting officer must have a reasonable expectation that—~~

~~(1) Offers will be received from two or more HUBZone small business concerns; and~~

~~(2) Award will be made at a fair market price.~~

~~(c) If the contracting officer receives only one acceptable offer from a HUBZone small business concern in response to a set aside, the contracting officer should make an award to that concern. If the contracting officer receives no acceptable offers from HUBZone small business concerns, the HUBZone set-aside shall be withdrawn and the requirement, if still valid, set aside for small business concerns, as appropriate (see 19.203).~~

~~(d) The procedures at 19.202-1 and at 19.402 apply to this section.~~

~~(1) When the SBA intends to appeal a contracting officer's decision to reject a recommendation of the SBA procurement center representative (or, if a procurement center representative is not assigned, see 19.402(a)) to set aside an acquisition for competition~~

~~restricted to HUBZone small business concerns, the SBA procurement center representative shall notify the contracting officer, in writing, of its intent within 5 business days of receiving the contracting officer's notice of rejection.~~

~~(2) Upon receipt of notice of SBA's intent to appeal, the contracting officer shall suspend action on the acquisition until the head of the contracting activity issues a written decision on the appeal, unless the head of the contracting activity makes a written determination that urgent and compelling circumstances, which significantly affect the interests of the Government, exist.~~

~~(3) Within 15 business days of SBA's notification to the contracting officer, SBA must file its formal appeal with the head of the agency, or the appeal will be deemed withdrawn. The head of the agency shall reply to SBA within 15 business days of receiving the appeal. The decision of the head of the agency shall be final.~~

~~[63 FR 70272, Dec. 18, 1998, as amended at 71 FR 36927, June 28, 2006; 75 FR 77730, Dec. 13, 2010; 76 FR 14568, Mar. 16, 2011; 77 FR 12932, Mar. 2, 2012; 87 FR 58236, Sept. 23, 2022]~~

## ~~19.1306 HUBZone sole-source awards.~~

### ~~Cross-Reference~~

~~Link to an amendment published at 90 FR 41879, Aug. 27, 2025.~~

~~(a) A contracting officer shall consider a contract award to a HUBZone small business concern on a sole-source basis (see 6.302-5(b)(5)) before considering a small business set-aside (see 19.203 and subpart 19.5), provided none of the exclusions at 19.1304 apply; and—~~

~~(1) The contracting officer does not have a reasonable expectation that offers would be received from two or more HUBZone small business concerns;~~

~~(2) The anticipated price of the contract, including options, will not exceed—~~

~~(i) \$7 million for a requirement within the North American Industry Classification System (NAICS) codes for manufacturing; or~~

~~(ii) \$4.5 million for a requirement within all other NAICS codes;~~

~~(3) The requirement is not currently being performed by an 8(a) participant under the provisions of subpart 19.8 or has been accepted as a requirement by SBA under subpart 19.8.~~

~~(4) The HUBZone small business concern has been determined to be a responsible contractor with respect to performance; and~~

~~(5) Award can be made at a fair and reasonable price.~~

~~(b) The SBA has the right to appeal the contracting officer's decision not to make a HUBZone sole-source award (see 13 CFR 126.610).~~

~~[63 FR 70272, Dec. 18, 1998, as amended at 65 FR 46057, July 26, 2000; 68 FR 4051, Jan. 27, 2003; 69 FR 8315, Feb. 23, 2004; 71 FR 57367, Sept. 28, 2006; 75 FR 38688, July 2, 2010; 75 FR 53133, Aug. 30, 2010; 75 FR 77731, Dec. 13, 2010; 76 FR 14568, Mar. 16, 2011; 77 FR 12932, Mar. 2, 2012; 80 FR 38298, July 2, 2015; 85 FR 62489, Oct. 2, 2020; 86 FR 61041, Nov. 4, 2021; 87 FR 58236, Sept. 23, 2022]~~

## ~~19.1307 Price evaluation preference for HUBZone small business concerns.~~

~~(a) The price evaluation preference for HUBZone small business concerns shall be used in acquisitions conducted using full and open competition. The preference shall not be used—~~

~~(1) Where price is not a selection factor so that a price evaluation preference would not be considered (e.g., Architect/Engineer acquisitions);~~

~~(2) Where all fair and reasonable offers are accepted (e.g., the award of multiple award schedule contracts); or~~

~~(3) For the reserved portion of a solicitation for a multiple award contract (see 19.503).~~

~~(b) The contracting officer shall give offers from HUBZone small business concerns a price evaluation preference by adding a factor of 10 percent to all offers, except—~~

~~(1) Offers from HUBZone small business concerns that have not waived the evaluation preference; or~~

~~(2) Otherwise successful offers from small business concerns.~~

~~(c) The factor of 10 percent shall be applied on a line item basis or to any group of items on which award may be made. Other evaluation factors, such as transportation costs or rent-free use of Government property, shall be added to the offer to establish the base offer before adding the factor of 10 percent.~~

~~(d) When the two highest rated offerors are a HUBZone small business concern and a large business, and the evaluated offer of the HUBZone small business concern is equal to the evaluated offer of the large business after considering the price evaluation preference, the contracting officer shall award the contract to the HUBZone small business concern.~~

~~[63 FR 70272, Dec. 18, 1998, as amended at 64 FR 72419, Dec. 27, 1999; 69 FR 1053, Jan. 7, 2004; 70 FR 33661, June 8, 2005; 72 FR 27384, May 15, 2007; 75 FR 77731, Dec. 13, 2010; 79 FR 61751, Oct. 14, 2014; 85 FR 11766, Feb. 27, 2020]~~

## ~~19.1308 [Reserved]~~

## ~~19.1309 Contract clauses.~~

~~(a) The contracting officer shall insert the clause at 52.219-3, Notice of HUBZone Set Aside or Sole Source Award, in solicitations and contracts for acquisitions that are set aside or awarded on a sole source basis to, HUBZone small business concerns under 19.1305 or 19.1306. This includes multiple award contracts when orders may be set aside for HUBZone small business concerns as described in 8.405-5 and 16.505(b)(2)(i)(F) or when orders may be issued directly to one HUBZone small business concern in accordance with 19.504(e)(1)(ii).~~

~~(b) The contracting officer shall insert the clause at 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns, in solicitations and contracts for acquisitions conducted using full and open competition.~~

~~(c) For use of clause 52.219-14, Limitations on Subcontracting, see the prescription at 19.507(e).~~

~~(d) For use of clause 52.219-33, Nonmanufacturer Rule, see the prescription at 19.507(h).~~

[86 FR 44243, Aug. 11, 2021]

## ~~Subpart 19.14—Service-Disabled Veteran-Owned Small Business Program~~

~~Source: 69 FR 25278, May 5, 2004, unless otherwise noted.~~

## ~~19.1401 General.~~

~~(a) The Veterans Benefit Act of 2003 (15 U.S.C. 657f) created the procurement program for small business concerns owned and controlled by service-disabled veterans (commonly referred to as the “Service-Disabled Veteran-owned Small Business (SDVOSB) Program”).~~

~~(b) The purpose of the SDVOSB Program is to provide Federal contracting assistance to service-disabled veteran-owned small business concerns.~~

[69 FR 25278, May 5, 2004, as amended at 89 FR 13957, Feb. 23, 2024]

## ~~19.1402 Applicability.~~

~~The procedures in this subpart apply to all Federal agencies that employ one or more contracting officers.~~

## ~~19.1403 Status.~~

~~(a) Status as an SDVOSB concern is determined by SBA in accordance with 13 CFR part 128; also see 19.307.~~

~~(b) For an SDVOSB concern that seeks an SDVOSB set aside or sole source contract, the contracting officer shall verify that the offeror—~~

~~(1) Effective January 1, 2024, is designated in the System for Award Management (SAM) as an SDVOSB concern certified by SBA; or~~

~~(2) Has represented that it is an SDVOSB concern in SAM and submitted an application for certification to SBA on or before December 31, 2023. Pending applications for certification are in the SBA Veteran Small Business Certification Program database at <https://veterans.certify.sba.gov>.~~

~~(c) If there is a decision issued by SBA as a result of a current eligibility examination finding that the concern did not qualify as an SDVOSB concern eligible under the SDVOSB Program or SBA denies a concern's application for SDVOSB certification, the concern must update its SDVOSB status in SAM within 2 days of SBA's final decision to reflect that the concern is not an eligible SDVOSB. SBA will update the concern's SDVOSB status in SAM within 2 days of the concern's failure to make the update.~~

~~(d) Effective January 1, 2024, a joint venture may be considered an SDVOSB concern eligible under the SDVOSB Program if—~~

~~(1) The joint venture qualifies as small under 19.301-1 [offering and acceptance procedures at 19.108-4\(ab\)](#) and [\(2c\)\(i\)](#); [are followed.](#)~~

~~(2) The managing SDVOSB joint venture partner—~~

~~(i) Is designated in SAM as an SDVOSB concern certified by SBA; or~~

~~(ii) Has represented that it is an SDVOSB concern in SAM and submitted an application for certification to SBA on or before December 31, 2023. Pending applications for certification are in the SBA Veteran Small Business Certification database at <https://veterans.certify.sba.gov>; and~~

~~(3) The joint venture complies with the requirements of 13 CFR 128.402.~~

[89 FR 13958, Feb. 23, 2024]

## ~~19.1404 Exclusions.~~

~~This subpart does not apply to—~~

~~(a) Requirements that can be satisfied through award to—~~

~~(1) Federal Prison Industries, Inc. (see Subpart 8.6);~~

~~(2) AbilityOne participating non-profit agencies for the blind or severely disabled (see Subpart 8.7);~~

~~(b) Orders under indefinite delivery contracts (see subpart 16.5). (But see 16.505(b)(2)(i)(F) for discretionary set-asides of orders);~~

~~(c) Orders against Federal Supply Schedules (see subpart 8.4). (But see 8.405-5 for discretionary set-asides of orders); or~~

~~(d) Requirements currently being performed by an 8(a) participant or requirements SBA has accepted for performance under the authority of the 8(a) program, unless SBA has consented to release the requirements from the 8(a) program.~~

[69 FR 25278, May 5, 2004, as amended at 70 FR 14955, Mar. 23, 2005; 76 FR 68035, Nov. 2, 2011; 79 FR 24202, Apr. 29, 2014; 82 FR 4731, Jan. 13, 2017]

## ~~19.1405 Set-aside procedures.~~

~~(a) The contracting officer—~~

~~(1) Shall comply with 19.203 before deciding to set aside an acquisition under the SDVOSB Program;~~

~~(2) May set aside acquisitions exceeding the micro-purchase threshold for competition restricted to SDVOSB concerns when the requirements of paragraph (b) of this section can be satisfied; and~~

~~(3) Shall consider SDVOSB set-asides before considering SDVOSB sole source awards (see 19.1406) or small business set-asides (see subpart 19.5).~~

~~(b) A contracting officer may restrict competition to SDVOSB concerns eligible under the SDVOSB Program if there is a reasonable expectation based on market research that—~~

~~(1) Two or more SDVOSB concerns eligible under the SDVOSB Program will submit offers; and~~

~~(2) Award will be made at a fair market price.~~

~~(c) Effective January 1, 2024, the contracting officer shall—~~

~~(1) Verify that offers received are eligible for consideration for award by checking if the offeror—~~

~~(i) Is designated in SAM as an SDVOSB concern certified by SBA; or~~

~~(ii) Has represented that it is an SDVOSB concern in SAM and submitted an application for certification to SBA on or before December 31, 2023. Pending applications for certification are in the SBA Veteran Small Business Certification database at <https://veterans.certify.sba.gov>;~~

~~(2) Proceed with the offer evaluation, if the offeror meets the criteria in paragraph (c)(1)(i) or (ii) of this section; or~~

~~(3) Remove the offeror from consideration, if the offeror does not meet the criteria in paragraph (c)(1)(i) or (ii) of this section, as the offeror is not eligible for award.~~

~~(d) If the contracting officer receives only one acceptable offer from an SDVOSB concern eligible under the SDVOSB Program in response to a set aside, the contracting officer should make an award to that concern. If the contracting officer receives no acceptable offers from SDVOSB concerns eligible under the SDVOSB Program, the SDVOSB set aside shall be withdrawn and the requirement, if still valid, set aside for small business concerns, as appropriate (see 19.203).~~

~~(e) The procedures at 19.202-1 and, except for acquisitions not exceeding the simplified acquisition threshold, at 19.402 apply to this section. When the SBA intends to appeal a contracting officer's decision to reject a recommendation of the SBA procurement center representative (or, if a procurement center representative is not assigned, see 19.402(a)) to set aside an acquisition for competition restricted to SDVOSB, the SBA procurement center representative shall notify the contracting officer, in writing, of its intent within 5 working days of receiving the contracting officer's notice of rejection. Upon receipt of notice of SBA's intent to appeal, the contracting officer shall suspend action on the acquisition unless the head of the contracting activity makes a written determination that urgent and compelling circumstances, which significantly affect the interests of the Government, exist. Within 15 working days of SBA's notification to the contracting officer, SBA shall file its formal appeal with the head of the contracting activity, or that agency may consider the appeal withdrawn. The head of the contracting activity shall reply to SBA within 15 working days of receiving the appeal. The decision of the head of the contracting activity shall be final.~~

[69 FR 25278, May 5, 2004, as amended at 71 FR 36927, June 28, 2006; 76 FR 14568, Mar. 16, 2011; 77 FR 12932, Mar. 2, 2012; 89 FR 13958, Feb. 23, 2024]

## **~~19.1406 Sole source awards.~~**



~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

#### Cross-Reference

~~Link to an amendment published at 90 FR 41879, Aug. 27, 2025.~~

~~(a) A contracting officer shall consider a contract award to a SDVOSB concern on a sole source basis (see 6.302-5(b)(6)), before considering small business set-asides (see 19.203 and subpart 19.5) provided none of the exclusions of 19.1404 apply and —~~

~~(1) The contracting officer does not have a reasonable expectation that offers would be received from two or more service-disabled veteran-owned small business concerns;~~

~~(2) The anticipated award price of the contract, including options, will not exceed —~~

~~(i) \$7 million for a requirement within the NAICS codes for manufacturing; or~~

~~(ii) \$4 million for a requirement within any other NAICS code;~~

~~(3) The requirement is not currently being performed by an 8(a) participant under the provisions of subpart 19.8 or has been accepted as a requirement by SBA under subpart 19.8;~~

~~(4) The service-disabled veteran-owned small business concern has been determined to be a responsible contractor with respect to performance; and~~

~~(5) Award can be made at a fair and reasonable price.~~

~~(b) Effective January 1, 2024, a contracting officer shall only award a sole source contract to a concern that —~~

~~(1) Is designated in SAM as an SDVOSB concern certified by SBA; or~~

~~(2) Has represented that it is an SDVOSB concern in SAM and submitted an application for certification to SBA on or before December 31, 2023. Pending applications for certification are in the SBA Veteran Small Business Certification Program database at <https://veterans.certify.sba.gov>.~~

~~(c) The SBA has the right to appeal the contracting officer's decision not to make an SDVOSB sole source award.~~

~~[69 FR 25278, May 5, 2004, as amended at 71 FR 57367, Sept. 28, 2006; 75 FR 38688, July 2, 2010; 75 FR 53133, Aug. 30, 2010; 76 FR 14568, Mar. 16, 2011; 77 FR 12933, Mar. 2, 2012; 80 FR 38298, July 2, 2015; 85 FR 62489, Oct. 2, 2020; 89 FR 13958, Feb. 23, 2024]~~

## **19.1407 [Reserved]**

## ~~19.1408 Contract clauses.~~

~~(a) The contracting officer shall insert the clause at 52.219-27, Notice of Set Aside for, or Sole Source Award to, Service Disabled Veteran Owned Small Business (SDVOSB) Concerns Eligible Under the SDVOSB Program, in solicitations and contracts for acquisitions that are set aside or awarded on a sole source basis to, service disabled veteran owned small business concerns under 19.1405 and 19.1406. This includes multiple award contracts when orders may be set aside for service disabled veteran owned small business concerns as described in 8.405-5 and 16.505(b)(2)(i)(F) or when orders may be issued directly to one service disabled veteran owned small business contractor in accordance with 19.504(c)(1)(ii).~~

~~(b) For use of clause 52.219-14, Limitations on Subcontracting, see the prescription at 19.507(e).~~

~~(c) For use of clause 52.219-33, Nonmanufacturer Rule, see the prescription at 19.507(h).~~

~~[86 FR 44243, Aug. 11, 2021, as amended at 89 FR 13958, Feb. 23, 2024]~~

## ~~Subpart 19.15—Women-Owned Small Business Program~~

~~Source: 76 FR 18311, Apr. 1, 2011, unless otherwise noted.~~

### ~~19.1500 General.~~

~~(a) Section 8(m) of the Small Business Act (15 U.S.C. 637(m)) created the Women-Owned Small Business (WOSB) Program.~~

~~(b) The purpose of the WOSB Program is to ensure women-owned small business concerns have an equal opportunity to participate in Federal contracting and to assist agencies in achieving their women-owned small business participation goals (see 13 part CFR 127).~~

~~(c) An economically disadvantaged women-owned small business (EDWOSB) concern and a WOSB concern eligible under the WOSB Program are subcategories of “women-owned small business concern” as defined in section 2.101.~~

~~[76 FR 18311, Apr. 1, 2011, as amended at 77 FR 12917, Mar. 2, 2012; 87 FR 58241, Sept. 23, 2022]~~

### ~~19.1501 [Reserved]~~

### ~~19.1502 Applicability.~~

~~[https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

~~The procedures in this subpart apply to all Federal agencies that employ one or more contracting officers.~~

## ~~19.1503 Status.~~

~~(a) Status as an EDWOSB concern or WOSB concern eligible under the WOSB Program is determined by the Small Business Administration in accordance with 13 CFR part 127.~~

~~(b) For a WOSB that seeks a WOSB or EDWOSB set-aside or sole-source contract, the contracting officer shall verify that the offeror—~~

~~(1) Is registered in the System for Award Management (SAM); and~~

~~(2) Is designated as a certified EDWOSB or WOSB concern in SAM (see 19.1505(d) for set-aside procedures). Pending applications for certification are only in the Dynamic Small Business Search (DSBS) at <https://web.sba.gov/pro-net/search/dsp-dsbs.cfm>.~~

~~(c) If there is a decision issued by SBA as a result of a current eligibility examination finding that the concern did not qualify as an EDWOSB concern or WOSB concern eligible under the WOSB Program, the contracting officer may terminate the contract, and shall not exercise any option, or award further task or delivery orders. Agencies shall not count or include the award toward the small business goals for an EDWOSB concern or WOSB concern eligible under the WOSB Program and must update FPDS from the date of award to reflect the final SBA decision.~~

~~(d) A joint venture may be considered an EDWOSB concern or WOSB concern eligible under the WOSB Program if the EDWOSB or WOSB participant is certified in SAM (see section 19.1505(d) for set-aside procedures) and the joint venture meets the requirements of 13 CFR 127.506.~~

[87 FR 58241, Sept. 23, 2022]

## ~~19.1504 Exclusions.~~

~~This subpart does not apply to—~~

~~(a) Requirements that an~~ An ~~8(a) contractor is currently performing~~ may continue to accept new orders ~~under the 8(a) program or that SBA has accepted for performance under the authority of contract, even if it exits the 8(a) program, unless SBA has consented to release the requirements from the 8(a) program; or becomes other than small for the NAICS code(s) assigned to the contract.~~

(d) Agencies may continue to take credit toward their prime contracting small disadvantaged business or small business goals for orders awarded to 8(a) contractors, even after the

contractor's 8(a) program term expires, the contractor otherwise exits the 8(a) program, or the contractor becomes other than small for the NAICS code(s) assigned under the 8(a) contract. However, if an 8(a) contractor rerepresents that it is other than small for the NAICS code(s) assigned under the contract in accordance with 19.301 or, where ownership or control of the 8(a) contractor has changed and SBA has granted a waiver to allow the contractor to continue performance (see 13 CFR 124.515), the agency may not credit any subsequent orders awarded to the contractor towards its small disadvantaged business or small business goals.

~~(b) Requirements that can be satisfied through award to mandatory Government sources (see section 8.002);~~

~~(c) Orders under indefinite delivery contracts (see subpart 16.5). (But see 16.505(b)(2)(i)(F) for discretionary set-asides of orders); or~~

~~(d) Orders against Federal Supply Schedules (see subpart 8.4). (But see 8.405-5 for discretionary set-asides of orders.)~~

~~[76 FR 18311, Apr. 1, 2011, as amended at 76 FR 68036, Nov. 2, 2011; 79 FR 24202, Apr. 29, 2014; 82 FR 4731, Jan. 13, 2017; 87 FR 58241, Sept. 23, 2022]~~

## **~~19.1505 Set-aside procedures.~~**

~~(a) The contracting officer—~~

~~(1) Shall comply with 19.203 before deciding to set aside an acquisition under the WOSB Program; and~~

~~(2)~~

~~(i) May set aside acquisitions exceeding the micro-purchase threshold for competition restricted to EDWOSB concerns when the acquisition is assigned a NAICS code in which SBA has determined that WOSB concerns are underrepresented in Federal procurement; or~~

~~(ii) May set aside acquisitions exceeding the micro-purchase threshold for competition restricted to WOSB concerns eligible under the WOSB Program when the acquisition is assigned a NAICS code in which SBA has determined that WOSB concerns are substantially underrepresented in Federal procurement, as specified on SBA's website at <http://www.sba.gov/WOSB>.~~

~~(b) For requirements in NAICS codes designated by SBA as underrepresented, a contracting officer may restrict competition to EDWOSB concerns if the contracting officer has a reasonable expectation based on market research that—~~

~~(1) Two or more EDWOSB concerns will submit offers for the contract; and~~

~~(2) Contract award will be made at a fair and reasonable price.~~

~~(c) A contracting officer may restrict competition to WOSB concerns eligible under the WOSB Program (including EDWOSB concerns), for requirements in NAICS codes designated by SBA as substantially underrepresented if there is a reasonable expectation based on market research that—~~

~~(1) Two or more WOSB concerns eligible under the WOSB Program (including EDWOSB concerns), will submit offers; and~~

~~(2) Contract award may be made at a fair and reasonable price.~~

~~(d) An EDWOSB or WOSB concern may submit an offer under an EDWOSB or WOSB set-aside when the offeror—~~

~~(1) Qualifies as a small business concern under the size standard corresponding to the NAICS code assigned to the contract; and~~

~~(2)~~

~~(i) For an EDWOSB set aside, is certified pursuant to 13 CFR 127.300 as an EDWOSB or has a pending application for EDWOSB certification in the DSBS (see 13 CFR 127.504(a)); or~~

~~(ii) For a WOSB set aside, is certified pursuant to 13 CFR 127.300 as an EDWOSB or WOSB, or has a pending application for EDWOSB or WOSB certification in the DSBS (see 13 CFR 127.504(a)).~~

~~(e) The contracting officer shall verify that offers received are eligible for consideration for award by checking SAM to see if the EDWOSB or WOSB concern is designated as a certified concern or checking DSBS for a pending application for certification.~~

~~(1) If the offeror is designated as certified in SAM or has a pending application for certification in DSBS, proceed with the offer evaluation.~~

~~(2) Unless the offeror is designated as certified in SAM or has a pending application for certification in DSBS, the offer is not eligible for award and shall be removed from consideration.~~

~~(f) Prior to award, the contracting officer shall verify the apparently successful offeror is certified in SAM, or has a pending application for certification in DSBS. If the apparently successful offeror's EDWOSB or WOSB certification is pending in DSBS, the contracting officer shall notify SBA's Director/Government Contracting by email at [WOSBpendingcertification@sba.gov](mailto:WOSBpendingcertification@sba.gov), and request SBA's status determination. The contracting~~

~~officer shall provide SBA with the offeror's name, unique entity identifier, type of set aside, NAICS code, and solicitation number.~~

~~(1) Within 15 calendar days from the date of the contracting officer's notification, SBA will make a determination regarding the offeror's status as an EDWOSB or WOSB eligible under the WOSB program.~~

~~(2) If the contracting officer does not receive a determination from SBA within 15 calendar days, the contracting officer at their discretion, may provide SBA additional time to make a determination, or may proceed with award to the next highest evaluated offeror.~~

~~(3) The contracting officer shall not make award to an offeror who is not a certified EDWOSB or WOSB concern eligible under the WOSB program.~~

~~(g) The contracting officer may make an award, if only one acceptable offer is received from a qualified EDWOSB concern or WOSB concern eligible under the WOSB Program.~~

~~(h) If no acceptable offers are received from an EDWOSB concern or WOSB concern eligible under the WOSB Program, the set aside shall be withdrawn and the requirement, if still valid, must be considered for set aside in accordance with 19.203 and subpart 19.5.~~

~~(i) The SBA procurement center representative (PCR) may recommend use of the WOSB Program. If the contracting officer rejects a recommendation by SBA's PCR—~~

~~(1) The contracting officer shall notify the PCR as soon as practicable;~~

~~(2) SBA shall notify the contracting officer of its intent to appeal the contracting officer's decision no later than five business days after receiving notice of the contracting officer's decision;~~

~~(3) The contracting officer shall suspend further action regarding the procurement until the head of the agency issues a written decision on the appeal, unless the head of the agency makes a written determination that urgent and compelling circumstances which significantly affect the interests of the United States compel award of the contract;~~

~~(4) Within 15 business days of SBA's notification to the head of the contracting activity, SBA shall file a formal appeal to the head of the agency, or the appeal will be determined withdrawn; and~~

~~(5) The head of the agency, or designee, shall specify in writing the reasons for a denial of an appeal brought under this section.~~

## ~~19.1506 Women-Owned Small Business Program sole-source awards.~~

### ~~Cross-Reference~~

~~Link to an amendment published at 90 FR 41879, Aug. 27, 2025.~~

~~(a) A contracting officer shall consider a contract award to an EDWOSB concern on a sole-source basis (see 6.302-5(b)(7)) before considering small business set-asides (see 19.203 and subpart 19.5) provided none of the exclusions at 19.1504 apply and —~~

~~(1) The acquisition is assigned a NAICS code in which SBA has determined that WOSB concerns are underrepresented in Federal procurement;~~

~~(2) The contracting officer does not have a reasonable expectation that offers would be received from two or more EDWOSB concerns; and~~

~~(3) The conditions in paragraph (c) of this section exist.~~

~~(b) A contracting officer shall consider a contract award to a WOSB concern (including EDWOSB concerns) eligible under the WOSB Program on a sole-source basis (see 6.302-5(b)(7)) before considering small business set-asides (see 19.203 and subpart 19.5) provided none of the exclusions at 19.1504 apply and —~~

~~(1) The acquisition is assigned a NAICS code in which SBA has determined that WOSB concerns are substantially underrepresented in Federal procurement;~~

~~(2) The contracting officer does not have a reasonable expectation that offers would be received from two or more WOSB concerns (including EDWOSB concerns); and~~

~~(3) The conditions in paragraph (c) of this section exist.~~

~~(c)~~

~~(1) The anticipated award price of the contract, including options, will not exceed —~~

~~(i) \$7 million for a requirement within the NAICS codes for manufacturing; or~~

~~(ii) \$4.5 million for a requirement within any other NAICS codes.~~

~~(2) The EDWOSB concern or WOSB concern has been determined to be a responsible contractor with respect to performance.~~

~~(3) The award can be made at a fair and reasonable price.~~

~~<https://www.eefr.gov/current/title-48/chapter-1/subchapter-D/part-19>~~  
~~[https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR\\_19\\_104](https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-19#FAR_19_104)~~ (copied 9/26/2025)

~~(d) A contracting officer shall only award a sole source contract to a concern that has been certified pursuant to 13 CFR 127.300 as an EDWOSB or WOSB eligible under the WOSB program. Contracting officers shall not request a status determination from SBA on pending applications for certification for EDWOSB or WOSB sole source awards.~~

~~(e) The SBA has the right to appeal the contracting officer's decision not to make a sole source award to either an EDWOSB concern or WOSB concern eligible under the WOSB program.~~

~~[81 FR 83103, Nov. 18, 2016, as amended at 85 FR 62489, Oct. 2, 2020; 87 FR 58242, Sept. 23, 2022]~~

## **~~19.1507 [Reserved]~~**

## **~~19.1508 Contract clauses.~~**

~~(a) The contracting officer shall insert the clause at 52.219-29, Notice of Set Aside for, or Sole Source Award to, Economically Disadvantaged Women-owned Small Business Concerns, in solicitations and contracts for acquisitions that are set aside or awarded on a sole source basis to, EDWOSB concerns under 19.1505(b) or 19.1506(a). This includes multiple award contracts when orders may be set aside for EDWOSB concerns as described in 8.405-5 and 16.505(b)(2)(i)(F) or when orders may be issued directly to one EDWOSB contractor in accordance with 19.504(c)(1)(ii).~~

~~(b) The contracting officer shall insert the clause at 52.219-30, Notice of Set Aside for, or Sole Source Award to, Women-Owned Small Business Concerns Eligible Under the Women-Owned Small Business Program, in solicitations and contracts for acquisitions that are set aside or awarded on a sole source basis to WOSB concerns under 19.1505(c) or 19.1506(b). This includes multiple award contracts when orders may be set aside for WOSB concerns eligible under the WOSB Program as described in 8.405-5 and 16.505(b)(2)(i)(F) or when orders may be issued directly to one WOSB contractor in accordance with 19.504(c)(1)(ii).~~

~~(c) For use of clause 52.219-14, Limitations on Subcontracting, see the prescription at 19.507(e).~~

~~(d) For use of clause 52.219-33, Nonmanufacturer Rule, see the prescription at 19.507(h).~~

~~[86 FR 44243, Aug. 11, 2021]~~



<b>Summary report:</b> <b>Litera Compare for Word 11.8.0.56 Document comparison done on</b> <b>9/26/2025 11:19:15 AM</b>	
<b>Style name:</b> Default Style	
<b>Intelligent Table Comparison:</b> Active	
<b>Original filename:</b> 48 CFR FAR Part 19 9-26-2025 from eCFR.gov.docx	
<b>Modified filename:</b> 48 CFR FAR Part 19 9-26-2025 revision from acquisition.gov.docx	
<b>Changes:</b>	
<u>Add</u>	1202
<del>Delete</del>	2986
<del>Move From</del>	0
<u>Move To</u>	0
<u>Table Insert</u>	0
<del>Table Delete</del>	0
<u>Table moves to</u>	0
<del>Table moves from</del>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	4188