

19.1309

by special trade contractors, the contracting officer shall determine if at least two HUBZone small business concerns can spend at least 50 percent of the cost of contract performance to be incurred for personnel on their own employees or subcontract employees of other HUBZone small business concerns.

(b) The clause at 52.219-3, Notice of Hubzone Set-Aside or Sole Source Award, or 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns, shall be used, as applicable, with its Alternate I to waive the 50 percent requirement (see 19.1309) if at least two HUBZone small business concerns cannot meet the conditions of paragraph (a); but, the HUBZone prime contractor can still meet the following—

(1) For general construction, at least 15 percent of the cost of the contract performance to be incurred for personnel using the concern's employees; or

(2) For construction by special trade contractors, at least 25 percent of the cost of contract performance to be incurred for personnel using the concern's employees.

(c) See 13 CFR 125.6 for definitions of terms used in paragraph (a) of this section.

[75 FR 77731, Dec. 13, 2010, as amended at 76 FR 68035, Nov. 2, 2011]

19.1309 Contract clauses.

(a) The contracting officer shall insert the clause 52.219-3, Notice of HUBZone Set-Aside or Sole Source Award, in solicitations and contracts for acquisitions that are set aside, or reserved for, 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).

(1) The contracting officer shall use the clause with its Alternate I to waive the 50 percent requirement if the conditions at 19.1308(b) apply.

(2) If a waiver is granted, the HUBZone small business prime contractor must still meet the perform-

48 CFR Ch. 1 (10-1-12 Edition)

ance of work requirements set forth in 13 CFR 125.6(c).

(b) The contracting officer shall insert the clause at FAR 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.

(1) The contracting officer shall use the clause with its Alternate I to waive the 50 percent requirement if the conditions at 19.1308(b) apply.

(2) If a waiver is granted, the HUBZone small business prime contractor must still meet the performance of work requirements set forth in 13 CFR 125.6(c).

[63 FR 70272, Dec. 18, 1998. Redesignated and amended at 75 FR 77731, Dec. 13, 2010; 76 FR 68035, Nov. 2, 2011]

Subpart 19.14—Service-Disabled Veteran-Owned Small Business Procurement 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) Procurement Program”).

(b) The purpose of the Service-Disabled Veteran-Owned Small Business Program is to provide Federal contracting assistance to service-disabled veteran-owned small business concerns.

19.1402 Applicability.

The procedures in this subpart apply to all Federal agencies that employ one or more contracting officers.

19.1403 Status as a service-disabled veteran-owned small business concern.

(a) Status as a service-disabled veteran-owned small business concern is determined in accordance with 13 CFR parts 125.8 through 125.13; also see 19.307.

Federal Acquisition Regulation

19.1405

(b) At the time that a service-disabled veteran-owned small business concern submits its offer, it must represent to the contracting officer that it is a—

(1) Service-disabled veteran-owned small business concern; and

(2) Small business concern under the North American Industry Classification System (NAICS) code assigned to the procurement.

(c) A joint venture may be considered a service-disabled veteran owned small business concern if—

(1) At least one member of the joint venture is a service-disabled veteran-owned small business concern, and makes the representations in paragraph (b) of this section;

(2) Each other concern is small under the size standard corresponding to the NAICS code assigned to the procurement;

(3) The joint venture meets the requirements of paragraph 7 of the explanation of Affiliates in 19.101; and

(4) The joint venture meets the requirements of 13 CFR 125.15(b).

(d) Any service-disabled veteran-owned small business concern (non-manufacturer) must meet the requirements in 19.102(f) to receive a benefit under this program.

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) Javits-Wagner-O'Day Act 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 con-

sent 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]

19.1405 Service-disabled veteran-owned small business 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) To set aside an acquisition for competition restricted to service-disabled veteran-owned small business concerns, the contracting officer must have a reasonable expectation that—

(1) Offers will be received from two or more service-disabled veteran-owned 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 service-disabled veteran-owned 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 service-disabled veteran-owned small business concerns, the service-disabled veteran-owned 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, 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 service-disabled veteran-owned small