

# 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](#)).

(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.

(d) Encourage prime contractors to subcontract with small business *concerns* (see [subpart 19.7](#)).

(e)

(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.

(2) For *acquisitions* described in paragraph (e)(1)(i) through (iii) 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 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
  - (v) Consolidation or *bundling* is necessary and justified.
- (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](#).

**Parent topic:** [19.202 Specific policies](#).