

# 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officer* receives no acceptable *offers* from HUBZone small business concerns, the HUBZone set-aside shall be withdrawn and the requirement, if still valid, set aside for small business concerns, as appropriate (see [19.203](#)).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the *contracting officer*, SBA must file its formal appeal with the *head of the agency*, or the appeal will be deemed withdrawn.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.

**Parent topic:** [Subpart 19.13 - Historically Underutilized Business Zone \(HUBZone\) Program](#)