

# **SUBPART 19.5 - SET-ASIDES FOR SMALL BUSINESS**

*(Revised January 13, 2023 through PROCLTR 2023-03)*

**Parent topic:** PART 19 - SMALL BUSINESS PROGRAMS

## **19.502-7 Inclusion of Federal Prison Industries, Inc.**

(S-90) The Defense Logistics Agency's automated simplified procurement system does not include items listed in the Federal Prison Industries, Inc. (FPI) Schedule (see FAR 8.601(d)). Contracting officers shall procure items listed in the FPI Schedule manually.

## **19.502-8 Rejecting Small Business Administration recommendations.**

(b) If the CCO approves the action of the contracting officer, the next level of appeal shall be the HCA. If the HCA approves the action of the contracting officer, the procurement center representative shall be so advised and may proceed with the appeal actions prescribed in FAR 19.502-8.

## **19.506 Documentation requirements.**

(S-90) For the documentation requirements at FAR 19.506(a) and (b), the contracting officer shall document on DD Form 2579, Small Business Coordination Record.

(i) The contracting officer shall submit the DD Form 2579 documenting the reasons the acquisition is not totally set aside for small business concerns in accordance with FAR 19.502-2 to the small business specialist for review (see DFARS 219.201-2(c)(10)).

(ii) The contracting officer shall include DD Form 2579, including the documentation requirements at FAR 19.506(a) and (b), in the contract file.

## **19.590 Cascading/ set-aside procurement notes for DLA's automated simplified procurement system.**

(a) The Defense Logistics Agency's systems logic for automated simplified procurements considers the applicability of more than one type of set-aside using a cascading evaluation of offers (see DFARS 215.203-70).

(1) If the nonmanufacturer rule is waived (see FAR 19.505(c)(4)) and eligible offers are not received

for a service-disabled veteran-owned small business (SDVOSB) set-aside or a HUBZone set-aside, the automated system will cascade to a small business set-aside.

(2) If the nonmanufacturer rule is waived and after cascading a SDVOSB set-aside or a HUBZone set-aside, no eligible offer is received from a small business concern at a fair market price, the automated systems will withdraw the set-aside and automatically resolicit on an unrestricted basis.

(3) If no eligible offers are received on a SDVOSB set-aside or a HUBZone set-aside and the nonmanufacturer rule is not waived, the automated system will cancel the solicitation and resolicit as a small business set-aside..

(b) Use procurement note L17 for automated solicitations valued over the micro-purchase threshold but less than or equal to the SAT when the nonmanufacturer rule (NMR) is waived and a set-aside to a service disabled veteran-owned small business concern is anticipated.

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#### L17 Service-Disabled Veteran-Owned Small Business/Small Business Set-Aside Cascade Instructions - NMR Waived (JUL 2022)

(1) This solicitation is restricted to service-disabled veteran-owned small business and small business concerns. The Government encourages all small business concerns to submit offers. The Government will make an award based on the following order of set-aside precedence:

(a) Service-disabled veteran-owned small business (SDVOSB) concerns (FAR 52.219-27 and 52.219-14 Limitations on Subcontracting (SEP 2021) (DEVIATION 2021- 00008)).

(b) If no eligible offer is received from a SDVOSB concern at a fair market price, then small business concerns (FAR 52.219-6).

(2) The clauses contained in this procurement note (except paragraph (b) of FAR 52.219- 27) apply to the solicitation. Only the clauses matching the awardee's Small Business Program and Type representation at (1)(a) or (1)(b) apply to the award.

(c) Use procurement note L36 for automated solicitations valued over the micro-purchase threshold but less than or equal to the SAT when the nonmanufacturer rule (NMR) is waived and a set-aside to a HUBZone small business concern is anticipated.

#### L36 HUBZone Small Business/Small Business Set-Aside Cascade Instructions - NMR Waived (JUL 2022)

(1) This solicitation is restricted to HUBZone small business and small business concerns. The Government encourages all small business concerns to submit offers. The Government will make an award based on the following order of set-aside precedence:

(a) HUBZone small business concerns (FAR 52.219-3 and 52.219-14 Limitations on Subcontracting (SEP 2021) (DEVIATION 2021-O0008)).

(b) If no eligible offer is received from a HUBZone small business concern at a fair market price, then small business concerns (FAR 52.219-6).

(2) The clauses contained in this procurement note (except paragraph (b) of FAR 52.219-3) apply to the solicitation. Only the clauses matching the awardee's Small Business Program and Type

representation at (1)(a) or (1)(b) apply to the award.

(d) Automated simplified procurement set-aside for women-owned small business (WOSB).

(1) If the nonmanufacturer rule is not waived (see FAR 19.505(c)(4)) and no eligible WOSB offers are received, the contracting officer shall resolicit as a small business set-aside if the requirement is still valid.

(2) If the nonmanufacturer rule is waived and no eligible WOSB offers are received, the contracting officer shall cascade to a small business set-aside.

(3) Use procurement note L37 in automated solicitations valued over the micro-purchase threshold but less than or equal to the SAT when a women-owned small business set-aside is anticipated and FAR clause 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, is included.

L37 Women-Owned Small Business Program/Small Business Set-Aside Cascade Instructions - NMR Waived (JAN 2023)

(1) This solicitation is restricted to women-owned small business and small business concerns. The Government encourages all small business concerns to submit offers.

(2) *Applicability.* This procurement note applies to automated solicitations valued over the micro-purchase threshold but less than or equal to the SAT, when—

(a) Set-aside for women-owned small business (WOSB);

(b) The nonmanufacturer rule has been waived (see FAR 19.505(c)(4)); and

(c) FAR clause 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, is included in the solicitation.

(3) *General.*

(a) FAR clause 52.219-30, except paragraph (b), applies to this solicitation.

(b) FAR 19.1503 requires WOSB concerns to be certified by the Small Business Administration to be eligible for set-asides under the WOSB Program (see 13 CFR 127.300). A certified economically disadvantaged women-owned small business (EDWOSB) is automatically eligible as a certified WOSB.

(c) The Government will make an award based on the following order of set-aside precedence—

(1) Certified WOSB; or

(2) If no eligible offer is received from a certified WOSB concern at a fair market price, a small business concern.

(d) The following clause(s) apply when award is made to—

(1) Certified WOSB, FAR 52.219-30 and 52.219-14 Limitations on Subcontracting (SEP 2021) (DEVIATION 2021-O0008)); or

(2) After cascade evaluation, small business concern, FAR 52.219-6.

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(e) Automated simplified procurement set-aside for economically disadvantaged women-owned small business (EDWOSB).

(1) If the nonmanufacturer rule is not waived (see FAR 19.505(c)(4)) and no eligible EDWOSB offers are received, the contracting officer shall resolicit as a small business set-aside if the requirement is still valid.

(2) If the nonmanufacturer rule is waived and eligible EDWOSB offers are not received, the contracting officer shall cascade to a small business set-aside.

(3) Use procurement note L38 for automated solicitations valued over the micro-purchase threshold but less than or equal to the SAT when an economically disadvantaged women-owned small business set-aside is anticipated and FAR clause 52.219-29, Notice of Set-Aside for, or Sole-Source Award to, Economically Disadvantaged Women-owned Small Business Concerns, is included.

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L38 Economically Disadvantaged Women-Owned Small Business/Small Business Set-Aside Cascade Instructions - NMR Waived (JAN 2023)

(1) This solicitation is restricted to economically disadvantaged women-owned small business (EDWOSB) and small business concerns. The Government encourages all small business concerns to submit offers.

(2) *Applicability.* This procurement note applies to automated solicitations valued over the micro-purchase threshold but less than or equal to the SAT, when—

(a) Set-aside for EDWOSB;

(b) The nonmanufacturer rule has been waived (see FAR 19.505(c)(4)); and

(c) FAR clause 52.219-29, Notice of Set-Aside for, or Sole-Source Award to, Economically Disadvantaged Women-owned Small Business Concerns, is included in the solicitation.

(3) *General.*

(a) FAR clause 52.219-29, except paragraph (b), applies to this solicitation.

(b) FAR 19.1503 requires EDWOSB concerns to be certified by the Small Business Administration to be eligible for set-asides under the WOSB Program (see 13 CFR 127.300).

(c) The Government will make an award based on the following order of set-aside precedence—

(1) Certified EDWOSB; or

(2) If no eligible offer is received from a certified EDWOSB concern at a fair market price, a small business concern.

(d) The following clause(s) apply when award is made to—

(1) Certified EDWOSB, FAR 52.219-29 and 52.219-14 Limitations on Subcontracting (SEP 2021) (DEVIATION 2021-00008)); or

(2) After cascade evaluation, small business concern, FAR 52.219-6.

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