

## GSA ORDER

Subject: General Services Administration Acquisition Manual; GSAM/R Case 2022-G519, Removing Small Disadvantaged Business Program Requirements to Align with the FAR

1. Purpose. This order transmits a revision to the General Services Administration Acquisition Manual (GSAM) to remove the Small Disadvantaged Business Participation Program to better align with the Federal Acquisition Regulation (FAR) for consistency.
2. Background. FAR Subpart 19.12, Small Disadvantaged Business Participation Program, and all references to it, were removed from the FAR on October 14, 2014 (FAR Case 2009-016, 79 FR 61746). This removal followed a federal court ruling that declared 10 U.S.C. 2323 unconstitutional. FAR Subpart 19.12 derived its authority solely from 10 U.S.C. 2323, thus necessitating its removal. While removal from the FAR was made, no conforming changes were made to the GSAM. Upon routine regulatory review of the GSAM, this discrepancy was observed and removal was determined necessary. This final rule aligns the GSAM with the FAR.
3. Effective date. February 15, 2024
4. Explanation of changes. This amendment includes regulatory and non-regulatory changes. For full text changes of the amendment see Attachment A, GSAR Text Line-In/Line-Out.

This amendment revises the language of the following regulatory GSAR subparts, changes summarized below:

- **519.12 - Small Disadvantaged Business Participation Program:** removed this GSAR Subpart in its entirety and marked as [Reserved].
- **570.101 - Applicability:** removed the entry for “519.12” from section 570.101(b).
- **570.306 - Evaluating Offers:** removed the reference to FAR Subpart 19.1202-4(b) and adjusted the paragraph’s phrasing.
- **570.701 - FAR Provisions and Clauses:** removed the entries for “(h)” and “(m)” from the table and adjusted the table’s sequencing.

This amendment revises the language of the following non-regulatory GSAM subparts, changes summarized below:

- **519.12 - Small Disadvantaged Business Participation Program:** removed this GSAR Subpart in its entirety and marked as [Reserved].
- **570.101 - Applicability:** amended the title of the table in section 570.101(c) to read “GSAM Rules Applicable to Acquisitions of Leasehold Interests in Real Property” and removed the entry for “519.12”.

5. Point of contact. For clarification of content, contact Mr. Curtis Hauschildt, GSA Acquisition Policy Division, at [gsarpolicy@gsa.gov](mailto:gsarpolicy@gsa.gov).

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**GSAR Case 2022-G519(F)**

**GSAR Text, Line-In/Line-Out**

**GSAM Baseline: Change 172 effective 01/01/2024**

- Additions to baseline made by rule are indicated by **[bold text in brackets]**
- Deletions to baseline made by rule are indicated by ~~strikethroughs~~
- Five asterisks (\* \* \* \* \*) indicate that there are no revisions between the preceding and following sections
- Three asterisks (\* \* \*) indicate that there are no revisions between the material shown within a subsection
- Regulatory GSAR language is indicated by **shaded text**
- Non-regulatory GSAM language is indicated by unshaded text

**Part 519 - Small Business Programs**

\* \* \* \* \*

**Subpart 519.12 - ~~[[Reserved]] Small Disadvantaged Business~~**

**~~Participation Program~~**

**~~519.1201 General.~~**

~~A solicitation may separately contain source selection evaluation factors or subfactors for small and women-owned~~

~~small business concerns. However, any factor or subfactor for SDB concerns must comply with FAR 19.12 and this subpart.~~

~~**519.1202 Evaluation factor or subfactor.**~~

~~**519.1202-2 Applicability**~~

~~In addition to the exceptions in FAR 19.1202-2, do not evaluate the extent of participation of SDB concerns in performance of multiple award schedule contracts when all fair and reasonable offers from responsible sources are accepted.~~

~~**519.1202-4 Procedures.**~~

~~An offeror may receive credit under the evaluation factor only for proposed SDB participation by a prime contractor, joint venture partner, teaming arrangement member, or subcontractor in the authorized North American Industry Classification System (NAICS) Industry Subsectors.~~

~~**519.1203 Incentive subcontracting with small disadvantaged business concerns.**~~

~~— (a) To include monetary incentives in a contract under FAR 19.1203, you must have funds available for the incentives and obligate these at the time of contract award.~~

~~— (b) Do not provide for monetary incentives under FAR 19.1203 in a contract that includes an award fee.~~

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**Part 570 - Acquiring Leasehold Interests in Real Property**

**Subpart 570.1 - General**

**570.101 - Applicability.**

\* \* \*

<b>GSAR Rules Applicable to Acquisitions of Leasehold Interests in Real Property</b>			
		519.12	
* * *			
* * *			

\* \* \*

<b>GSAM [Rules] Applicable to Acquisitions of Leasehold Interests in Real Property</b>			
* * *			
* * *			
	519.12		

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**Subpart 570.3 - Acquisition Procedures for Leasehold**

**Interests in Real Property Over the Simplified Lease**

**Acquisition Threshold**

\* \* \* \* \*

**570.306 - Evaluating Offers.**

\* \* \*

(d) The contracting officer may obtain information to evaluate an offeror's past performance on subcontracting plan goals and ~~small disadvantaged business participation, monetary targets, and notifications under FAR 19.1202-4(b)~~ from the following sources:

\* \* \*

\* \* \* \* \*

**Subpart 570.7 - Solicitation Provisions and Contract Clauses**

**570.701 - FAR provisions and clauses.**

\* \* \*

If...	Then include..
* * *	
<del>(h) the estimated value of the acquisition the estimated value of the acquisition exceeds the threshold identified in FAR 19.1202-2(a) and the contracting officer is using a best value trade off analysis in an acquisition includes an evaluation factor that considers</del>	<del>52.219-24 Small Disadvantaged Business Participation Program Targets.</del>  <del>52.219-25 Small Disadvantaged Business Participation Program Disadvantaged Status and Reporting.</del>

<p><del>the extent of participation of small disadvantaged business concerns in accordance with FAR 19.12</del></p>	
<p><del>( [h] ) * * *</del></p>	
<p><del>( [i] ) * * *</del></p>	
<p><del>( [j] ) * * *</del></p>	
<p><del>( [k] ) * * *</del></p>	
<p><del>(m) a negotiated acquisition provides monetary incentives based on actual achievement of small disadvantaged business subcontracting targets under FAR 19.1203 and <a href="#">519.1203</a></del></p>	<p>52.219-26 Small Disadvantaged Business Participation Program- Incentive Subcontracting.</p>

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