

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officer* receives no acceptable *offers* from HUBZone small business concerns, the HUBZone set-aside shall be withdrawn and the requirement, if still valid, set aside for small business concerns, as appropriate (see [19.203](#)).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the *contracting officer*, SBA must file its formal appeal with the head of the agency, or the appeal will be deemed withdrawn.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