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.