19.501 General.

(a)

(1) The purpose of small business set-asides is to award certain *acquisitions* exclusively to small business *concerns*. A "set-aside for small business" is the limiting of an *acquisition* exclusively for participation by small business *concerns*. A small business set-aside *may* be open to any of the small business *concerns* identified at 19.000(a)(3). A small business set-aside of a single *acquisition* or a class of *acquisitions may* be total or partial.

(2) The purpose of small business reserves is to award one or more *multiple-award contracts* to any of the small business *concerns* identified at 19.000(a)(3), under a *full and open competition*. A small business reserve *shall* not be used when the *acquisition* can be set aside, in total or in part.

(b) The *contracting officer* makes the determination to make a small business set-aside, in total or in part, or a reserve. The Small Business Administration (SBA) *procurement* center representative (PCR) (or, if a PCR is not assigned, see 19.402(a)) *may* make a recommendation to the *contracting officer*.

(c) The *contracting officer shall* review *acquisitions* to determine if they can be set aside, in total or in part, or reserved for small business, giving consideration to the recommendations of agency personnel in the *Office of Small and Disadvantaged Business Utilization*, or for the Department of Defense, in the Office of Small Business Programs. Agencies *may* establish threshold levels for this review depending upon their needs.

(d) At the request of an SBA PCR (or, if a PCR is not assigned, see 19.402(a)), the *contracting officer shall* make available for review at the *contracting office* (to the extent of the SBA representative's security clearance) any proposed *acquisition* in excess of the *micro-purchase threshold*.

(e) All *solicitations* involving set-asides, in total or in part, or reserves *shall* specify the NAICS code(s) and corresponding size standard(s) (see 19.102).

(f) Except as authorized by law, a contract *may* not be awarded as a result of a small business set-aside if the cost to the awarding agency exceeds the *fair market price*.

(g) For the applicability of the limitations on subcontracting and the nonmanufacturer rule, see 19.505.

Parent topic: Subpart 19.5 - Small Business Total Set-Asides, Partial Set-Asides, and Reserves