

Subpart 19.14 - Service-Disabled Veteran-Owned Small Business Procurement Program

Parent topic: [Part 19 - Small Business Programs](#)

19.1401 General.

(a) The Veterans Benefit Act of 2003 ([15 U.S.C.657f](#)) created the *procurement* program for small business *concerns* owned and controlled by service-disabled veterans (commonly referred to as the "Service-Disabled Veteran-owned Small Business (SDVOSB) *Procurement* Program").

(b) The purpose of the Service-Disabled Veteran-Owned Small Business Program is to provide Federal *contracting* assistance to *service-disabled veteran-owned small business concerns*.

19.1402 Applicability.

The procedures in this subpart apply to all *Federal agencies* that employ one or more *contracting officers*.

19.1403 Status as a service-disabled veteran-owned small business concern.

(a) Status as a *service-disabled veteran-owned small business concern* is determined in accordance with 13 CFR Parts 125.8 through 125.13; also see [19.307](#).

(b) At the time that a *service-disabled veteran-owned small business concern* submits its *offer*, it *must* represent to the *contracting officer* that it is a—

(1) *Service-disabled veteran-owned small business concern*; and

(2) Small business *concern* under the North American *Industry Classification System* (NAICS) code assigned to the *procurement*.

(c) A joint venture *may* be considered a service-disabled veteran owned small business *concern* if—

(1) The joint venture qualifies as small under [19.301-1\(a\)\(2\)\(i\)](#);

(2) At least one party to the joint venture is a *service-disabled veteran-owned small business concern*, and makes the representations in paragraph (b) of this section; and

(3) The joint venture complies with the requirements of [13 CFR 125.18\(b\)](#).

(d) Any *service-disabled veteran-owned small business concern* (nonmanufacturer) is required to meet the requirements in [19.505](#) to receive a benefit under this program.

19.1404 Exclusions.

This subpart does not apply to-

(a) Requirements that can be satisfied through award to-

(1) Federal Prison *Industries*, Inc. (see subpart 8.6);

(2) AbilityOne participating non-profit agencies for the blind or severely disabled (see subpart 8.7);

(b) Orders under indefinite-delivery contracts (see subpart 16.5). (But see 16.505(b)(2)(i)(F) for discretionary set-asides of orders);

(c) Orders against Federal Supply Schedules (see subpart 8.4). (But see 8.405-5 for discretionary set-asides of orders); or

(d) Requirements currently being performed by an 8(a) participant or requirements SBA has accepted for performance under the authority of the 8(a) program, unless SBA has consented to release the requirements from the 8(a) program.

19.1405 Service-disabled veteran-owned small business set-aside procedures.

(a) The *contracting officer*-

(1) *Shall* comply with 19.203 before deciding to set aside an *acquisition* under the SDVOSB Program;

(2) *May* set-aside *acquisitions* exceeding the *micro-purchase threshold* for competition restricted to SDVOSB *concerns* when the requirements of paragraph (b) of this section can be satisfied; and

(3) *Shall* consider SDVOSB set-asides before considering SDVOSB sole source awards (see 19.1406) or small business set-asides (see subpart 19.5).

(b) To set aside an *acquisition* for competition restricted to *service-disabled veteran-owned small business concerns*, the *contracting officer* must have a reasonable expectation that-

(1) *Offers* will be received from two or more *service-disabled veteran-owned 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 *service-disabled veteran-owned 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 *service-disabled veteran-owned small business concerns*, the *service-disabled veteran-owned 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, except for *acquisitions* not exceeding the *simplified acquisition threshold*, at 19.402 apply to this section. 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 *service-disabled veteran-owned small business concerns*, the SBA *procurement* center representative shall notify the *contracting officer, in writing*, of its intent within 5 working days of receiving the *contracting officer's* notice of rejection. Upon receipt of notice of SBA's intent to appeal, the *contracting officer shall* suspend action on the *acquisition* 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. Within 15 working days of SBA's notification to the *contracting officer*, SBA shall file its formal appeal with the *head of the contracting activity*, or that agency may consider the appeal withdrawn. The *head of the contracting activity shall* reply to SBA within 15 working days of receiving the appeal. The decision of the *head of the contracting activity shall* be final.

19.1406 Sole source awards to service-disabled veteran-owned small business concerns.

(a) A *contracting officer shall* consider a contract award to a SDVOSB *concern* on a sole source basis (see [6.302-5\(b\)\(6\)](#)), before considering small business set-asides (see [19.203](#) and subpart [19.5](#)) provided none of the exclusions of [19.1404](#) apply and—

(1) The *contracting officer* does not have a reasonable expectation that *offers* would be received from two or more *service-disabled veteran-owned small business concerns*;

(2) The anticipated award price of the contract, including *options*, will not exceed—

(i) \$7 million for a requirement within the NAICS codes for manufacturing; or

(ii) \$4 million for a requirement within any other NAICS code;

(3) The requirement is not currently being performed by an 8(a) participant under the provisions of subpart [19.8](#) or has been accepted as a requirement by SBA under subpart [19.8](#);

(4) The *service-disabled veteran-owned small business concern* has been determined to be a responsible contractor with respect to performance; and

(5) Award can be made at a fair and reasonable price.

(b) The SBA has the right to appeal the *contracting officer's* decision not to make a service-disabled veteran-owned small business sole source award.

19.1407 [Reserved]

19.1408 Contract clauses.

(a) The *contracting officer shall* insert the clause at [52.219-27](#), Notice of Service-Disabled Veteran-Owned Small Business Set-Aside, in *solicitations* and contracts for *acquisitions* that are set aside or awarded on a sole-source basis to, *service-disabled veteran-owned small business concerns* under

19.1405 and 19.1406. This includes *multiple-award contracts* when orders *may* be set aside for *service-disabled veteran-owned small business concerns* as described in 8.405-5 and 16.505(b)(2)(i)(F) or when orders *may* be issued directly to one service-disabled veteran-owned small business contractor in accordance with 19.504(c)(1)(ii).

(b)For use of clause 52.219-14, Limitations on Subcontracting, see the prescription at 19.507(e).

(c)For use of clause 52.219-33, Nonmanufacturer Rule, see the prescription at 19.507(h).