

# Subpart 19.14 - Service-Disabled Veteran-Owned Small Business 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) Program").

(b) The purpose of the SDVOSB 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.

(a) Status as an SDVOSB *concern* is determined by SBA in accordance with 13 CFR part 128; also see [19.307](#).

(b) For an SDVOSB *concern* that seeks an SDVOSB set-aside or sole-source contract, the *contracting officer shall* verify that the *offeror*—

(1) Effective January 1, 2024, is designated in the *System for Award Management (SAM)* as an SDVOSB *concern* certified by SBA; or

(2) Has represented that it is an SDVOSB *concern* in SAM and submitted an application for certification to SBA on or before December 31, 2023. Pending applications for certification are in the SBA Veteran Small Business Certification Program database at <https://veterans.certify.sba.gov>.

(c) If there is a decision issued by SBA as a result of a current eligibility examination finding that the *concern* did not qualify as an SDVOSB *concern* eligible under the SDVOSB Program or SBA denies a *concern's* application for SDVOSB certification, the *concern must* update its SDVOSB status in SAM within 2 days of SBA's final decision to reflect that the *concern* is not an eligible SDVOSB. SBA will update the *concern's* SDVOSB status in SAM within 2 days of the *concern's* failure to make the update.

(d) Effective January 1, 2024, a joint venture *may* be considered an SDVOSB *concern* eligible under the SDVOSB Program if—

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

(2) The managing SDVOSB joint venture partner—

(i) Is designated in SAM as an SDVOSB *concern* certified by SBA; or

Has represented that it is an SDVOSB *concern* in SAM and submitted an application for certification to SBA on or before December 31, 2023. Pending applications for certification are in the SBA Veteran Small Business Certification database at <https://veterans.certify.sba.gov>; and (ii)

(3) The joint venture complies with the requirements of 13 CFR 128.402.

## **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 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) A *contracting officer* *may* restrict competition to SDVOSB *concerns* eligible under the SDVOSB Program if there is a reasonable expectation based on *market research* that—

(1) Two or more SDVOSB *concerns* eligible under the SDVOSB Program will submit *offers*; and

(2) Award will be made at a *fair market price*.

(c) Effective January 1, 2024, the *contracting officer* *shall*—

- (1) Verify that *offers* received are eligible for consideration for award by checking if the *offeror*—
- (i) Is designated in SAM as an SDVOSB *concern* certified by SBA; or
  - (ii) Has represented that it is an SDVOSB *concern* in SAM and submitted an application for certification to SBA on or before December 31, 2023. Pending applications for certification are in the SBA Veteran Small Business Certification database at <https://veterans.certify.sba.gov>;
- (2) Proceed with the *offer* evaluation, if the *offeror* meets the criteria in paragraph (c)(1)(i) or (ii) of this section; or
- (3) Remove the *offeror* from consideration, if the *offeror* does not meet the criteria in paragraph (c)(1)(i) or (ii) of this section, as the *offeror* is not eligible for award.
- (d) If the *contracting officer* receives only one acceptable *offer* from an SDVOSB *concern* eligible under the SDVOSB Program 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 SDVOSB *concerns* eligible under the SDVOSB Program, the SDVOSB set-aside *shall* be withdrawn and the requirement, if still valid, set aside for small business *concerns*, as appropriate (see [19.203](#)).
- (e) 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 SDVOSB *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.**

- (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) Effective January 1, 2024, a *contracting officer shall* only award a sole-source contract to a *concern* that—

(1) Is designated in SAM as an SDVOSB *concern* certified by SBA; or

(2) Has represented that it is an SDVOSB *concern* in SAM and submitted an application for certification to SBA on or before December 31, 2023. Pending applications for certification are in the SBA Veteran Small Business Certification Program database at <https://veterans.certify.sba.gov>.

(c) The SBA has the right to appeal the *contracting officer's* decision not to make an SDVOSB sole-source award.

## **19.1407 [Reserved]**

## **19.1408 Contract clauses.**

(a) The *contracting officer shall* insert the clause at [52.219-27](#), Notice of Set-Aside for, or Sole-Source Award to, Service-Disabled Veteran-Owned Small Business (SDVOSB) *Concerns* Eligible Under the SDVOSB Program, 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\(h\)](#).