

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from *service-disabled veteran-owned small business concerns*, the service-disabled veteran-owned set-aside shall be withdrawn and the requirement, if still valid, set aside for *small business concerns*, as appropriate (see [19.203](#)).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.

Parent topic: [Subpart 19.14 - Service-Disabled Veteran-Owned Small Business Procurement Program](#)