

# 52.219-4 Notice of Price Evaluation Preference for HUBZone Small Business Concerns.

As prescribed in [19.1309\(b\)\(1\)](#), insert the following clause:

Notice of Price Evaluation preference for HUBZone Small Business Concerns (Mar 2020)

(a) *Definitions.* See [13 CFR 126.103](#) for the definition of HUBZone.

(b) Evaluation preference.

(1) Offers will be evaluated by adding a factor of 10 percent to the price of all offers, except-

(i) Offers from HUBZone small business concerns that have not waived the evaluation preference; and

(ii) Otherwise successful offers from small business concerns.

(2) The factor of 10 percent shall be applied on a line item basis or to any group of items on which award may be made. Other evaluation factors described in the solicitation shall be applied before application of the factor.

(3) When the two highest rated offerors are a HUBZone small business concern and a large business, and the evaluated offer of the HUBZone small business concern is equal to the evaluated offer of the large business after considering the price evaluation preference, award will be made to the HUBZone small business concern.

(c) *Waiver of evaluation preference.* A HUBZone small business concern may elect to waive the evaluation preference, in which case the factor will be added to its offer for evaluation purposes. The agreements in paragraphs (d) and (e) of this clause do not apply if the offeror has waived the evaluation preference.

Offeror elects to waive the evaluation preference.

(d) *Limitations on subcontracting.* The Contractor shall spend—

(1) For services (except construction), at least 50 percent of the cost of personnel for contract performance on its own employees or employees of other HUBZone small business concerns;

(2) For supplies (other than procurement from a nonmanufacturer of such supplies), at least 50 percent of the cost of manufacturing, excluding the cost of materials, on the concern or other HUBZone small business concerns;

(3) *For general construction—*

(i) At least 15 percent of the cost of contract performance to be incurred for personnel on its own employees;

(ii) At least 50 percent of the cost of the contract performance to be incurred for personnel on its own employees or on a combination of its own employees and employees of HUBZone small

business concern subcontractors;

(iii) No more than 50 percent of the cost of contract performance to be incurred for personnel on concerns that are not HUBZone small business concerns; or

(4) *For construction by special trade contractors—*

(i) At least 25 percent of the cost of contract performance to be incurred on its own employees;

(ii) At least 50 percent of the cost of the contract performance to be incurred for personnel on its own employees or on a combination of its own employees and employees of HUBZone small business concern subcontractors;

(iii) No more than 50 percent of the cost of contract performance to be incurred for personnel on concerns that are not HUBZone small business concerns.

(e) A HUBZone joint venture agrees that the aggregate of the HUBZone small business concerns to the joint venture, not each concern separately, will perform the applicable percentage of work requirements.

(f) *Notice.* The HUBZone small business offeror acknowledges that a prospective HUBZone awardee must be a HUBZone small business concern at the time of award of this contract. The HUBZone offeror shall provide the Contracting Officer a copy of the notice required by [13 CFR 126.501](#) if material changes occur before contract award that could affect its HUBZone eligibility. If the apparently successful HUBZone offeror is not a HUBZone small business concern at the time of award of this contract, the Contracting Officer will proceed to award to the next otherwise successful HUBZone small business concern or other offeror.

(End of clause)

*Alternate I (Mar 2020)* . As prescribed in [19.1309\(b\)\(2\)](#), substitute the following paragraphs (d)(3) and (d)(4) for paragraphs (d)(3) and (d)(4) of the basic clause:

(3) For general construction, at least 15 percent of the cost of the contract performance to be incurred for personnel on its own employees; or

(4) For construction by special trade contractors, at least 25 percent of the cost of the contract performance to be incurred for personnel on its own employees.

**Parent topic:** [52.219 \[Reserved\]](#)