

52.219-14 Limitations on Subcontracting.

As prescribed in [19.507\(e\)](#), insert the following clause:

Limitations on Subcontracting (Mar 2020)

(a) This clause does not apply to the unrestricted portion of a partial set-aside.

(b) *Applicability.* This clause applies only to—

(1) Contracts that have been set aside for small business concerns or 8(a) participants;

(2) Part or parts of a multiple-award contract that have been set aside for small business concerns or 8(a) participants;

(3) Orders set aside for small business concerns or 8(a) participants under multiple-award contracts as described in [8.405-5](#) and [16.505\(b\)\(2\)\(i\)\(F\)](#); and

(4) Orders issued directly to small business concerns or 8(a) participants under multiple-award contracts as described in [19.504\(c\)\(1\)\(ii\)](#).

(c) *Limitations on subcontracting.* By submission of an offer and execution of a contract, the Contractor agrees that in performance of the contract in the case of a contract for—

(1) *Services (except construction).* At least 50 percent of the cost of contract performance incurred for personnel shall be expended for employees of the concern.

(2) *Supplies (other than procurement from a nonmanufacturer of such supplies).* The concern shall perform work for at least 50 percent of the cost of manufacturing the supplies, not including the cost of materials.

(3) *General construction.* The concern will perform at least 15 percent of the cost of the contract, not including the cost of materials, with its own employees.

(4) *Construction by special trade contractors.* The concern will perform at least 25 percent of the cost of the contract, not including the cost of materials, with its own employees.

(d) The Contractor shall comply with the limitations on subcontracting as follows:

(1) For contracts, in accordance with paragraph (b)(1) and (2) of this clause—

[Contracting Officer check as appropriate.]

_ By the end of the base term of the contract and then by the end of each subsequent option period; or

_ By the end of the performance period for each order issued under the contract.

(2) For orders, in accordance with paragraphs (b)(3) and (4) of this clause, by the end of the performance period for the order.

(End of clause)

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