MEMORANDUM FOR DISTRIBUTION

SUBJECT: The Ability to Award a Sole Source Contract through Various Socioeconomic Programs

The attached and linked small business infographic describes authorities that a Contracting Officer has at his or her discretion to award sole source contracts through various socioeconomic programs. (Linked at: https://www.gotovaq.com/index.cfm?action=docs.file&id=0460062909000443 login to enter the site and view the link or see the infographic attached hereto.) Benefits accruing through the use of these authorities can include:

- Reduced cycle time;
- Achievement of statutorily-established socioeconomic acquisition goals; and,
- Maintenance of, and support for, the respective industrial bases of:

  - Women-Owned Small Businesses (WOSB) described at FAR 19.1506;
  - Economically Disadvantaged Women-Owned Small Businesses (EDWOSB) described at FAR 19.506;
  - Service-Disabled Veteran-Owned Small Business (SDVOSB) described at FAR 19.1406;
  - Historically Underutilized Business Zone (HUBZone) described at FAR 19.1306; and,
  - 8(a) Business Development Program described at FAR 19.805-1.

Program offices and Contracting Officers should consider the use of these authorities as another tool in our respective acquisition kits when seeking to support and fulfill requirements. Use of these sole source and limited competition authorities are not only approved but they are also encouraged.

For additional information, the Department of the Navy’s Office of Small Business Programs can be reached at (202) 685-6485.

Elliott B. Branch
Deputy Assistant Secretary of the Navy (Acquisition & Procurement)

Attachments:
As stated

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A contracting officer has authority to award a sole source contract through various socioeconomic programs.

These socioeconomic programs all take precedence over a small business set-aside. Consider them first before conducting a small business set-aside. Except for the Department of Veterans Affairs, there is no order of precedence among these programs.

When can you sole source? In all cases, the contracting officer must expect award will be made to a responsible offeror at a fair and reasonable price. Other conditions that apply to each program include:

### Conditions for Sole Source to Socioeconomic Businesses

#### Women-Owned Small Business (WOSB) and Economically Disadvantaged Women-Owned Small Business (EDWOSB)

- **FAR 19.1506**
- **J&A required**
- Acquisition assigned a NAICS code in which SBA has determined WOSB businesses are underrepresented
- Threshold of $6.5 million for manufacturing NAICS codes ($4 million for other NAICS codes)
- No reasonable expectation that two or more WOSB or EDWOSB businesses will submit offers
- Requirement not being performed by an 8(a) concern or accepted under the 8(a) program

#### Historically Underutilized Business Zone (HUBZone)

- **FAR 19.1306**
- **J&A required**
- Estimated value exceeds the simplified acquisition threshold
- Threshold of $7 million for manufacturing NAICS codes ($4 million for other NAICS codes)
- No reasonable expectation that two or more HUBZone businesses will submit offers
- Requirement not being performed by an 8(a) concern or accepted under the 8(a) program
- Must consider HUBZone set-asides before considering HUBZone sole source awards

#### Service-Disabled Veteran-Owned Small Business (SDVOSB)

- **FAR 19.1406**
- **J&A required**
- Threshold of $6.5 million for manufacturing NAICS codes ($4 million for other NAICS codes)
- No reasonable expectation that two or more SDVOSB businesses will submit offers
- Must consider SDVOSB set-asides before considering SDVOSB sole source awards
- Requirement not being performed by an 8(a) concern or accepted under the 8(a) program

#### 8(a) Business Development Program

- **FAR 19.805-1**
- **J&A not required for acquisitions at or below $7 million for manufacturing NAICS codes ($4 million for other NAICS codes)**
- **J&A required over $22 million (all NAICS codes)**
- Over $7 million/$4 million up to $22 million, document rationale in offering letter to SBA
- SBA may accept a sole source requirement over $7 million/$4 million on behalf of a concern owned by an Indian tribe or an Alaska Native Corporation without a J&A
- SBA may accept a sole source requirement from the Department of Defense over $7 million/$4 million on behalf of a Hawaiian Native Organization (HNO) ([FAR 219.805-3](https://www.federalregister.gov/documents/2019/02/26/2019-02667/section-219-805-3))

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