

**52.219-3 NOTICE OF HUBZONE SET-ASIDE OR SOLE SOURCE
AWARD (MAR 2020)**

(a) *Definition.* See 13 CFR 125.1 and 126.103 for definitions of terms used in the clause.

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

- (1) Contracts that have been set aside or awarded on a sole source basis to, HUBZone small business concerns;
- (2) Part or parts of a multiple-award contract that have been set aside for HUBZone small business concerns;
- (3) Orders set-aside for HUBZone small business concerns under multiple-award contracts as described in 8.405-5 and 16.505(b)(2)(i)(F) and
- (4) Orders issued directly to HUBZone small business concerns under multiple-award contracts as described in 19.504(c)(1)(ii).

(c) *General.*

- (1) Offers are solicited only from HUBZone small business concerns. Offers received from concerns that are not HUBZone small business concerns will not be considered.
- (2) Any award resulting from this solicitation will be made to a HUBZone small business concern.

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

- (1) For services (except construction), at least 50 percent of the cost of contract performance incurred for personnel on its own employees or employees of other HUBZone small business concerns;
- (2) For supplies (other than acquisition from a nonmanufacturer of the 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 incurred for personnel on its own employees;
 - (ii) At least 50 percent of the cost of the contract performance incurred for personnel on its own employees or on a combination of its own employees and employees of HUBZone small business concern subcontractors; and
 - (iii) No more than 50 percent of the cost of contract performance 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 incurred for personnel on its own employees;
 - (ii) At least 50 percent of the cost of the contract performance 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 small business contractor shall comply with the limitations on subcontracting as follows:

(1) For contracts, in accordance with paragraph (b)(1) or (2) of this clause—Start Printed Page 11770

[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 paragraph (b)(3) or (4) of this clause, by the end of the performance period for the order.

(f) A HUBZone joint venture agrees that, in the performance of the contract, the applicable percentage specified in paragraph (d) of this clause shall be performed by the aggregate of the HUBZone small business participants.

(g) *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