§ 126.614 How does a CO apply HUBZone and SDB price evaluation preferences in full and open competition?

A CO may receive offers from both qualified HUBZone SBCs and SDB concerns, or from concerns that qualify as both, during a full and open competition. The CO must first apply the SDB price evaluation preference described in 10 U.S.C. 2323 to all appropriate offerors. The CO must then apply the HUBZone price evaluation preference as described in §126.613 to all appropriate offerors. A concern that is both a qualified HUBZone SBC and an SDB must receive the benefit of both the HUBZone price evaluation preference described in §126.613 and the SDB price evaluation preference described in 10 U.S.C. 2323 and the Federal Acquisition Streamlining Act, section 7102(a)(1)(B), Public Law 103–355, in a full and open competition.

Example 1: In a full and open competition, a qualified HUBZone SBC (but not an SDB) submits an offer of $102; an SDB (but not a qualified HUBZone SBC) submits an offer of $107; and a large business submits an offer of $99. The CO first applies the SDB price evaluation preference and adds 10% to the qualified HUBZone SBC’s offer thereby making that offer $112.2, and to the large business’s offer thereby making that offer $109.3. As a result, the large business is the lowest, responsive, and responsible offeror. Next, the CO applies the HUBZone preference and, since the qualified HUBZone SBC’s offer is not more than 10% higher than the large business’s offer, the CO must deem the price offered by the qualified HUBZone SBC to be lower than the price offered by the large business.

Example 2: A qualified HUBZone SBC (but not an SDB) submits an offer of $102; a qualified HUBZone SBC that is also an SDB submits an offer of $105; an SDB (but not a qualified HUBZone SBC) submits an offer of $107; a small business concern (but not a qualified HUBZone SBC or an SDB) submits an offer of $99. The CO must first apply the SDB price evaluation preference to establish the lowest, responsive, and responsible offeror. Thus, the qualified HUBZone SBC’s offer becomes $112.2; the qualified HUBZone SBC/SDB’s offer remains $105; the SDB’s offer remains $107; the small business concern’s offer becomes $109; and the large business’s offer becomes $102.3. As a result of the SDB price evaluation preference, the large business is the lowest, responsive, and responsible offeror. Next, the CO must apply the HUBZone price evaluation preference and if a qualified HUBZone SBC’s price is not more than 10% higher than the large business’s price, the CO must deem its price to be lower than the large business’s price. In this example, the qualified HUBZone SBC price of $112.2 is not more than 10% higher than the large business’s price, however, the qualified HUBZone SBC/SDB’s price of $105 is also not more than 10% higher than the large business’s price and is lower than the qualified HUBZone SBC’s price. Consequently, the CO must deem the price of the qualified HUBZone/SDB as the lowest, responsive, and responsible offeror.

§ 126.615 May a large business participate on a HUBZone contract?

A large business may not participate as a prime contractor on a HUBZone award but may participate as a subcontractor to an otherwise qualified HUBZone SBC, subject to the contract performance requirements set forth in §126.700.

§ 126.616 What requirements must a joint venture satisfy to submit an offer on a HUBZone contract?

A joint venture may submit an offer on a HUBZone contract if the joint