



U.S. Small Business
Administration



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SBA's Small Business Learning Series

Set-asides & Reserves

Not intended for public distribution

Hosts

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Welcome to “SBA Virtual Learning 2025”

1. Questions answered during the final 10 minutes.
2. Technical problems: Contact your IT admin who manages Teams settings for your organization.
3. Captioning available for this presentation.
4. We cover the “**SBA Quick Reference**” as time allows.
5. For more SBA training visit the SBA Learning Center website <https://www.sba.gov/tools/sba-learning-center/search/training>

The APEX Accelerator Program

The APEX Accelerators are a vital resource partner.

- APEX Accelerator have a name change and a new website.
- Its new name is the National APEX Accelerator Alliance. The new website is <https://www.napex.us/>
- Recordings have been posted to a new URL and they are current to November 6, 2024.
- The website recordings are at:
<https://www.napex.us/category/sba-webinars/>

Small Business Administration YouTube Page

SBA YouTube page posts past “First Wednesday” programming at links below.

FY2023

- October 5, 2022 – 8(a) Business Development Program Updates: <https://youtu.be/Yl5Sp0dP1aE>
- November 2, 2022 – Surety Bond Guarantee Program: <https://youtu.be/QIZJiMLcc5o>
- December 7, 2022 – Subcontracting Program: <https://youtu.be/gMaaeGl8CBs>
- January 4, 2023 – Surveillance Review Program: <https://youtu.be/euUX4Jv6kRI>
- February 1, 2023 – HUBZone Program: <https://youtu.be/YGnS8e6idCc>
- March 1, 2023 – The Mentor Protégé Program: <https://youtu.be/A9KbCm4FP1c>
- April 5, 2023 – Non-Manufacture Rule (NMR): <https://youtu.be/AqwYMWoe9f0>
- May 3, 2023 – Size Program: https://youtu.be/45WZ_oPb1GY
- Jun 7, 2023 – Legislature and Regulatory Updates: <https://youtu.be/ljx9IajQJNY>
- July 5, 2023 – Market Research: [SBA First Wednesday Market Research - July 13, 2023](#)
- August 2, 2023 – Service-Disabled Veteran Owned Program (SDVOSB): <https://youtu.be/QxcxJISRhnw>

FY2024

- October 4, 2023 - Certificate Of Competency: <https://youtu.be/VDZ-uuCLlWw>
- November 1, 2023 - 8(a) Program Updates: <https://youtu.be/6fN3dK0EShs>
- December 6, 2023 - Timber Program : <https://youtu.be/sa29iONBtfk>
- January 3, 2024 - Compliance Reviews: https://youtu.be/WmZn_oa13-o
- February 7, 2024 – Limitations on Subcontracting: <https://youtu.be/fYtGi6zhjXM>
- March 6, 2024 – Mentor Protégé Program: <https://youtu.be/ULmCzTe4c04>
- April 3, 2024 – Women-Owned Small Business Program: <https://youtu.be/E-R17-5IBn4>
- *May 9, 2024 - Participation Plans & Subcontracting Plans: <https://youtu.be/6OBLwxqdoZM>
- June 5, 2024 – Legislative and Regulatory Update: <https://youtu.be/iajaPOhtgHI>
- July 11, 2024 – HUBZone: <https://youtu.be/MJ9iL8dTOMk>
- August 7, 2024 – Market Research: <https://youtu.be/zg4ceGaqveE>

FY2025

- October 2, 2024 – SBA Size and Affiliation: <https://youtu.be/il5o6YEONc0>
- November 6, 2024 - Procurement Center Representative - An advocate, A Resource: https://youtu.be/_eJwz2S934Y
- December 4, 2024 – Small Business Plans (Pre-Award): <https://youtu.be/WQ4z3WRrUu8>
- January 16, 2025 - Small Business Plans (Post-Award): <https://youtu.be/B2yJIACfq6w>
- February 5, 2025 – Other Transaction Authority (OTA): <https://youtu.be/Hd10cTVnifo>
- March 5, 2025 – Surveillance Reviews: https://youtu.be/Cx_nlOLVij0

FIRST WEDNESDAY VIRTUAL LEARNING SERIES

FY 2025 SCHEDULE

1:00 to 2:00 PM Central Time

2:00 to 3:00 PM Eastern Time

FY 2025	Date	Topic
1	October 2, 2024	SBA Size and Affiliation
2	November 6, 2024	PCR: An Advocate, A Resource
3	December 4, 2024	Subcontracting Plans (Pre-Award)
4	*January 16, 2025	Subcontracting Plans (Post-Award)
5	February 5, 2025	Other Transaction Authority (OTA)
6	March 5, 2025	Surveillance Review
7	April 2, 2025	Set-Asides & Reserves
8	May 7, 2025	TBA
9	June 4, 2025	Legislative Updates
10	July 2, 2025	Reviewing ISRs/eSRS
11	August 6, 2025	TBA

The program schedule is for information only and is subject to change

*Schedule Revisions may occur Due to Holiday or Programming Conflict

One Continuous Learning Point

- Self-service process for one CLP of credit: Many of you want to receive credit for today's training. You will be glad to know that today's training is worth one CLP. The slide presentation will include the training certificate on Slide 10. Fill, download the training certificate, copy and submit it through regular channels.
- If you listen in groups and you want all attendees to be included on the future mailing list, send email addresses of participants in an excel document to sbalearning@sba.gov.

“SBA 1st Wednesday Virtual Learning 2025”

This Certificate is awarded to

Insert Your Name Here

For completion of
Set-Asides & Reserves

This training seminar may be credited towards “Continuous Learning Points” as described in OFPP Policy Letter 05-01. Recommendation of One CLP.



Thomas Krusemark
Acting Director, Area IV
SBA Office of Government Contracting

04/02/2025

Date

Shelton Watson
Procurement Center Representative
SBA Government Contracting
Area IV

What is Total Small Business Set-aside? FAR 19.502-2

Limiting a total acquisition exclusively for participation by small business concerns.

- Automatically done between micro-purchase threshold and Simplified Acquisition Threshold (SAT)
- Done above SAT when Rule of Two applies
- After consideration of other SB Programs
- Limitations on Subcontracting and Nonmanufacturer Rule applies above SAT
- Example: A&E requirement where Brooks Act qualifications-based selection (3 or more highly qualified firms have been selected) has been made at the base contract level. Rule of Two can be applied at task order level to issue a total small business set-aside.

What is a Partial Set-Aside? 13 CFR 125.1

Designates, for a Multiple Award Contract*, a contracting strategy that can be used when all apply:

- Market research indicates that a total set-aside is not appropriate
 - The procurement can be broken up into smaller discrete portions or discrete categories by Contract Line Items, Special Item Numbers, Sectors or Functional Areas
 - Two or more small business concerns, 8(a) BD Participants, HUBZone SBCs, SDVOSBCs, WOSBs or EDWOSBs are expected to submit an offer on the set-aside part or portions of the requirement at a fair market price.
- *FAR allows for partial set-asides for other than multiple award contracts (Same rules apply-see definition of a MAC in FAR Part 2)

What is a Multiple Award Contract?

- Multiple award contract is defined as:

- (1) A Multiple Award Schedule contract issued by GSA (e.g., GSA Schedule Contract) or agencies granted Multiple Award Schedule contract authority by GSA (e.g., Department of Veterans Affairs) as described in FAR part 38 and subpart 8.4;
- (2) A multiple award task-order or delivery-order contract issued in accordance with FAR subpart 16.5, including Governmentwide acquisition contracts; or
- (3) Any other indefinite-delivery, indefinite-quantity contract entered into with two or more sources pursuant to the solicitation.

Using Partial Set-Asides for Multiple Award Contracts(MAC) and Other than MAC FAR 19.502-3 and 19.502-4

- Not for construction
- Total set-aside is not appropriate
- Requirement can be divided into distinct portions
- Not using Simplified Acquisition Procedures (FAR 19.502-3(a)(3) and 19.502-4(a)(3). Up to SAT or \$15M when using FAR 13.5
- Two or more small businesses expected to submit competitive offers in terms of fair market prices(not the same as lowest price), quality, and delivery
- SB Programs eligibility applies

(cont)
FAR 19.502-3 and 19.502-4

- For other than MAC partial set-asides, solicitation will result in other MAC
- CO/KO shall set-aside portion(s) when above is met for other than MAC
- CO/KO may set-aside when above is met for MAC

- SBs can submit offerors for and be awarded both portions of the requirement
- One or more awards for each distinct portions of the requirement can be made
- LOS and NMR applies only to the set-aside portion(s) of the requirement

Partial Set-Asides Examples FAR 19.502-3

Example: CLIN 0001, Janitorial Services, Small Business Set-Aside
CLIN 0002, Hazardous Waste Treatment and Disposal
Service, Unrestricted

Example: 500 widgets are partially set-aside, while the remaining 500
widgets of a total of 1000 widgets are unrestricted.

Example: CLINS 0001-0005 are set-aside, CLINS 0006-0010 are
unrestricted

- Ideal for definite quantity, one-time purchases vs indefinite quantity
which is more appropriate for multiple awards (FAR 16.500(a))

What is a Reserve? 13 CFR 125.1

For a Multiple Award Contract, an acquisition conducted using F&O competition where the CO/KO makes the stated assertion that:

- Two or more contract awards to any one type of small business concern (e.g., Small Business, 8(a), HUBZone, SDVOSB, WOSB or EDWOSB) and competes any orders solely amongst the specified types of small business concerns if the “rule of two” or any alternative set-aside requirements provided in the small business program have been met;
- Several awards to several different types of small businesses (e.g., one to 8(a), one to HUBZone, one to SDVOSB, one to WOSB or EDWOSB) and competes any orders solely amongst all the small business concerns if the “rule of two” has been met or;
- one contract award to any one type of small business concern (e.g., small business, 8(a), HUBZone, SDVO SBC, WOSB or EDWOSB) and subsequently issues orders directly to that concern.

An award on a bundled contract to one or more small businesses with a Small Business Teaming Arrangement.

Using a Reserve FAR 19.503

The purpose of small business reserves is to award one or more **multiple-award contracts** to any of the small business concerns identified at [19.000](#)(a)(3), under a **full and open competition**. A small business reserve shall not be used when the acquisition can be set aside, in total or in part.

Total set-aside of two or more small businesses **is not** expected to submit competitive offers in terms of fair market prices(not the same as lowest price), quality, and delivery that can perform the **entire requirement**

Partial set-aside is not feasible because requirement is unable to be divided into distinct portions.

Differences - Reserves 13 CFR 125.2(e)(4)

- Reserves are used in multiple award contracts when two or more SBs cannot meet the total requirement and is not severable into distinct portions. A Reserve of one or more contracts will be reserved for small or socioeconomic businesses.
- TOs/DOs made from the base contract may be unrestricted, set-aside, or sole source under SB Programs.
- LOS and NMR does not apply at base contract level when Unrestricted, however, it does apply to set-aside orders.

Differences between Partial set-sides and Reserves

Partial

- MAC or single award (ideal for single award)
- Separate awards for each portion (not considered a MAC)
- Not for construction
- Not used under SAP
- SBs can be awarded unrestricted and set-aside portions
- LOS and NMR applies only to portions set-aside
- Portions not competed against different portions
- SB can offer on unrestricted and set-aside portions

Reserve

- MAC
- Construction allowed
- Can be used under SAP
- Specific number of awards are made solely to SBs
- Task orders can be unrestricted, set-aside, or sole source
- LOS and NMR applies at TO/DO levels that are set-aside
- SB offer to be included in Reserve

Documentation and PCR recommendations FAR19.506 and 13 CFR 125.2(b)(ii)

The contracting officer shall document the rationale when a contract is not totally set aside for small business in accordance with 19.502-2.

The contracting officer shall document the rationale when a multiple-award contract is not partially set aside, not reserved, and does not allow for setting aside of orders, when these authorities could have been used.

The PCR must recommend to the procuring activity alternative procurement methods that would increase small business prime contract participation... Such alternatives may include:

- Reserving one or more awards for small businesses when issuing Multiple Award Contracts
- Using a partial set-aside



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Questions?

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