

GSA ORDER

Subject: General Services Administration Acquisition Manual; GSAR Case 2022-G505, Clause for Direct 8(a) Contracting

1. Purpose. This order transmits a revision to the General Services Administration Acquisition Regulation (GSAR) to remove a long-standing prohibition on 8(a) orders through the Federal Supply Schedules (FSS) and to clarify an existing clause for direct 8(a) contracts. By removing the prohibition, 8(a) orders are now authorized through the FSS. This authority stems from a June 23, 2022, partnership agreement between SBA and GSA.
2. Background. OMB Memo M-22-03 Advancing Equity in Federal Procurement speaks to the President's goal of increasing the share of contracts awarded to small disadvantaged businesses (SDBs). GSA and SBA recognized one key action they could take to support this goal was to permit 8(a) awards through the FSS, thus harnessing the power of two premier contracting programs for SDBs. On June 23, 2022, the two agencies signed a partnership agreement covering this, and numerous other details.

This order also clarifies ambiguous language within GSAR 519.870-2 for modifying a FAR clause for 8(a) procurements. In order to be more clear and consistent with clause prescriptions throughout the GSAR, GSA is recognizing the FAR clause deviation through a new GSAR clause number rather than through buried instructions.

The FAR clause deviation associated with this GSAR case is issued following consultation with the Chair of the Civilian Agency Acquisition Council (CAAC) in accordance with FAR 1.404(a) and GSAM 501.404(a).

This change prescribes the use of GSAR Clause 552.219-18, *Notification of Competition Limited to Eligible 8(a) Participants*.

3. Effective date. May 2, 2024

4. Explanation of changes. This amendment includes non-regulatory and regulatory changes. For full text changes of the amendment see Attachment A, GSAR Text Line-In/Line-Out.

This amendment revises ***non-regulatory language*** as summarized below:

Subpart 519.8 - Contracting With the Small Business Administration (The 8(a) Program)

519.870-1 Authority and applicability

- Revised paragraph (b) to remove the limitation for 8(a) through the FSS.

This amendment revises ***regulatory language*** as summarized below:

Subpart 519.8 - Contracting With the Small Business Administration (The 8(a) Program)

519.870-2 Contract clauses

- Revised paragraph (a)(3) to replace FAR Clause 52.219-18 with GSAR Clause 552.219-18.

Subpart 552.2 - Text of Provisions and Clauses

552.219-18 Notification of Competition Limited to Eligible 8(a) Participants

- Added the clause, noting it as a deviation to FAR 52.219-18.

5. Point of contact. For clarification of content, contact the GSA Acquisition Policy Division at gsarpolicy@gsa.gov.

Jeffrey Koses
Senior Procurement Executive
Office of Acquisition Policy
Office of Government-wide Policy

TAB A- GSAR Line-In/Line-Out

GSAM Baseline: Change 177 effective 03/20/2024

- Additions to baseline made by rule are indicated by [bold text in brackets]
- Deletions to baseline made by rule are indicated by ~~strikethroughs~~
- Five asterisks (* * * * *) indicate that there are no revisions between the preceding and following sections
- Three asterisks (* * *) indicate that there are no revisions between the material shown within a subsection
- Regulatory GSAR language is indicated by shaded text
- Non-regulatory GSAM language is indicated by unshaded text

Part 519 - Small Business Programs

* * * * *

Subpart 519.8 - Contracting With the Small Business Administration
(The 8(a) Program)

* * * * *

519.870 Direct 8(a) [] contracting.

519.870-1 Authority and applicability.

(a) In accordance with FAR 19.800-~~(f)~~ [(e)], GSA obtained a delegation from SBA permitting direct 8(a) contracting as documented through GSA's [8(a)] Partnership Agreement. The current Partnership Agreement can be found on GSA's Acquisition Portal at <https://insite.gsa.gov/acquisitionportal>.

(b) This authority applies to all 8(a) [] acquisitions conducted by [] GSA. ~~It does not apply to the multiple award schedule program.~~

519.870-2 Contract clauses.

(a) Insert the following clauses in solicitations, contracts, and orders issued ~~[in accordance with the provisions of Section 8(a) of the U.S. Small Business Administration Act as implemented by FAR subpart 19.8 and]~~ GSA's **[8(a)]** Partnership Agreement:

- (1) [552.219-74](#), Section 8(a) Direct Award;
- (2) **[FAR]** [52.219-14](#), Limitations on Subcontracting; and
- (3) ~~[52.219-18](#), Notification of Competition Limited to Eligible 8(a) Participants~~ **[FAR Deviation. 552.219-18, Notification of Competition Limited to Eligible 8(a) Participants. GSA has a FAR Deviation that allows the use of clause 552.219-18 in lieu of the FAR clause at 52.219-18.]**, ~~with~~

~~(i) Paragraph (c) of the clause substituted with the following text "(c) Any award resulting from this solicitation will be made directly by the Contracting Officer to the successful 8(a) offeror selected through the evaluation criteria set forth in this solicitation" and~~

~~(ii) The text "(DEVIATION)" added after the date of the clause.~~

(b) Do not insert the following ~~FAR~~ clauses **[in solicitations, contracts, and orders in accordance with the provisions of Section 8(a) of the U.S. Small Business Administration Act as implemented by FAR subpart 19.8 and GSA's 8(a) Partnership Agreement:]**~~-~~

- (1) **[FAR]** [52.219-11](#), Special 8(a) Contract Conditions;
 - (2) **[FAR]** [52.219-12](#), Special 8(a) Subcontract Conditions;
- and

(3) [FAR] [52.219-17](#), Section 8(a) Award.

* * * * *

Part 552 - Solicitation Provisions and Contract Clauses

* * * * *

[552.219-18, Notification of Competition Limited to Eligible 8(a) Participants (DEVIATION FAR 52.219-18)].

As prescribed in [519.870-2](#) (a), insert the following clause:

Notification of Competition Limited to Eligible 8(a) Participants
(DATE) (DEVIATION FAR 52.219-18)

(a) Offers are solicited only from

1. Small business concerns expressly certified by the Small Business Administration (SBA) for participation in SBA's 8(a) Program and which meet the following criteria at the time of submission of offer-

(i) The Offeror is in conformance with the 8(a) support limitation set forth in its approved business plan; and

(ii) The Offeror is in conformance with the Business Activity Targets set forth in its approved business plan or any remedial action directed by the SBA.

2. A joint venture, in which at least one of the 8(a) program participants that is a party to the joint venture complies with the criteria set forth in paragraph (a)(1) of this clause, that complies with [13 CFR 124.513\(c\)](#); or

3. A joint venture—

(i) That is comprised of a mentor and an 8(a) protégé with an approved mentor-protégé agreement under the 8(a) program;

(ii) In which at least one of the 8(a) program participants that is a party to the joint venture complies with the criteria set forth in paragraph (a)(1) of this clause; and

(iii) That complies with [13 CFR 124.513\(c\)](#).

(b) By submission of its offer, the Offeror represents that it meets the applicable criteria set forth in paragraph (a) of this clause.

(c) Any award resulting from this solicitation will be made directly by the Contracting Officer to the successful 8(a) offeror selected through the evaluation criteria set forth in this solicitation. A Contracting Officer may consider a joint venture for contract award. SBA does not approve joint ventures for competitive awards, but see [13 CFR 124.501\(g\)](#) for SBA's determination of participant eligibility.

(d) The Contractor will notify the Contracting Officer in writing immediately upon entering any agreement (either oral or written) to transfer all or part of its stock.

(End of clause)]