

(2) Part 15, Contracting by Negotiation;

(3) Part 11, Acquisition and Distribution of Commercial Products; and

(4) Part 36, Construction and Architect-Engineer Contracts, including the use of Standard Form 1442, Solicitation, Offer and Award (Construction, Alteration, or Repair), for construction contracts (see 36.701(b)).

32. Section 13.104 is revised to read as follows:

13.104 Procedures.

(a) Contracting officers shall make awards under this part in the simplified manner that is most suitable, efficient, and economical in the circumstances of each acquisition. Contracting officers may use the procedures in this part in acquisitions from Government supply sources (see part 8), if their use is authorized by the basic contract or concurred in by the source.

(b) Related items (such as small hardware items or spare parts for vehicles) may be included in one solicitation and the award made on an "all-or-none" basis if suppliers are so advised when quotations are requested.

(c) Agencies shall use bulk funding to the maximum extent practicable to reduce processing time, handling, and documentation. Bulk funding is particularly appropriate if numerous purchases using the same type of funds are to be made during a given period.

(d) Agencies shall inspect items or services acquired under simplified acquisition procedures as prescribed in 46.404.

(e) Agencies shall use United States-owned foreign currency, if appropriate, in making payments when using simplified acquisition procedures (see subpart 25.3).

(f) For proposed purchases covered by this part, see 5.101 for public display and synopsis requirements.

(g) When a quotation, oral or written, is to be rejected because a small business firm is determined to be nonresponsive (see subpart 9.1), see subpart 19.6 with respect to certificates of competency.

33. Section 13.105 is revised to read as follows:

13.105 Small business set-asides.

(a) Except as provided in paragraphs (b) and (c) of this section, each acquisition (non-FACNET and FACNET) of supplies or services that has an anticipated dollar value exceeding \$2,500 and not exceeding \$100,000, is reserved exclusively for small business concerns and shall be set aside (see subpart 19.5).

(b) The requirements of this section apply only to purchases in the United States, its territories and possessions, Puerto Rico, and the Trust Territory of the Pacific Islands (see 19.000). Foreign concerns shall not be solicited for acquisitions set aside for small business concerns.

(c)(1) Each written solicitation under a set-aside shall contain the appropriate provisions or clauses prescribed by Part 19. If the solicitation is oral, however, information substantially identical to that which is in the provision or clause shall be given to potential quoters.

(2) If the contracting officer determines there is no reasonable expectation of obtaining quotations from two or more responsible small business concerns that will be competitive in terms of market price, quality, and delivery, the contracting officer need not proceed with the small business set-aside and may purchase on an unrestricted basis. If the SBA procurement center representative disagrees with a contracting officer's decision not to proceed with the small business set-aside, the SBA procurement center representative may appeal the decision in accordance with the procedures set forth in 19.505.

(3) If the contracting officer proceeds with the set-aside and receives a quotation from only one responsible small business concern at a reasonable price (see 13.106-2(a)), the contracting officer shall make an award to that concern. However, if the contracting officer does not receive a reasonable quotation from a responsible small business concern, the contracting officer may cancel the set-aside and complete the purchase on an unrestricted basis.

(4) If the purchase is on an unrestricted basis under 13.105(c)(2), the contracting officer shall document in the file the reasons for the unrestricted purchase.

(5) See part 19 for policy concerning—

(i) Contracting with the Small Business Administration under the 8(a) Program (subpart 19.8);

(ii) Emerging small business set-aside (19.1006(c)); and

(iii) The Small Business Competitiveness Demonstration Program (subpart 19.10).

34. Section 13.106 text is removed and the heading is revised to read as follows:

13.106 Purchases exceeding the micro-purchase threshold.

35. Section 13.106-1 is added to read as follows:

13.106-1 Soliciting competition, evaluation of quotas, and award.

(a) *Soliciting competition.* (1) Contracting officers shall solicit a reasonable number of sources to promote competition to the maximum extent practicable, and to ensure that the purchase is advantageous to the Government, based, as appropriate, on either price alone or price and other factors (e.g., past performance and quality) including the administrative cost of the purchase. Requests for quotations or solicitations shall notify suppliers of the basis upon which award is to be made.

(2) FACNET is the preferred method of soliciting simplified acquisitions. However, if FACNET is not available, or if the contracting officer has made a determination that it is not practicable or cost-effective to process a specific purchase via FACNET, or if the head of the contracting activity has made a determination that it is not practicable or cost-effective to process a class of purchases via FACNET (see 4.506), quotations may be solicited through other appropriate means. Requests for quotations should be solicited orally to the maximum extent practicable for contract actions not expected to exceed \$25,000, when FACNET is not available or a determination has been made that it is not practicable or cost-effective to purchase via FACNET. Oral solicitations may not be practicable for most contract actions exceeding \$25,000 because of the synopsis requirement in 5.101. A synopsis may incorporate enough information for the contracting officer to receive oral quotes. The contracting officer is not required to issue a separate written solicitation. Paper solicitations for contract actions not expected to exceed \$25,000 should only be issued when obtaining electronic or oral quotations is not considered economical or practical. Solicitations for construction contracts over \$2,000 shall only be issued electronically or by paper solicitation.

(3) When not soliciting quotations electronically, maximum practicable competition ordinarily can be obtained without soliciting quotations or offers from sources outside the local trade area. Generally, solicitation of at least three sources may be considered to promote competition to the maximum extent practicable if the contract action does not exceed \$25,000. If practicable, two sources not included in the previous solicitation should be requested to furnish quotations. The following factors influence the number of quotations required in connection with any particular purchase: